

PROPERTY **PERFECT**

PROPERTY PERFECT PUBLIC COMPANY LIMITED

ANNUAL REPORT 2016





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MESSAGE FROM BOARD OF DIRECTORS



A handwritten signature in dark ink, appearing to read 'Tawatchai Nakhata'.

Dr. Tawatchai Nakhata
Chairman

Year 2016 will be forever remembered following the departure of HM King Bhumibol Adulyadej (King Rama IX) on 13 October 2016. On behalf of Property Perfect Public Company Limited, I wish to express our loyalty and respects to the much-revered monarch who had long been the center of Thais' hearts.

In 2016, the economic condition as a whole was unfavorable to the business sector, as household debt remained high while financial institutions imposed stringent measures on mortgage loan applications, resulting in the rejection of about 30-40% of the applications. Meanwhile, the stimulus measures to boost the property sector launched late 2015 and continued through the first quarter of 2016 simply accelerated the decision pace without creating chain effects. To developers, the measures were a tool to release the inventory rather than an incentive for new projects. When the measures ended, demand apparently dropped in the second quarter. Demand picked up in the third quarter but later faltered as the whole country was grieving the unexpected departure of King Bhumibol Adulyadej. The launch of new projects and marketing activities were postponed while consumers delayed their purchase decisions. Throughout the year, the number of newly-launched units managed to increase by 2% from the previous year, mostly due to low-rise units which jumped by 16% against a 7% decrease in the number of condominium units as a result of delayed launch of new projects.

The aforementioned factors affected the Company's launch plan as well. In 2016, the Company unveiled 8 projects with combined value of Bt7,980 million (7 low-rise projects worth Bt6,580 million and 1 condominium project worth Bt1,400 million), against the planned launch of 18 projects worth Bt18,180 million. This pushed down the annualized sale revenue by 19% to Bt10,757 million: 66% generated by single houses and townhouses and 34% by condominium units. However, the property development business showed a 16% increase in revenue to Bt12,465 million, mainly due to the 59% increase in revenue from the condominium segment which generated Bt4,988 million. The increase was partly attributable to the realization of revenue from 3 condominium projects - Metroluxe Phaholyothin, Metroluxe Kaset and Metroluxe Riverfront. In contrast, the transfers of single houses and townhouses decreased by 4% to Bt6,614 million. Other revenue came from the sale of land worth Bt864 million Bt2,194 from the hotel business, Bt361 million from the rental and service business and Bt89 million from the construction service business. The Company's total revenue thus grew 21% on year to Bt15,553 million, and the net profit margin is 2.1% in 2016 close to 2015.

The Board of Directors also achieved its goals in maintaining revenue growth; outlining the clear business plan for the property development business and the plan to turn the GRAND hotels into leading properties; developing mixed-use residential and hotel/resort projects; and establishing a real estate investment trust for the hotel business. Meanwhile, though Kiroro, a hotel in Japan, still showed a loss in 2016, the development plans are being carried out to ensure profitability in the future.

The Board of Directors sets out the 3 following strategies for 2017:

1. **Raising capital** to strengthen the capital base ahead of investment expansion and be prepared for uncontrollable external factors. The Company is raising the capital through the issuance of 1,300 million shares and perpetual subordinated bonds worth no more than Bt2,000 million. Meanwhile, GRAND has raised capital by issuing 2,110 million shares.

2. **Growing revenue** by raising the revenue ratio from premium products, particularly single houses priced Bt20 million or more. The Company also plans to launch 16 new projects with the combined value of Bt22,190 million; 11 single house and townhouse projects worth Bt14,252 million and 5 condominium projects worth Bt7,938 million. GRAND will focus on premium condominiums in CBD areas and luxury villas. With backlog worth Bt2,100 million, it will transfer the completed units in the Hyde project in the fourth quarter of 2017. It will also open Hyatt Regency Sukhumvit Hotel late 2017 and establish a real estate investment trust for the hotel business.

3. **Enhance profitability** by increasing the efficiency of operations, financial cost management, and expense control, with the main goal to improve the Company's rating.

The ongoing talks on domestic and foreign partnership, to strengthen core businesses, should be concluded in 2017. Meanwhile, Kiroro should reach a break-even point and show profits, through the promotion of both hotel property and ski activities to a wider scale of potential customers following renovation in the past two years. These should sustain the Company's revenue and profit expansion.

On behalf of the Board of Directors, I hereby thank all shareholders, customers, investors, business partners, business allies and financial institutions which have shown their supports to the Company, as well as executives and employees for their patience and dedication in the past year.



Chainid

Mr.Chainid Adhyanasakul
Chief Executive Officer

FINANCIAL INFORMATION

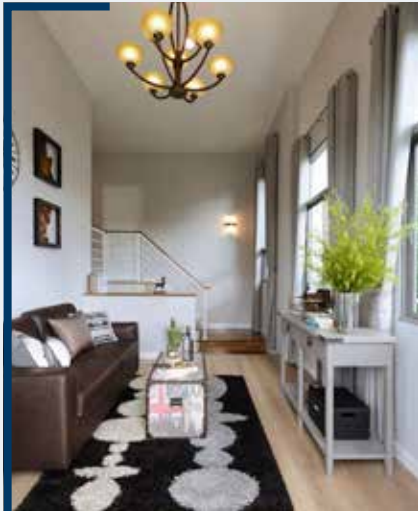
PROPERTY PERFECT PUBLIC COMPANY LIMITED

(Unit : Million Baht)

	2016	2015	2014
Financial Position			
Total Assets	48,790	43,277	31,406
Project Development Cost	25,324	21,659	17,525
Inventories	35	42	35
Total Liabilities	34,853	29,614	22,434
Shareholders' Equity	13,937	13,663	8,972
Operation Results			
Sales	15,109	12,049	12,444
Total Revenue	15,553	12,905	12,785
Gross Margin	4,953	3,657	3,915
Net Income	332	267	403
Financial Ratio			
Net Profit (%)	2.14	2.07	3.15
Return on Equity (%)	3.58	3.63	4.55
Return on Total Asset (%)	0.72	0.72	1.3
Debt to Equity Ratio	2.50	2.17	2.47
Current Ratio	2.19	2.16	1.55
Per Share Data			
Net Income per Share (Baht)	0.066	0.047	0.064
Dividend (Baht)	0.04	0.030	0.044
Book value (Baht)	1.49	1.43	1.54



COMPANY AND SUBSIDIARIES INFORMATION



Company Information

Name	: Property Perfect Public Company Limited
Type of Business	: Real Estate Development
Head Office	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Business Registration Number	: 0107536001231
Home Page	: www.pf.co.th
Telephone Number	: 0-2245-6640-8, 02-247-7500-4
Fax	: 0-2247-3328
No. of Paid-up Share	: 7,667,826,432 Shares
Par Value	: Baht 1
Paid-up Capital	: Baht 7,667,826,432

Legal Entity, The company hold 10% up

The Company and Subsidiaries , Directly Owned	
Name	: Estate Perfect Company Limited
Type of Business	: Real Estate Development
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-246-0733
No. of Paid-up Share	: 120,000,000 Shares
Par Value	: Baht 10
Paid-up Capital	: Baht 1,200,000,000
Percentage of Investment	: 100 %
Name	: Bright Development Bangkok Company Limited
Type of Business	: Real Estate Development
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-246-0733
No. of Paid-up Share	: 10,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 1,000,000,000
Percentage of Investment	: 100 %
Name	: Residence Number Nine Company Limited
Type of Business	: Real Estate Development
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-246-0733
No. of Paid-up Share	: 10,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 1,000,000,000
Percentage of Investment	: 100 %
Name	: Chiangmai Development Company Limited
Type of Business	: Real Estate Development
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-246-0733
No. of Paid-up Share	: 2,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 200,000,000
Percentage of Investment	: 100 %

Name	: We Retail Public Company Limited
Type of Business	: Real Estate Development — Shopping Center and Commercial Area
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-645-0024
No. of Paid-up Share	: 2,490,585,084 Shares
Par Value	: Baht 1.05
Paid-up Capital	: Baht 2,615,114,338.20
Percentage of Investment	: 94.98 %
Name	: Property Perfect International Pte.Ltd.
Type of Business	: Investment and Oversea Real Estate Development
Address	: 160 Robinson Road #17-01 SBF Center Singapore 068914.
No. of Paid-up Share	: 1 Share
Par Value	: SGD\$ 1
Paid-up Capital	: SGD\$ 1
Percentage of Investment	: 100 %
Name	: Perfect Sport Club Company Limited
Type of Business	: Clubhouse Management
Address	: 19th Flr., Vongvanich B Bldg., 100/52 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-645-1409
No. of Paid-up Share	: 500,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 50,000,000
Percentage of Investment	: 100 %
Name	: U & I Construction Bangkok Company Limited
Type of Business	: Construction
Address	: 27th Flr., Vongvanich B Bldg., 100/89 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-246-2093-6
Fax	: 02-246-2020
No. of Paid-up Share	: 1,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 100,000,000
Percentage of Investment	: 100 %

Name	: Uniloft Service (Thailand) Company Limited
Type of Business	: Service Apartment
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	: 02-245-6640-8, 02-247-7500-4.
Fax	: 02-246-0733
No. of Paid-up Share	: 13,250 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 1,325,000 (1,000 shares or Bt 100 par value and 49,000 shares or Bt 25 par value)
Percentage of Investment	: 100 %
Name	: Perfect Prefab Company Limited
Type of Business	: Manufacturer and Install Prefab Structures
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-246-0733
No. of Paid-up Share	: 250,000 Shares
Par Value	: Baht 10
Paid-up Capital	: Baht 2,500,000
Percentage of Investment	: 51 % (49% held by Centre of Standard Precast Company Limited)
Name	: Ramintra Mall Company Limited (Formerly known as Marirya Stuff Company Limited)
Type of Business	: Real Estate Development — Shopping Center and Commercial Area
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-246-0733
No. of Paid-up Share	: 3,500,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 350,000,000
Percentage of Investment	: 100 %
Name	: Thai Property Public Company Limited
Type of Business	: Real Estate Development
Address	: 29th Chan Issara Tower II Bldg., 2922/305-306, New Petchaburi Rd., Bangkok, Huaykwang, Bangkok 10310.
No. of Paid-up Share	: 3,193,185,471 Shares
Paid-up Capital	: Baht 3,193,185,471
Percentage of Investment	: 94.60%

Name	: Dara Harbour Company Limited
Type of Business	: Real Estate Development
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
No. of Paid-up Share	: 200,000,000 Shares
Par Value	: Baht 10
Paid-up Capital	: Baht 200,000,000
Percentage of Investment	: 65.00%
Name	: T Utilities Company Limited
Type of Business	: Invest in utility-related business ventures and projects.
Address	: 116/1 Silom Road, Suriyawong, Bangrak, Bangkok 10500
No. of Paid-up Share	: 1,500,000 Shares
Par Value	: Baht 10
Paid-up Capital	: Baht 15,000,000
Percentage of Investment	: 40.00%
Subsidiaries, Indirectly Owned	
Name	: Centrepont Shopping Mall Company Limited* (Subsidiary of We Retail Plc.)
Type of Business	: Real Estate Development — Shopping Center and Commercial Area
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
Telephone Number	: 02-245-6640-8, 02-247-7500-4
Fax	: 02-645-0024
No. of Paid-up Share	: 5,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 500,000,000
Percentage of Investment	: 94.98%
Name	: All Discount Company Limited (Subsidiary of We Retail Plc.)
Type of Business	: Develop and operate innovative low-cost retail business.
Address	: 593-593/1, Sukhumvit Road, Klongton , Wattana, Bangkok
Telephone Number	: 02-662-1000
Fax	: -
No. of Paid-up Share	: 1,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 25,000,000
Percentage of Investment	: 47.50%

Name	: Kiroro Resort Holdings Co., Ltd (Formerly known as Share Group Company Limited)
Type of Business	: Real Estate Development and Hotel Business in Japan
Address	: ITO ONE TEN Building 2F 5-1 Nishi 4-chome Kita 7-jo Kita-ku Sapporo, Hokkaido, Japan
No. of Paid-up Share	: 526,070 Shares
Paid-up Capital	: JPY 2,799,925,640
Percentage of Investment	: 97.27%
Name	: Kabushiki Kaisha Kiroro Associates Company Limited (Subsidiary of Share Group Co.,Ltd.)
Type of Business	: Ski Area Management
Address	: 128-1 Tokiwa, Akaigawa-mura, Yoichigun,Hokkaido, Japan
No. of Paid-up Share	: 610 Shares
Paid-up Capital	: JPY 60,000,000
Percentage of Investment	: 97.27%
Name	: Kabushiki Kaisha Kiroro Hotels Co., Ltd. (Subsidiary of Kiroro Resort Holdings Company Limited)
Type of Business	: Real Estate Development and Hotel Business in Japan
Address	: 128-1 Tokiwa, Akaigawa-mura, Yoichigun,Hokkaido, Japan
No. of Paid-up Share	: 3,000 Shares
Paid-up Capital	: JPY 30,000,000
Percentage of Investment	: 97.27%
Name	: Kabushiki Kaisha Kiroro Resort Development Co., Ltd. (Subsidiary of Kiroro Resort Holdings Co., Ltd.)
Type of Business	: Real Estate Development Business in Japan
Address	: ITO ONE TEN Building 2F 5-1 Nishi 4-chome Kita 7-jo Kita-ku Sapporo, Hokkaido, Japan
No. of Paid-up Share	: 3,000 Shares
Paid-up Capital	: JPY 30,000,000
Percentage of Investment	: 97.27%
Name	: Pacific Estate Development Company Limited (Subsidiary of Thai Property Plc.)
Type of Business	: Rental office buildings
Address	: M Floor., Pacific I Building, 140, Sukhumvit Rd., Kwang Khlong toei Khet Khlong toei, Bangkok
No. of Paid-up Share	: 600,000,000 Shares
Paid-up Capital	: Baht 600,000,000
Percentage of Investment	: 94.60%
Name	: Metro Premier Holding Company Limited (Subsidiary of Thai Property Plc.)
Type of Business	: Investment
Address	: 29 th Floor, Cham Issara Tower II, 2922/305-306, New Petchaburi Road, Baangkapi, Huaykwang, Bangkok
No. of Paid-up Share	: 5,000,000 Shares
Paid-up Capital	: Baht 5,000,000
Percentage of Investment	: 94.60%

Name	: Grande Asset Hotels and Property Public Company Limited (Subsidiary of Thai Property Plc.)
Type of Business	: Hotel management, Space rental in Shopping Mall and Property Development
Address	: 32nd Floor., Exchange Tower, 388 Sukhumvit Road, Khlong toey, Bangkok
No. of Paid-up Share	: 2,889,039,237 Shares
Paid-up Capital	: Baht 2,889,039,237
Indirect Stake	: 38.43%
Direct Stake	: 1.70%
Name	: Scenery Peak Company Limited (Subsidiary of Thai Property Plc.)
Type of Business	: Investment Business
Address	: Quastisky Buildings, PO Box 4389, Road Town, Tortola, British Virgin Islands
No. of Paid-up Share	: 50,000 Shares
Paid-up Capital	: US\$ 50,000
Direct Stake	: 94.60%
Name	: Grande Equity Development Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)
Type of Business	: Real Estate development Business
Address	: Unit 3203-4, 32nd FL., Exchange Tower Bldg., Sukhumvit Rd., Kwang Khlongtoey, Khet Khlongtoey, Bangkok
No. of Paid-up Share	: 2,500,000 Shares
Paid-up Capital	: Baht 100
Indirect Stake	: 38.43%
Percentage of Investment	: 100.00%
Name	: Honor Business Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)
Type of Business	: Hotel Business
Address	: Unit 3203-4, 32nd FL., Exchange Tower Bldg., Sukhumvit Rd., Kwang Khlongtoey, Khet Khlongtoey, Bangkok
No. of Paid-up Share	: 5,000,000 Shares
Paid-up Capital	: Baht 100
Indirect Stake	: 38.43%
Percentage of Investment	: 100.00%
Name	: Owendelle Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)
Type of Business	: Hotel Business
Address	: 9/22 Moo 5 Paknampran, Paknampran, Pran Buri, Prachuap Khiri Khan 77220
No. of Paid-up Share	: 28,000,000 Shares
Paid-up Capital	: Baht 10
Indirect Stake	: 38.43%
Percentage of Investment	: 100.00%

Reference	
Auditors	<p>Mr.Supachai Phanyawattano) Ms.Thipawan Nananuwat Mr.Krissada Lertwana</p> <p>EY Office Limited (Formerly known as Ernst & Young Office Limited) 33rd Floor, Lake Rajada Office Complex 193/136-137 New Rajadapisek Road, Bangkok 10110 Tel. 0-2264-0777, 0-2661-6190 Fax. 0-2264-0790, 0-2661-9192</p>
Financial Institute	<p>Krung Thai Bank Public Company Limited 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110</p> <p>Bank of Ayudhya Public Company limited 1222 Rama III Road, Bangphongphang, Yannawa, Bangkok 10120</p> <p>CIMB Thai Public Bank Company limited 44 North Sathorn Road, Lumpini, Prathumwan, Bangkok 10330</p> <p>Thanachart Bank Company limited 1101 New Phetchaburi Rd. Makkasan, Rajthewi, Bangkok 10400</p>
Share Registrar	<p>Thailand Securities Depository Co., Ltd. 4th, 6th -7th Flr. ,The Stock Exchange of Thailand Bldg., 62 Ratchadaphisek Road, Klongtoey ,Bangkok 10110 Tel. 0-2359-1200 -1 Fax. 0-2359-1259</p>
Property Valuation	<p>Agency for real estate affairs Co., Ltd . 10 Nonsi Rd., Nonsi, Yannawa, Bangkok 10120 Tel. 0-2295-3905 Fax. 0-2295-1154</p> <p>Brooke Real Estate Limited 20th Floor., Unit 2005-6, The Millennia Tower, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2652-6300 Fax.0-2652-639</p> <p>Thai Property Appraisal Lynn Phillips Co., Ltd. 11th Floor, RS Tower Building, 121/47-48 Rachadaphisek Rd., Dindaeng, Bangkok 10320 Tel. 0-2641-2128-32 Fax : 0-2641-2134</p> <p>S.L. Standard Appraisal Co.,Ltd 114 Rattana Uthit Road, Soi 19,Tambon Hadyai, Amphoe Hadyai, Songkhla 90110 Tel. 0-7435-9130 Fax. 0-7435-9130</p> <p>Wealth Appraisal Co., Ltd. 11/277 Thanthawat Village 5 Soi Watchapol 1/9 Tha Raeng Kheth Bang Khe , Bangkok 10220 Tel. 0-2948-0928-9, 0-2948-2258 Fax. 0-2948-2259</p> <p>Knight Frank Charter (Thailand) Co., ltd. 65/192 23rd Floor Chamnan Phenjati Business Center Rama IX Road Huaykwang District, Bangkok 10320 Tel. 0-2643-8223 Fax. 0-2643-8224</p>
Legal Advisor	<p>Weerawong, Chinnavat & Peangpanor Co., Ltd. 22nd Floor., Mercury Tower, 540 Ploenchit Road , Lumpini, Prathumwan, Bangkok 10330 Tel. 0-2264-8000 Fax. 0-2657-2222</p>

NATURE OF BUSINESS



Property Perfect Public Company Limited was established on 14 August 1985 by the group of Maneeya Estate's operators, with initial registered capital of Bt300,000. On 19 October 1993, the company was registered as a public company and on 1 June in the same year, it was listed on the Stock Exchange of Thailand in the Property Sector.

The Company witnessed severe impacts from the financial crisis and baht devaluation in 1997, leading to financial problems, business rehabilitation and debt restructuring. After completing rehabilitation and debt-restructuring conditions, the Central Bankruptcy Court approved the exit from rehabilitation in 2004. The Company completely repaid debts in 2011.

As 31 December 2016, The company is now capitalized at Bt9,000,000,000, consisting of 9,000,000,000 common shares at Bt1 par value. The paid-up capital is 7,667,826,432, consisting 7,667,826,432 common shares at Bt1 par value.

Major events in the past 4 years

2016 :

- The Company and SCI Electric Public Company Limited set up a 40:60 joint venture called T Utilities Co Ltd, to offer utility services. As of 31 December 2016, the joint venture's registered capital and paid-up capital stood at Bt15,000,000.
- KRH's board of directors approved the establishment of a wholly-owned subsidiary, Kiroro Resort Development Co.,Ltd. to develop property projects. The new venture is capitalized at 30 million yen.
- We Retail's board of directors approved the 50% investment in a newly-established joint venture, All Discount Co.,Ltd. The retail-business venture is capitalized at Bt25 million, one fourth of its Bt100 million registered capital (1,000,000 shares at Bt100 par value).
- At the 1/2016 extraordinary meeting on 23 December 2016, shareholders approved the issuance of 1,300 million shares at Bt1 par value, to be offered in lots through private placements, as well as the issuance of debentures denominated in US dollar or other currencies worth no more than US\$100 million.

2015 :

- The annual shareholder meeting resolutions reached on 23 April 2015 were as follows:
 - Approve the Company's alteration in the payment method for shares in Thai Property Company Limited (TPROP). Tendering for all shares in TPROP, the company would only offer cash payment of Bt0.57 a share to TPROP's shareholders.
 - Approve the Company's alteration in the payment method for shares in Grande Asset Hotels and Property Public Company Limited (Grande Asset). Tendering for all shares in Grande Asset, the Company would only offer cash payment of Bt1.29 per share to Grande Asset's shareholders. The tender offer price was changed to Bt1.29 a share as Grande Asset's shareholders approved the issuance of new shares as dividend payment, at the ratio of 1 share per 20 existing shares.
 - Unanimously approve the reduction in the Company's registered capital from Bt10,737,610,610 to Bt5,960,980,722 (5,960,980,722 shares at Bt1 par value), by cancelling unallocated shares reserved for the tender offer of TPROP and Grande Asset as well as shares reserved for the exercise of 1/2012 warrants (PF-W3) totaling 4,776,629,888 shares at Bt1 par value.
 - Approve the capital increase from Bt5,960,980,722 to Bt7,900,000,000, by issuing 1,939,019,278 shares at Bt1 par value.
 - Approve the allocation of 1,928,031,552 shares at Bt1 par value to existing shareholders, at the ratio of 1 new share to every 3 old shares at the price of Bt1. (Incremental shares were unaccounted for). Approve the reservation of no more than 10,987,726 shares at Bt1 par value for the exercise of 1/2012 warrants (PF-W3).

The company issued a total of 1,806,495,077 shares at Bt1 apiece or a total of Bt1,806,495,077. Warrants (PF-W3) were also exercised for the value of Bt78,379,700.
- Establish a subsidiary namely Dara Harbour Company Limited with the registered capital of Bt400,000,000 (Bt200,000,000 paid-up). The Company holds a 65% stake in the subsidiary.
- Increase the registered capital in We Retail Company Limited accordingly to the Company's holding. The Company, holding 94.98% in We Retail, subscribed to the 1:1 rights offering shares worth Bt1,300,985,485.80 or Bt1.10 per share.

2014 :

- We Retail Co.,Ltd. reduced the capital from Bt6,337,678,570 (1,267,535,714 common shares at Bt5 par value) to Bt1,330,912,499.70, by lowering the par value from Bt5 to Bt1.05. Through the reduced capital worth Bt5,006,766,070.30, We Retail's share loss and accumulated losses were cleared. Then, the capital was raised from Bt1,330,912,499.70 to Bt4,761,824,999.40 (4,535,071,428 shares at Bt1.05 par value).
- Property Perfect International converted loan to Share Group to equity, by subscribing to 100,000 new shares at 5,000 yen a share or a total of 500 million yen. Share Group then used the proceeds to repay a loan to Property Perfect International. Property Perfect International now owns 95.61% in Share Group, which was renamed to Kiroro Resort Holdings in November 2014.
- Shareholders at the 1/2014 extraordinary meeting on 29 July 2014 approved the the plan to take over Thai Property and Grande Asset. The shareholders also approved related activities like the issuance and allocation of new shares to Thai Property and Grande Asset's shareholders who agree to the acquisition plan.

- Raise the registered capital in Perfect Sport Club Co.,Ltd. by Bt45 million to Bt50 million. Half of it is paid-up.
- On 6 November 2014, the Board of Directors approved the divestment of all shares in Krungthep Land (KLAND) to Golden Land Property Development Public Company Limited. The decision is pending for the approval of Golden Land's shareholders who convened on 9 December 2014.
- Univenture Co.,Ltd held the 1/2014 extraordinary shareholder meeting on 9 December 2014, whereby Golden Land Property Development, a subsidiary, was allowed to buy all 1,780,000 shares of KLAND or a sufficient number to own at least 51% of KLAND's shares from existing shareholders at Bt2 apiece. The decision was to ensure Golden Land Property Development's controlling stake in KLAND. The 100% stake was estimated to value Bt3,560,000.

2013 :

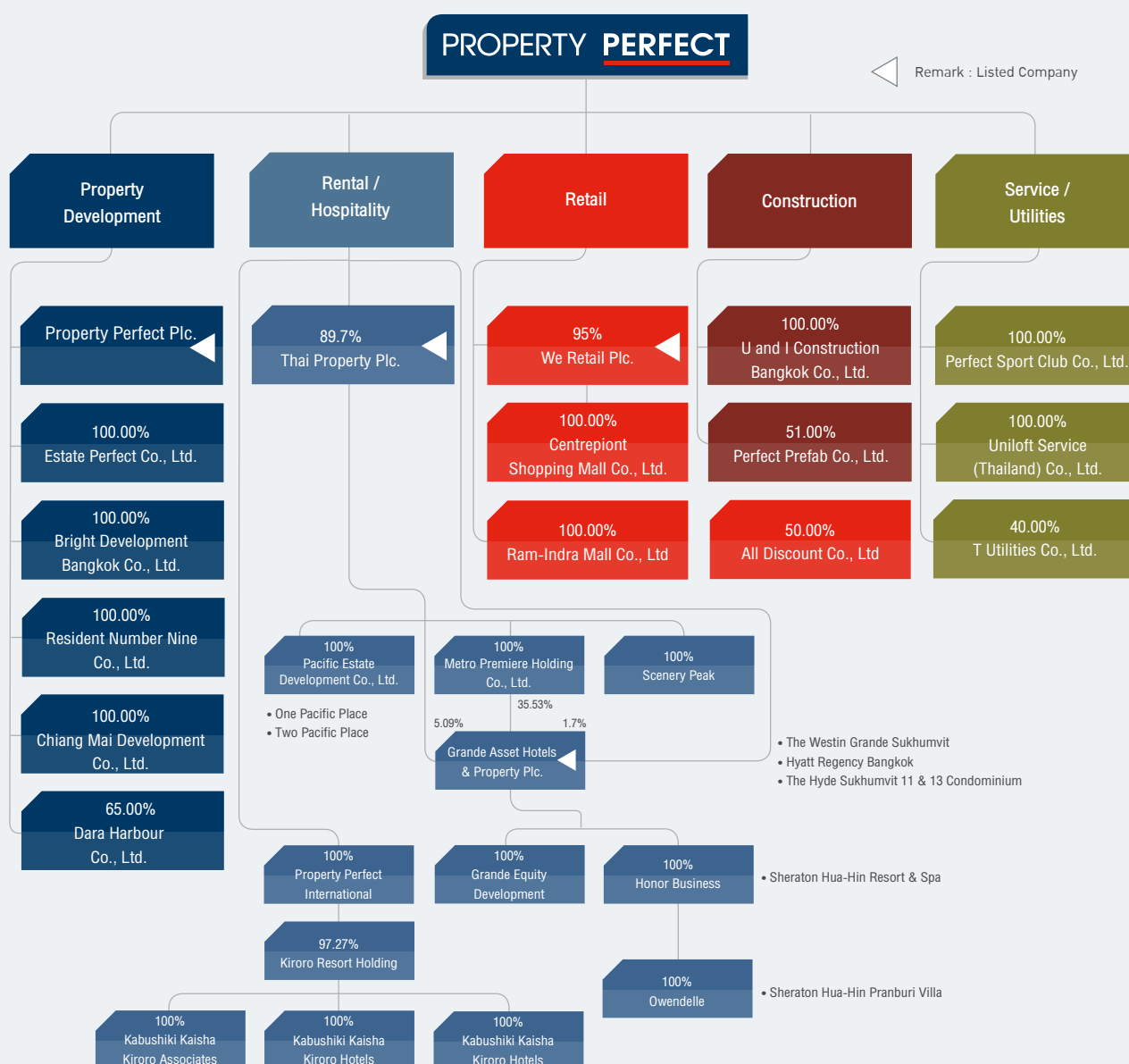
- The Board of Directors resolved to repurchase all houses sold to Property Perfect Fund at the price of Bt505 million. Property Perfect Fund was dissolved in March.
- Establish a wholly-owned subsidiary, Chiangmai Development Company Limited, with the registered and paid-capital of Bt200 million, consisting of 2 million shares at Bt100 par value.
- Subscribe to We Retail Public Company Limited's capital-increase shares, to maintain the shareholding ratio. Existing shareholders were offered 5 new shares for every 8 existing shares, at Bt1.10 apiece, or a total of Bt500.4 million. The company's shareholding ratio is 93.31%
- Increase the registered capital of Uniloft Service Co.,Ltd. a subsidiary, by Bt4.9 million from Bt100,000 (paid-up). Twenty five per cent of new capital is paid up, or Bt1.225 million. The current paid-up capital is Bt1.325 million.
- Buy all shares of Mariya Stuff Company Limited, which owns the leasing right on a land in Bang Kapi, at Bt350 million. This turns Mariya which was later renamed to Ramintra Mall Co Ltd into a subsidiary.
- Establish and co-invest in Uniloft Property Fund, which was transferred a dormitory building near Mahidol University Salaya Campus. The fund was registered with Bt515 million in capital, consisting 51.5 million shares at Bt10 par value.

2012 :

- Invest in Japan through subsidiary Property Perfect International Pte Ltd (PPI), which bought 69.01% shares in Share Group Co.,Ltd. (SG) and its assets, Kiroro Resort on Hokkaido Island. The assets cover a 292-rai land plot, 2 hotel buildings with 422 rooms, hotel fixtures, and ski equipment.
- Pay an additional sum for U & I Construction Bangkok Co.,Ltd., worth Bt50 a share, for new shares which raised the wholly-owned subsidiary's capital to Bt100 million.
- Approve the purchase 363,912,024 shares of We Retail Public Company Limited, a subsidiary, offered at Bt1.10 apiece or a total of Bt400,303,226.40. The new shares boosted the Company's stake in We Retail to 727,824,048 shares or 91.05%.

The Shareholder's Structure

The company and subsidiaries operate in the property development business, with the focus in single houses and condominiums in the Greater Bangkok. The subsidiaries and associated companies operate in five business : 1) Property development group 2) Rental property and hospitality 3) Retail group 4) Construction group 5) Service group and others. The structure as of 31 December 2016 is as follows;





Property Development Units

The company and subsidiaries are mainly involved with the property development for sale. The projects involve the development of single detached houses, townhouses, and condominiums. Details are as follows;

Property Perfect Public Company Limited (“The Company”)

Developing housing estates, town house and condominiums. As of 31 December 2016, a total of 60 projects are under development with outstanding value of Bt 40,759.36 million.(Additional information on the projects of the company and subsidiaries are in Graphic: Project by Type)

Note: Exclude projects of Grande Asset Hotels and Property Plc.

Estate Perfect Co., Ltd. (Subsidiary)

Estate Perfect Company Limited, (“Estate”) is located at 100/1 Vorasombat Bldg., Floor 17th, Rama IX Road, Huay Khwang, Bangkok. It was established in 1994, to develop single detached house, duplex house houses and townhouses, with focus on potential locations.

Estate is now capitalized at Bt1,200 million at Bt10 par while the paid-up capital totaled Bt1,200 million. The company now owns 100% of Estate.

As of 31 December 2015, Sale of Estate’s 8 projects is underway, and the remaining value of the unsold units is Bt 5,837.10 million. (Additional information on the projects of the subsidiaries are in Graphic: Project by Type)

As of 31 December 2016, Estate Perfect Company Limited’s 5 directors are:

Name		Position
1. Ms.Sirirat	Wongwattana	Director
2. Mr.Krittapas	Pongpakawat	Director
3. Mr.Pornswat	Katechulasiroj	Director
4. Mr.Wicharn	Siriwetwarawut	Director
5. Mr.Wason	Srirattanapong	Director

Bright Development Bangkok Co., Ltd. (Subsidiary)

Bright Development Bangkok Co.,Ltd. ("Bright") is Located at 100/1 Vorasombat Building (17th flr), Rama IX Road, Huay Kwang, Bangkok, Bright Development was established on 2007 for condominium development..

At present , Bright Development Bangkok Co., Ltd.is now capitalized at Bt 1,000 million, all paid up. The company holds 100% in Bright.

Aside from its focus to develop condominiums under "iCondo" brand, Bright embarked on the project to develop premium dormitories, specifically for students, under "Uniloft" brand. The project to create "extraordinary campus living" experience focuses on famous universities. At present, it is developing two Uniloft projects which are valued at Bt1,000 million Uniloft near Chiangmai University in Chiang Mai and Uniloft near Mahidol University in Salaya, Nakhon Pathom. In 2013, the company sold the Uniloft Salaya project to a property fund.

On December 2016, Bright planned 13 condominium projects and, the remaining value of unsold units is Bt9,363.71 million (Additional information on the projects of the subsidiaries are in Graphic: Project by Type). Bright plans to launch 4 new condominium projects in 2017 with combined value of Bt6,900 million in high-potential locations near electric train lines and universities - iCondo Station Rattanaibet, iCondo Serithai, Metro Sky Charan 13 and Metro Sky Wutthakat.

As of 31 December 2016, Bright Development Bangkok Co.,Ltd's 5 directors are;

Name		Position
1. Ms.Sirirat	Wongwattana	Director
2. Mr.Pornswat	Katechulasriroj	Director
3. Mr.Wicharn	Siriwetwarawut	Director
4. Mr.Sumeth	Suwajanakorn	Director
5. Mr.Nantachart	Kliebhipat	Director

Residence Number Nine Company Limited (Subsidiary)

Residence Number Nine Company Limited ("Residence") is located at 100/1 Vorasombat Building (17th flr), Rama IX Road, Huay Kwang, Bangkok, is capitalized at Bt1,000 million. Owned 100% by the company, The subsidiary is tasked to develop low-rise small-scale housing projects in potential locations. Its target groups are new families, looking for single houses and townhouses valued between Bt1.9-Bt5 million.

In 2014, Residence expands its business to Chiang Mai province, lured by its potential and increasing residential demand. The project, under the "Perfect Place" brand, is valued at Bt938 million.

As of 31 December 2016, Residence's 5 projects are now marketed , The remaining value of unsold units is Bt2,088.38 million. (Additional information on the projects of the subsidiaries are in Graphic: Project by Type)

As of 31 December 2016, Residence Number Nine Company Limited's 4 directors are:

Name		Position
1. Ms.Sirirat	Wongwattana	Director
2. Mr.Pornswat	Katechulasriroj	Director
3. Mr.Sanpetch	Sukkasem	Director
4. Mr.Pornchai	Ketlek	Director

Dara Harbour company limited (Subsidiary)

Dara Harbour company limited is located at 100/1 Vorasombat Building (17th flr), Rama IX Road, Huay Kwang, Bangkok, is capitalized at Bt 4 00 million. The paid-up capital totaled Bt200 million. The Company holds a 65% stake in the subsidiary while the rest is owned by Fatima Group. The subsidiary is planned to develop shopping centers and residential buildings like serviced apartments on a land plot on Sukhumvit Road, Sri Racha district, Chon Buri. The project is still in the planning process.

As of 31 December 2016, Dara Harbour company limited' s 7 directors are:

Name		Position
1. Mr.Chainid	Adhyanasakul	Director
2. Ms.Sirirat	Wongwattana	Director
3. Mr.Pramote	Remyindee	Director
4. Mr.Pornswat	Katechulasiroj	Director
5. Mr.Sangchai	Apichartthanapat	Director
6. Mr.Sitthisak	Apichartthanapat	Director
7. Mr.Porntipa	Putisart	Director

Chiangmai Development Company Limited (Subsidiary)

Chiangmai Development Company Limited ("Chiangmai") is located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok. It is registered with Bt200 million .The company holds 100% in the subsidiary.

Established on 21 February 2013, the subsidiary is tasked to expand the company's residential development business for sale and rental . Its focus is on low-rise development in Chiang Mai province.

As of 31 December 2016, Chiangmai kicked off land development in preparation for the launch of a property project.

As of 31 December 2016, Chiangmai Development Company Limited 's 4 directors are :

Name		Position
1. Ms.Sirirat	Wongwattana	Director
2. Mr.Wongsakorn	Prasitvipat	Director
3. Mr.Wasan	Srirattanapong	Director
4. Mr.Pornswat	Katechulasiroj	Director



Rental property and hotel group

Thai Property Public Company Limited (Subsidiary)

Thai Property (TPROP) is located at 2922/305-306 Charn Issara Tower 2, Petchaburi Road, Bang Kapi, Huay Kwang, Bangkok. It was registered as a public company on 10 May 1994 to operate a rental office and hotel. Hotel business is carried out through Grande Asset Hotels and Property Public Company.

Thai Property has Bt3,353,702,060 in registered capital and Bt3,193,485,471 is paid-up. The Company owns 94.60% in the subsidiary (The Company's tender offer for Thai Property shares was carried out during 22 September through 24 November 2016. On 28 November 2016, the Company filed the tender offer result to the Office of Securities and Exchange Commission, reporting that it bought 157,507,145 shares throughout the period. Combined with 2,863,274.022 shares it owned prior to the tender offer, the Company owns a total of 3,020,781,167 shares or 94.60% in Thai Property. Thai Property later filed a delisting request and the Stock Exchange of Thailand's Board of Governors approved the delisting of its securities effective from 9 December 2016.

As of 31 December 2016, Thai Property Public company limited's 5 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Pramote	Remyindee	Director
3. Mr.Pornswat	Katechulasriroj	Director
4. Mr.Prasong	Vararatanakul	Director
5. Mr.Likit	Somnualtad	Director

Pacific Estate Development Company Limited (Subsidiary of Thai Property Public Company Limited)

Pacific Estate Development Company Limited is located at 140 One Pacific Place Building (M Floor), Sukhumvit Road, Khlong Toei, Bangkok. It was registered as a public company on 22 December 1988. At present, it has Bt600 million in registered capital, all paid-up. It is 100% owned by the Company through the stake in Thai Property.

Pacific Estate operates two rental office buildings - One Pacific Place and Two Pacific Place. Located at 140 Sukhumvit Road, Khlong Toei, Bangkok, One Pacific Place has 15,202 sqm in rental space which is 87.00% occupied. The rents average at Bt545 per sqm. The building has 19 floors and 241 parking lots. Located at 142 Sukhumvit Road, Khlong Toei, Bangkok, Two Pacific Place has 21,440 sqm in rental space which is 98.65% occupied. The average rents stand at Bt537per sqm. The building has 30 floors and 368 parking lots. All were operated by We Retail.

As of 31 December 2016, Pacific estate development company limited 's 3 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Pramote	Remyindee	Director
3. Mr.Pornswat	Katechulasriroj	Director

Metro Premier Holding Company Limited (Subsidiary of Thai Property Public Company Limited)

Metro Premier Holding Company Limited is located at 2922/305-306 Charn Issara Tower 2 (Floor 29), Petchaburi Road, Bang Kapi, Huay Kwang, Bangkok. It was registered on 29 November 2010. It is registered with Bt5 million capital, all paid-up. It is owned 100% by the Company through a stake in Thai Property.

As of 31 December 2016, Metro Premiere holding company limited 's 3 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Pramote	Remyindee	Director
3. Mr.Pornswat	Katechulasiroj	Director

Scenery Peak Company Limited (Subsidiary of Thai Property Public Company Limited)

Scenery Peak Company Limited is located at Quastisky Buildings, PO Box 4389, Road Town, Tortola, British Virgin Islands ,It was registered on 12 May 2010. It is registered with US\$ 50,000, all paid-up. It is owned 100% by the Company through a stake in Thai Property.

As of 31 December 2016, Metro Premiere holding company limited 's 1 director is:

Name		Position
1. Mr.Pornswat	Katechulasiroj	Director

Grande Asset Hotels and Property Public Company Limited (Subsidiary of Thai Property Public Company Limited)

Grande Asset Hotels and Property Public Company Limited is located at 388 Exchange Tower (Floor 32), Room 3203-4, Sukhumvit Road, Khlong Toei, Bangkok. It was registered on 7 July 2003. Grande Asset has Bt2,889,040,000 in registered capital, with Bt2,889,039,237 paid up. It is indirectly owned 38.43 % by the Company through a stake in Thai Property and 1.70% directly owned by the Company.

Grande Asset Hotels and Property is a hotel operator and property developer. It operates 3 hotels and 1 hotel is under construction. It plans a mixed-use hotel and condominium project in Rayong province, on a 99-rai land plot. The project on Laem Mae Phim, Rayong province, is scheduled to start in 2017. The existing properties are:

Hotels in operations

1. Westin Grand Sukhumvit Hotel in Soi Sukhumvit 19: a 25-floor 5-star hotel with 363 guest rooms.
2. Sheraton Hua Hin Resort and Spa in Cha-Am, Phetburi province: a 2-floor 5-star hotel with 240 guest rooms.
3. Sheraton Hua Hin Pranburi Villas in Pran Buri, Prachuab Khiri Khan province: a 5-star hotel with 53 poll villas.

The hotel under construction is Hyatt Regency Bangkok Sukhumvit, a 4-star hotel with 273 guest rooms. Located at Soi Sukhumvit 13, the building has 30 floors. Another hotel under feasibility study will be located in Klang district, Rayong province.

Condominiums on offer

1. Hyde Condominium Sukhumvit 13, totally valued at Bt5,258 million. The 40-floor building has 454 units. As of 31 December 2016, the remaining units were valued at Bt469.30 million.
2. Hyde Condominium Sukhumvit 11, located at 155/1 soi Sukhumvit 11, totally valued at Bt4,281 million. The 39-floor building has 478 units. As of 31 December 2016, the remaining units were valued at Bt2,345.27 million.

As of 31 December 2016, sale continued for four projects of Grande Asset Hotels and Property, with the value of remaining units worth Bt2,886.98 million. (Details are in the table of projects by type.)

As of 31 December 2016, Grande asset hotel and property public company limited's 12 directors are:

Name		Position
1. Mr.Wichai	Thongtang	Chairman of Board of director
2. Dr.Bhichit	Rattakul	Deputy Chairman and chairman of board of executive directors
3. Mr.Chainid	Adhyanasakul	Director
4. Mr.Vitavas	Vibhagool	Director
5. Ms.Wilawun	Leongnarktongdee	Director
6. Mr.Suradej	Narula	Director
7. Mr.Amarin	Narula	Director
8. Mr.Phaisit	Kaenchan	Director
9. Mrs.Phonsiri	Manoharn	Independent director and chairman of risk management committee
10. Mr.Pornchai	Kittipanyangam	Independent director and chairman of audit committee
11. Mr.Wattana	Suthipinijtham	Independent director and audit committee and risk management committee
12. Mr.Amarit	Pansiri	Independent director and audit committee



Grand Equity Development Co.,Ltd (A subsidiary of Grand Asseste Hotel and Property Public Company Limited)

Grand Equity Development Co.,Ltd is located at 338 Exchange Center (32nd flr), 3203-4, Sukhumvit Road, Khlong Toei, Bangkok. The Company owns a 100% stake in Grand Equity through its wholly-owned subsidiary Grand Asset Hotel and Property.

Grand Equity operates real estate development business, in the process of acquiring land for future development.

As of 31 December 2016, Grand Equity's 4 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Ms.Wilawun	Leongnarktongdee	Director
4. Mr.Amarin	Narula	Director

Honor Business Co.,Ltd (A subsidiary of Grand Asset Hotel and Property Public Company Limited)

Honor Business Co.,Ltd is located at 338 Exchange Center (32nd flr), 3203-4, Sukhumvit Road, Khlong Toei, Bangkok. The Company owns a 100% stake in Grand Equity through its wholly-owned subsidiary Grand Asset Hotel and Property.

Honor Business runs a hotel business, operating 2 hotels - Sheraton Hua Hin Resort and Spa and Sheraton Hua Hin Pranburi Villa. Honor Business owns the land in Cha Am, Phetburi province, where Sheraton Hua Hin Resort and Spa is located. Owendelle... Co.,Ltd., a subsidiary of Honor Business, is the leasee of the land plot locating Sheraton Hua Hin Pranburi Villa.

As of 31 December 2016, Honor Business's 4 directors are:

Name		Position
1. Dr. Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Ms.Wilawun	Leongnarktongdee	Director
4. Mr. Amarin	Narula	Director

Owendelle Co.,Ltd (A subsidiary of Honor Business Co.,Ltd)

Owendelle Co.,Ltd is located at 9/22 Moo 5, Tambon Paknampran, Pranburi, Prachuab Khiri Khan province. The Company owns a 100% stake in Owedelle through its holding in Grand Asset Hotel and Property Public Company Limited.

Owendelle operates a hotel business, being the lease of the land locating Sheraton Hua Hin Pranburi Villa Owendelle sub-leases the land plot to Honor Business, which operates the hotel.

As of 31 December 2016, Owendelle's 4 directors are:

Name		Position
1. Dr. Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Ms.Wilawun	Leongnarktongdee	Director
4. Mr. Amarin	Narula	Director



Property Perfect International Pte.Ltd. (Subsidiary)

Property Perfect International Pte.Ltd. (PPI), located at 160 Robison Road #17-01 SBF Center Singapore 068914, established on 12 July 2012, has paid-up capital of 1 Singapore dollar. Owned 100% by the Company, PPI will invest in overseas property development business. Property Perfect International holds 97.27% in Kiroro Resort Holdings.

As of 31 December 2016, Property Perfect International Pte.Ltd's 4 directors are:

Name		Position
1. Mr.Bhichai	Rattakul	Chairman
2. Dr.Tawatchai	Nakhata	Director
3. Mr.Chainid	Adhyanasakul	Director
4. Mr.Krishnaveni d/o Sandanam		Director

Kiroro Resort Holdings Company Limited (Renamed from Share Group Company Limited) (subsidiary of Property Perfect International Pte. Ltd.)

Kiroro Resort Holdings (Renamed from Share Group Since November 2014), located at ITO ONE TEN Building 2F 5-1 Nishi 4-chome Kita 7-jo Kita-ku Sapporo, Hokkaido, Japan, is incorporated under the Japanese law for the investment in property development and hotel business. At the 4/2012 meeting on 27 August 2012, the Board of Directors approved Kiroro Resort Holdings' investment in all shares of and loan claims against Kabushiki Kaisha Kiroro Associates Company Limited, from Mitsui Fudosan Resort Company Limited. The 100% shares were bought at the cost of 1 yen, or approximately Bt0.4050 (at the exchange rate of 100 yen for Bt40.50). Kiroro Resort Holdings will also take over the claim on a loan to Kabushiki Kaisha Kiroro Associates from Mitsui Fudosan Company Limited. The loan is valued at 1,300.6 million yen or Bt526.7 million. The claim is valued at 160,000,000 yen or Bt64,800,000. The Board also approved Kiroro Resort Holdings' purchase of Kiroro Resort from Mitsui Fudosan Resort for about Bt490 million. Kiroro Resort is a ski resort on Hokkaido, Japan, owning a 292-rai land plot, 2 hotels- 422-room (with average 60% occupancy rate), and ski equipment. Plus transfer taxes of about 700 million yen or Bt280 million, the purchase cost a total of approximately 1,900 million yen or Bt770 million.

In March 2014, Kiroro Resort Holdings' capital increase by 500 million yen (100,000 shares at 5,000 yen apiece). The new shares were offered to Property Perfect International to settle a loan from Property Perfect International. Property Perfect International's shareholding Kiroro Resort Holdings thus increased to 95.61%.

In August 2015, the capital was raised by 2,500 million yen through rights offering. In September, a sum, 1,048.68 million yen, was paid-up through the offering of 209,736 shares at 5,000 yen apiece. The proceeds were used to upgrade the hotel in line with Starwood Hotel and Resorts Worldwide Inc's requirements, before the resort would be rebranded as "Sheraton Hokkaido Kiroro Resort" and "The Kiroro, a Tribute Portfolio Hotel, Hokkaido".

In January 2016, Kiroro Resort Holdings was recapitalized by 500 million yen through the issuance of 100,000 shares at the par value of 5,000 yen to Property Perfect International. The new shares were issued to repay a loan extended by Property Perfect International. It also called for payments for parts of new shares issued in August 2015 but 3 minor shareholders forwent their rights, leaving 99,814 shares (5,000 yen a share) worth 499,070,000 yen to Property Perfect International. Property Perfect International's stake in Kiroro Resort Holdings thus rose to 97.27%. Kiroro Resort Holdings is capitalized at 2,799,925,640 yen (526,070 common shares).

As of 31 December 2016, Kiroro Resort Holdings' 7 directors are:

Name		Position
1. Mr.Bhichai	Rattakul	Chairman
2. Dr.Tawatchai	Nakhata	Director
3. Mr.Chainid	Adhyanasakul	Director
4. Mr.Ooi	Boon Aun	Director
5. Mr.Yochiro	Itto	Director
6. Mr.Aso	Morito	Director
7. Mr.Benjamin	Lam	Director

Kabushiki Kaisha Kiroro Associates Company Limited (KA), subsidiary of Kiroro Resort Holdings

Kabushiki Kaisha Kiroro Associates Company Limited (KA) is located at 128-1, Tokiwa, Akaigawa-mura, Yoichigun, Hokkaido, Japan, is incorporated under the Japanese law for the investment in ski area management. Its registered capital is 60 million yen or 610 common shares. After reorganized investment by Share Group Company Limited (SG) (Detail of Share Group as above), its ownership rises to 100%.

As of 31 December 2016, Kabushiki Kaisha Kiroro Associates' 3 directors are:

Name		Position
1.Mr.Ian	Mackenzie	Chairman
2. Dr.Tawatchai	Nakhata	Director
3. Mr.Benjamin	Lam	Director

Kabushiki Kaisha Kiroro Hotels Co., Ltd. (subsidiary of Kiroro Resort Holdings Co., Ltd.)

Kabushiki Kaisha Kiroro Hotels is located at 128-1 Tokiwa, Akaigawa-mura, Yoichigun, Hokkaido, Japan. It was incorporated under the Japanese law on 19 August 2015 to run a hotel management business. This is to separate the hotel business from the ski business which remains under Kabushiki Kaisha Kiroro Associates' control, ahead of the handover of hotel management to Starwood Group. Under the management contract, new accounting system, remunerations and others are required. At present, Its registered capital is 30 million yen or 3,000 common shares. Kiroro Resort Holdings own 100% in the company.

As of 31 December 2016, Kabushiki Kaisha Kiroro Hotels's 3 directors are:

Name		Position
1. Mr.Aso	Morito	Chairman
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Metree	Tanmanatrakul	Director

Kabushiki Kaisha Kiroro Resort Development Co., Ltd. (subsidiary of Kiroro Resort Holdings Co., Ltd.)

Kabushiki Kaisha Kiroro Resort Development is located at ITO ONE TEN Building 2F 5-1 Nishi 4-chome Kita 7-jo Kita-ku Sapporo, Hokkaido, Japan. It was incorporated under the Japanese law on 30 March 2016 to run a hotel management business.

At present, its registered capital is 30 million yen or 3,000 common shares. Kiroro Resort Holdings own 100% in the company.

As of 31 December 2016, Kabushiki Kaisha Kiroro Resort Development 's 5 directors are:

Name		Position
1. Mr.Benjamin	Lam	Chairman
2. Dr.Tawatchai	Nakhata	Director
3. Mr.Chainid	Adhyanasakul	Director
4. Mr. Vitavas	Vibhagool	Director
5. Mr.Ian	Mackenzie	Director

Uniloft Property Fund

In October 2013, Bright Development Bangkok Company Limited, a wholly-owned subsidiary of the Company, sold Uniloft Salaya, located in Tambon Salaya, Buddhamondhol district, Nakhon Pathom, to Uniloft Property Fund for Bt514 million. The property fund was managed by One Asset Management Company Limited. Detail of the sold asset is as follows:

- (1) Title deed No. 15781
- (2) Uniloft Salaya building
- (3) Infrastructure, engineering system, furniture, and relevant materials necessary for the project

Uniloft Property Fund is an non-redeemable, open-ended fund. Registered with Bt515 million in capital, with 51,500,000 shares at Bt10 apiece, the fund was listed on the Stock Exchange of Thailand on 14 November 2013.

The Company invested in 10,051,200 units or 19.52% of all shares.

Retail Business unit

We Retail Public Company Limited (Subsidiary)

We Retail Public Company Limited (“We Retail”) is located at 100/1 Vorasombat Building Floor 17th , Rama IX Road, Huay Kwang, Bangkok. Formerly named Daidomon Group Public Company Limited (“Daidomon”), It was registered as a public company on 27 April 2001. We Retail acquired the 99.99% stake of Centrepont Shopping Mall Company Limited (“Centrepont”), which develops shopping malls, office buildings and commercial space. And We Retail also holds a 50% stake in All Discount Co Ltd, a low-cost retail business operator.

The company is now capitalized at Bt4,761,824,999.40 Baht with 2,615,114,338.20 million Baht paid up, consisting 2,490,585,084 shares or Bt 1.05 par value. The company hold 94.97%.

We Retail is carrying out the development of a community malls in the West of Bangkok. The malls, namely Metro West Town.

As of 31 December 2016, We Retail public company limited 's 8 directors are;

Name		Position
1. Dr.Tawatchai	Nakhata	Chairman
2. Mr.Chainid	Adhyanasakul	Director and Deputy Chairman and act as Chief Executive Officer
3. Mr.Pramote	Rermyindee	Director
4. Mr.Kampol	Tatityakawee	Director
5. Mr.Cherssak	Kookiatnunt	Independent Director and Chairman of Audit Committee
6. Mr.Chaiyakorn	Boonlop	Independent Director and Audit Committee
7. Mr.Prasong	Vararatanakul	Independent Director and Audit Committee
8. Mr.Virayuk	Puntupetch	Independent Director

Note: Dr.Somsak Toraksa resigned on 1 September 2015. No replacement has been appointed since then.

Centrepont Shopping Mall Company Limited (“Centrepont”) (Subsidiary of We Retail Plc.)

Centrepont Shopping Mall Co.,Ltd.is located at 100/1 Vorasombat Building 17th fl., Rama IX Road, Huay Kwang, Bangkok. Established in December 2007 . Centrepont focuses on commercial development like shopping malls and rental office building.

Centrepont Shopping Mall Co.,Ltd. owns the leasing rights of a some of a land plot on the east side of Ratchadapisek Road, planned for the development of a closed shopping mall and an office building. In August 2012, it won the leasing right for an opposite land plot on the west side of Ratchadapisek Road, which is planned for the development of a closed shopping mall.

Centrepont Shopping Mall Co.,Ltd. is now developing “Bangkok Midtown” (Phase 1), a closed shopping mall on the west side of Ratchadapisek Road. The mall is built on a land plot sub-leased earlier. The closed 8-floor community mall has 150,000 sqm in space. The mall houses various fashion, cloth, and lifestyle products shops, restaurants, bank offices and etc. It is expected to open its doors within 2016.

As of 31 December 2016, Centrepont Shopping Mall company limited 's 5 directors are:

Name		Position
1. Mr.Chainid	Adhyanasakul	Director
2. Mr.Pramote	Remyindee	Director
3. Mr.Wongsakorn	Prasitvipat	Director
4. Mr.Pornswat	Katechulasiroj	Director
5. Ms.Wilawun	Leongnarktongdee	Director

All Discount Co., Ltd (We Retail's subsidiary)

All Discount Co.,Ltd.is located at 593-593/1 Sukhumvit Road, Khlongtan Nua, Wattana, Bangkok. Established in March 2016 , All Discount will develop and operate a nuveau low-cost retail business. It is capitalized at Bt100 million (1,000,000 shares at Bt100 par value), which is 25% paid-up. We Retail holds a 50% stake.

All Discount is under the business-planning stage.

As of 31 December 2016, All Discount has 4 directors as follows:

Name		Position
1. Mr.Chainid	Adhyanasakul	Director
2. Mr.Pornswat	Katechulasriroj	Director
3. Mr.Pisit	Pusanakom	Director
4. Ms.Sopit	Pusanakom	Director

Ram Intra Mall Company Limited (Renamed from Mariya Stuff Company Limited)(Subsidiary)

Ram Intra Mall was established in 2004 as Mariya Stuff. In August 2013, the Company bought all 100% shares of Mariya Stuff from its shareholders for Bt350 million. Mariya Stuff's old shareholders had no connection with the Company. Through the purchase, the Company took control of the lease rights over a 34-rai land plot in Tambon Bueng Kum, Bang Kapi district, Bangkok. The 30-year lease period started from 9 April 2013 to 31 March 2043. The land is planned to house a shopping mall, which is being studied.

In August 2014, Mariya Stuff extended the lease by another 3 years (1 April 2043 through 31 March 2046). It was renamed to Ram Intra Mall in September 2014. In June 2016, the lease was extended by another 3 years (from 1 April 2046 to 31 March 2049).

Ram Intra Mall is located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok. It is registered with Bt350 million capital (3,500,000 shares at Bt100 par value). The company holds 100% in the subsidiary.

As of 31 December 2016, Ram Intra Mall company limited's 2 directors are:

Name		Position
1. Mr.Chainid	Adhyanasakul	Director
2. Mr.Pramote	Remyindee	Director

Construction Business Unit

U & I Construction Bangkok Company Limited

U & I Construction Bangkok Company Limited ("U & I"), is located at 100/89 Vongvanich Building Floor 27th , Rama IX Road, Huay Kwang, Bangkok. Established in April 2011, it has Bt100 million in registered capital. , all paid up. The company holds 100% in U & I.

U & I's main objective is to offer services to construct single detached houses, duplex houses, townhouses and condominiums for the company and subsidiaries. As it will be securing direct contracts from the group, this will promise construction flexibility for the group and allow the company a better management on supply chain. The company also selected sub-contractors to control the construction cost and construction period, as well as ensure effective control on the construction volume and quality.

As of 31 December 2016, U & I Construction Bangkok Company Limited 's 4 directors are;

Name		Position
1. Mr.Sombat	Bovornsombat	Director
2. Mr.Krittapas	Pongpakawat	Director
3. Mr.Prakit	Rerkpreedapong	Director
4. Mr.Pipat	Nittayakosol	Director



Perfect Prefab Company Limited

Perfect Prefab Company Limited ("Perfect Prefab") is located at 100/1 Vorasombat Building Floor 10th, Rama IX Road, Huay Kwang, Bangkok. Established in June 2011, it has Bt10 million in registered capital, with Bt2.5 million paid-up. The company owns 51% in Perfect Prefab, and the rest is held by Center of Standard Precast Company Limited - which has experience in this business and has supplied prefab materials to the group for over 5 years owns 49% in the company. The partner has no connection whatsoever with the company.

The company established to manufacture and install prefab structures, which are parts of single houses, townhouses and project fences, as well as condominiums. The automated production system is to ensure no effect from labor shortage. The company expects to benefit from the joint venture's prefab technology. It now manufactures prefab materials for the Company's projects, with the capacity to supply materials for the construction of 500 housing units per year.

As of 31 December 2016, Perfect Prefab company limited's 7 directors are:

Name		Position
1. Mr.Wicharn	Siriwetwarawut	Director
2. Dr.Vorasak	Chakrapiyanant	Director
3. Mr.Prakit	Rerkpreedapong	Director
4. Mr.Rungroj	Singhthabadjij	Director
5. Mr.Vichaya	Watananukit	Director
6. Mr.Phuwit	Phaengsuk	Director
7. Mr.Kongsak	Kaewsuriyathamrong	Director

Services-oriented units

Perfect Sport Club Company Limited (subsidiary)

Perfect Sport Club Company Limited ("Perfect sport Club") is located at 100/52 Vongvanich B Building (19th fl.), Rama IX Road, Huay Kwang, Bangkok, was established in February 2003. it was capitalized at Bt50 million, with Bt50 million paid-up. The Company owns 100%.

Perfect Sport Club operates fitness clubs and sport clubs of company and subsidiaries.

As of 31 December 2016, Perfect Sport Club company limited's 4 directors are:

Name		Position
1. Mr.Phairat	Senachak	Director
2. Mr.Nantachart	Kiebpipat	Director
3. Mr.Wasan	Srirattanapon	Director
4. Mr.Krittapas	Pongpakawat	Director





Uniloft Service (Thailand) Company Limited (Subsidiary)

Uniloft Service (Thailand) Company Limited ("Uniloft Service") is located at 100/1 Vorasombat Building Floor 17th, Rama IX Road, Huay Kwang, Bangkok. Established in July 2011, it has Bt100,000 in registered capital. It is 100% owned by the company. In August 2013, the registered capital was raised to Bt5,000,000 and 25% of the capital increase or Bt1,225,000, has paid-up capital of Bt.1,325,000. Uniloft Service Co., Ltd. operates a serviced apartment and management services for the group's real estate projects.

As of 31 December 2016,, Uniloft Service (Thailand) Company Limited 's 5 Directors are:

Name		Position
1. Mr.Saranyu	Adhyanasakul	Director
2. Mr.Natthaphon	Sueb-Am	Director
3. Mr.Prathompob	Intr- Bumrong	Director
4. Mr.Cherdsak	Kukiatnunt	Director
5. Mr.James Stevenson	Worboys	Director

T Utilities Company Limited (A joint venture)

T Utilities Co.,Ltd is located at 116/1 Silom Road, Suriwong, Bang Rak, Bangkok. As of 31 December 2016, the company's registered capital and paid-up capital stood at Bt15 million. The Company owns a 40% stake in the joint venture which operates utility services including electrical and pipe-water services.

As of 31 December 2016, T Utilities's 5 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Noppol	Milinthangoon	Director
4. Ms.Aunada	Phruttnarakorn	Director
5. Mr.Nandhapon	Patpongpanit	Director

MANAGEMENT STRUCTURE

The company's management structure contains one board of directors and four subcommittees. Details are as follows:

The Board of Directors

As of 31 December 2016, the board consists of 12 directors and 7 meeting allowances. Details are as as follow:

No.	Name	Title	Meeting of the company's board	Meeting allowances of the company's board
1	Dr. Tawatchai Nakhata	Chairman	7	7
2	Mr. Chainid Adhyanasakul	Director and Chief Executive Officer	7	7
3	Mr. Vidhya Nativivat	Director	7	7
4	Ms. Sirirat Wongwattana	Director	7	7
5	Mr. Wongsakorn Prasitvipat ^{1/}	Director	7	7
6	Mr. Wicharn Siriwetwarawut	Director	7	7
7	Mr. Pornswat Katechulasriroj ^{3/}	Director	7	4
8	Mrs. Nuanual Swasdikula-Na-Ayudhay ^{2/}	Independent Director	7	7
9	Mr. Ekamol Kiriwat	Independent Director	7	6
10	Mr. Banlue Chantadisai	Independent Director	7	7
11	Mr. Manit Suthaporn	Independent Director	7	7
12	Prof.Dr. Suchatvee Suwansawat ^{2/}	Independent Director	7	7
Mr. Pramote Rermyindee serves as secretary of the Board.				

Note

^{1/} The Board of Directors' 1/2016 meeting on Thursday 25 February 2016 re-appointed Mr. Wongsakorn Prasitvipat as a director after his previous term ended

^{2/} At the 1/2016 meeting on Thursday 25 February 2016, the Board of Directors re-appointed Mrs. Nuanual Swasdikula-Na-Ayudhaya and Prof. Dr. Suchatvee Suwansawat as a director and an independent director, respectively, after the end of their previous terms.

^{3/} At the 1/2016 meeting on Thursday 25 February 2016, the Board of Directors Mr. Pornswat Katechulasriroj a new director, to replace Mr. Phairat Senachak who completed his term.

Authorised directors

Authorized signatory directors are

- (1) Mr Tawatchai Nakhata, Mr. Chainid Adhyanasakul, Ms. Sirirat Wongwattana, Mr. Wongsakorn Prasitvipat , Mr. Wicharn Siriwetwarawut and Mr.Pornswat Katechulasriroj are authorised signatory directors. It requires the signatures of two from the six directors to affix the Company's seal.
- (2) Mrs. Sirirat Wongwattana or Mr.Wongsakorn Prasitwipat or Mr.Wicharn Siriwetwarawut or Mr.Pornswat Katechulasriroj can sign and affix the company's seal on the matters involving;
 - (1) Commerce Ministry and related units
 - (2) Revenue Department and related units
 - (3) Lands Department and related units
 - (4) Department of Public Works and Town & Country Planning and related units
 - (5) Bangkok Metropolitan Administration, Pattaya City and related units
 - (6) Municipality, provincial administrative organizations and tambon administration organizations
 - (7) Government agencies, or state enterprises or private organizations involved in the provision of water, electricity, telephone, postal and internet services, which are to approve service transfers, down payments settlement, down payment return, and down payment transfers.

The shareholders meeting or the Board can identify the directors with the authority to sign and affix the company's seal.

Board of Directors' authority and scope of responsibility

The Board of Directors is authorized to make decisions and ensure that the company's operations follow the objectives, regulations, shareholders' resolutions and legal conditions. Its authority does not cover the decisions which must be approved by shareholders as prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand. Under the company's regulations, the Board of Directors is authorized to appoint the executive board which will monitor the daily operations of the company under the guidelines and budget approved by the Board of Directors and handle other tasks bestowed by the Board of Directors. The executive board can approve the decisions within its power granted by the Board of Directors or have to propose the issues beyond its power for the Board of Directors' consideration. The regulations also empower the Board of Directors to appoint other officers or other working committees to assist the executive board.

Audit Committee

As of 31 December 2016, the audit committee consisted of 3 independent directors.

Name		Title
1. Mr. Bunlue	Chantadisai	Chairman of the Audit Committee
2. Mrs. Nuanual	Swasdikula-Na-Ayudhaya	Audit Committee
3. Mr. Manit	Suthaporn	Audit Committee

With Ms.Doungporn Rermyindee as the secretary.

Audit Committee's authority and scope of responsibility

1. Supervise the company's operations to ensure honesty, transparency, and responsibility to shareholders.
2. Ensure that the executive board and executives handle their responsibilities in an accurate, complete and standard manner.
3. Ensure the accuracy, sufficiency, and credibility of the financial results, as well ensure the accurate and sufficient disclosure through coordination with external auditors and executives who take responsible for preparing quarterly and yearly financial statements as requested by the company's board of directors and/or the executive board.
4. Ensure appropriate and effective internal control, through the coordination with the internal auditors and auditors.
5. Appoint the auditor and set the auditor fee, which must be approved by the shareholders and based on reliability and adequacy of human resources, audit job volume made by the audit firm and experience of staffs who are in charge of the company's accounting audit.
6. Make sure that the company follows the legal conditions set by the Securities and Exchange Commission, the Stock Exchange of Thailand and other related agencies.
7. Prevent conflicts of interest through the inspection of the transactions of the company with connected parties and through coordination with the auditor as well as consider disclosing accurate and adequate information for connected transactions and any transactions that might cause conflicts of interest.
8. Prepare the audit committee's report and disclose the report in the annual report, which includes at least following issues.
 - Opinion related to prepare the company's financial reports and accurate and reliable information disclosure.
 - Opinion concerning to sufficiency of the company's internal control system.
 - Reasons that the company's auditor is appropriate for another term appointment.
 - Opinion to comply with the Securities and Exchange Act, the Stock Exchange of Thailand's rules and laws relevant to the company's business.
 - Other reports that should be acknowledged by shareholders and investors under scope of duty and responsibility assigned by the company's directors.
9. Review the internal control's reports.
10. Review the internal control's findings. If finding or suspecting of any misconduct, or the insufficiency of the internal control, they must ask for the Board of Directors' judgment.
11. Review the internal control's inspection and the auditor's recommendations, and follow through the improvements.
12. Authorize to examine, audit, call executive directors, executives, advisors, and accounting auditors to attend meeting to acknowledge information and seek independent opinions from other professional advisors if necessary to achieve in tasks under responsibility.
13. Perform other tasks assigned by the company's board such as review of financial and risk management policy, and business ethics conducted by executives.

The audit committee has a three-year term and it will be elected by the company's board when their terms are ended by rotation.

Nominating and Remuneration Committee

As of 31 December 2016, The Nominating and Remuneration Committee consisted of 2 persons.

Name		Title
1. Mr. Vidhya	Nativivat	Chairman of the Nominating and Remuneration Committee
2. Ms. Sirirat	Wongwattana	Nominating and Remuneration Committee

Nominating and Remuneration Committee's scope of authority and responsibility *

1. Nomination's duties

- (A) Review the individuals who are fit to be the company's directors and nominate the list to the board of directors and/or present the list to shareholders for official appointment.
- (B) In reviewing the individuals' qualifications, the committee must consider their expertise, knowledge, ability and relevant experiences to ensure that the individuals' qualifications would be useful for the company's operations. Besides, the committee must consider that the nominations follow the legal framework particularly when it involves the nominations for independent directors and the audit committee members.
- (C) In selecting independent directors and the audit committee members, the committee must take into account;
 - The nominated individuals must hold no more than 1% of the paid-up capital of the company, affiliates or subsidiaries. The percentage is inclusive of the shareholding of related individuals their spouses and underage children.
 - The nominated persons must not be related to the company's executives or major shareholders.
 - The appointed persons must not have conflicts of interest, directly or indirectly, in terms of finances or management of the company and affiliates. They must not be the company's major shareholders.
 - The nominated persons must have no any relationship with the company and associates in ways of vested interest, or financial or management benefit at present and over the past two years before appointed as independent directors. Such relations include
 - Being directors who take part in the company's management, employees, staff members, advisers who receives a regular salary, or control authorities.
 - Being professional service providers such as auditors, legal Consultants, financial advisors or price appraisers.
 - Having business relationship such as buy/sell goods, provide asset buy or sell service, give or receive financial assistance etc.
 - In case that the nominated persons serve as independent directors of other companies in the group, they must disclose such information and remuneration received from those companies.
 - The nominated persons must not seat as any director in other listed companies in the group.
 - The Company must notify the Stock Exchange of Thailand immediately after an independent director resigns or is forced out before the end of his term.
- (D) The appointed persons must be able to work and present their views with independence, free from the control from executives or major shareholders as well as their relatives.

To present the selected persons to the board of directors, the Selection Committee must nominate only those who will fill the available director seats. Except when the committee members could not reach an agreement, they are allowed to present all the nominated names to the board for their consideration.

2. The Remuneration Committee's scope of authority and responsibility

- (1) Consider the company's policies and criteria in paying the Chief Operation Officer, directors, and the company's advisors.
- (2) Consider the annual salary, annual pay increase, and the interim pay increase, as well as other benefits to award all employees.
- (3) Consider the employment terms, regulations, and penal clauses which should be appropriate and fair.
- (4) The committee will report directly to the board of directors, to whom they will explain and answer all questions regarding the pays for employees at all levels.

Nominating and Remuneration Committee's authority, duty and responsibility could not be transferred to others in a way that those who are authorized by the committee can approve transactions that might lead to conflicts of interest (as defined in the Securities and Exchange Commission's announcement) with the company or subsidiaries, or he/ she has vested interest with exception that those transactions are regarded as normal course of business with the clear scope.

Note: * Revised by Board's resolutions at the 6/2014 meeting on 16 June 2014.

Risk Management Committee

As of 31 December 2016, Risk Management Committee consisted of 3 persons

Name	Title
1. Prof.Dr.Suchatvee Suwansawat	Chairman of Risk Management Committee
2. Mr.Boonliam Luangnakthongdee	Risk Management Committee
3. Mr.Chirdsak Kukiattinun	Risk Management Committee
With Mr.Theerathat Singnarongthon as Secretary	

Risk Management Committee's scope of authority and responsibility.

1. Review and present risk management policy and acceptable risk to the company's board for approval.
2. Supervise development and practice throughout organization to comply with risk management framework.
3. Review risk management reports to monitor important risks and proceed to ensure that the organization has sufficient and appropriate risk management.
4. Present risk of the company in overall picture, and sufficiency of internal control system to manage risk in all important aspects to the company's board.
5. Provide suggestion about risk management to the company and revise any information concerning risk management system development.
6. Authorizes to appoint the company's risk evaluation and monitoring working group.
7. Perform other tasks about risk management assigned by the company's board

Executives Board

Executive Board contains 8 individuals, as of 31 December 2016.

Name		Title
1. Dr.Tawatchai	Nakhata	Chief Executive Director (Authorized Signatory Directors)
2. Mr.Chainid	Adhyanasakul	Deputy Chief Executive Director (Authorized signatory Directors)
3. Mr.Phairat	Senachack	Executive Director
4. Mr.Surasak	Vacharapongpreecha	Executive Director
5. Mr.Wicharn	Siriwetwarawut	Executive Director (Authorized signatory Directors)
6. Mr.Pornswat	Katechulasiroj	Executive Director (Authorized signatory Directors)
7. Mr.Wongsakorn	Prasitvipat	Executive Director (Authorized signatory Directors)
8. Miss Sirirat	Wongwattana	Executive Director and Secretary (Authorized signatory Directors)

Executive Committee's authority and scope of responsibility*

1. Run the company's daily operations under the guidelines set by the Board of Directors and within the scope of rules and regulations, as well as the company's objectives and regulations. They are barred from transactions related to project opening and investment, not related to the company's core business.
2. Appoint high-ranking executives to manage the company.
3. Set the annual budget for the Board of Directors' approval.
4. Consider investment projects for the Board of Directors' approval.
5. Review and approve land acquisition worth over Bt500 million but not more than Bt800 million. The amount must not exceed the sum approved by the Board. Any approved land purchase must be attached with the preliminary development plan and project feasibility, for the Board's consideration.
6. Review and approve the transactions apart from budget plan no more than Bt.100 million.
7. Consider and approve borrowings and the financing of normal transactions.
 - Project financing — approved the project financing worth not over Bt1,000 million per project, excluding infrastructure guarantee
 - Working capital — approved the borrowing of no more than Bt800 million for the working capital
8. Prepare, recommend and set business strategies for the Board of Directors.
9. Consider and approve the corporate marketing and public relations plans.
10. Evaluate the company's performance in terms of asset management and financial management to ensure efficiency and effectiveness.
11. Conduct other tasks assigned by the Board of Directors

Notably, the executive board has no authority in handing its power to any member or others to approve a connected transaction (as prescribed by the Securities and Exchange Commission) or a transaction which could pose conflicts of interest with the company or subsidiaries with exception of approval for normal course of business transactions as policy and criteria resolved by the board of directors under the Securities and Exchange Act, and the Stock Exchange of Thailand's regulations, announcements and instructions or rules.

Note: * Revised by Board's resolutions at the 6/2014 meeting on 6 November 2014.

Chief Executive Officer*

Chief Executive Officer is the highest authority in the company's management. perform duties and report operating performance to the Executive Committee, Board of Directors and shareholders as follows:

1. Set policies, direction, and strategies for the company's business operation.
2. Set business planning, budget and authority of the company's internal units which up to management department to seek the board's approval.
3. Manage normal course of business activities under policies set by the company's board, laws, conditions, regulations, memorandum of association, and the company's rules.
4. Appointed Management Board, advisor and other directors to give advices concerning the company's management.
5. Review and approve land acquisition worth no more than Bt500 million. The purchase must be notified to the Executive Committee, to proceed with the registration at the Lands Department.
6. Review and approve the transactions apart from budget plan no more than Bt.50 million.
7. Perform other tasks assigned by the company's board.

Chief Executive Officer authority, duty and responsibility could not be transferred to others in a way that those who are authorized by Chief Executive Officer can approve transactions that might lead to conflicts of interest (as defined in the Securities and Exchange Commission's announcement) with the company or the subsidiaries and affiliates, or he/she has vested interest with exception that those transactions are regarded as normal course of business as policies and principles set by the company's board. in compliance with laws governing securities and stock exchange, regulations, announcements, instructions or rules of the Stock Exchange of Thailand.

Note: * Revised by Board's resolutions at the 6/2014 meeting on 6 November 2014.

Executives

The company's executive team consisted of 8 members as of 31 December 2016, as defined in the Securities and Exchange Commission's announcement.

Name		Title
1	Mr. Chainid Adhyanasakul	Chief Executive Officer
2	Mr. Pramote Remyindee	Company Secretary
3	Ms. Wilawun Leongnarktongdee	Assistant Chief Executive Officer
4	Mr. Wicharn Siriwetwarawut	Chief Operating Officer 1
5	Mr. Pornswat Katechulasiroj	Chief Operating Officer 2
6	Mr. Wongsakorn Prasitvipat	Chief Business Development Officer
7	Miss Sirirat Wongwatana	Chief Financial Officer and Act as Chief Supporting Officer
8	Mr. Surasak Vacharapongpreecha	Deputy Chief Financial Officer

Company Secretary

In compliance with the Securities and Exchange (Issue No.4) Act BE2551's Section 89/15, the Board of Directors must appoint the Company Secretary who will act on behalf of the company and the Board of Directors. The Board of Directors at the meeting on 11 August 2008 resolved to appoint Mr. Pramote Rermyindee as the Company Secretary.

Company Secretary's scope of authority and responsibility

- 1) Preparing and keeping the following documents
 - (A) Directors' Register
 - (B) Invitations to Board of Directors meetings, meeting minutes, and the Annual Reports
 - (C) Invitations to shareholders' meetings and minutes of the meetings
- 2) Keeping the connected transactions reported by directors or executives and submitting photocopies of the reports to the chairman and chairman of the Audit Committee within 7 days of receipt.
- 3) Setting the documenting system for the following information and ensuring the complete storage of such document which must date back at least 5 years and could be retrieved for post-audit.

The storing of such document covers the electronic system and others which allow the retrieval of original document.

- (1) Information presented at shareholders' meetings
 - (2) Financial statements or reports on the company's finances and operating results or other reports which must be disclosed under the Securities and Exchange Act's Articles 56, 57, 58 or 199.
 - (3) The company's opinion on shareholders' tender offer for the company's shares
 - (4) Information or other reports on the company, to be released to shareholders or the general public as required by the Capital Market Supervisory Board.
- 4) Complying with other duties to be specified by the Capital Market Supervisory Board
- 5) Company Secretary must carry out duties with responsibility, caution, and integrity; must comply with laws, the company's objectives and regulations, the Board of Directors resolutions and shareholders' resolutions; and must not act in the way that causes significant conflict of interest.
- 6) Carrying out duties with responsibility and caution as men with integrity would do when falling under the same situation.
 - (1) Making decisions with full conviction and good reasons that they are for the company's maximum benefits
 - (2) Acting on information honestly believed to be sufficient, and
 - (3) Making decisions that do not create any direct or indirect conflict of interest.

When the company secretary cannot further perform his job, the board of director is required to appoint the replacement within 90 days. Ms Sirirat Wongwattana was accordingly appointed to carry his tasks.

Meeting allowances of the company's board and 4 units of sub- committee in 2016

Name		Board of directors	Audit Committee	Nominating and Remuneration committee	Risk Management Committee
Dr.Tawatchai	Nakhata	7			
Mr.Chainid	Adhyanasakul	7			
Mr.Vidhya	Nativivat	7		1	
Miss Sirirat	Wongwattana	7		1	
Mr.Wongsakorn	Prasitvipat	7			
Mr.Wicharn	Siriwetwarawut	7			
Mr.Pornswat	Katechulasriroj	4			
Mrs.Nuanual	Swasdikula-Na-Ayudhaya	7	6		
Mr. Ekamol	Kiriwat	6			
Mr. Banlue	Chantadisai	7	6		
Mr. Manit	Suthaporn	7	6		
Prof.Dr.Suchatvee	Suwansawat	7			5
Mr.Boonliam	Luangnakthongdee				5
Mr.Chirdsak	Kukiattinun				5
Total		7	6	1	5

Executives' remuneration

1 Financial Benefits

The company has in place a committee to consider remunerations. The committee is responsible for drafting the policy and criteria for the remuneration of chief executive officer, directors, and the company's advisors. It also takes charge in setting the annual pay increase and interim salary adjustment, as well as other benefits to reward the contribution from executives and employees. Under its responsibility is also the regulations on employment, code of conduct and appropriate and fair punishment clauses.

(A) Director remuneration

The Company paid meeting allowances and remuneration, based on the Company's performance, to the following directors:

			Executives’ remuneration (Million Baht)				
			Remu neration	Meeting allowances on 31 December 2016			
Name	Position			Director	Audit director	Nominating and Remuneration director	Risk Manage ment Director
1. Dr.Tawatchai Nakhata	Chairman / Chief Executive Director	1.60	0.70	-	-	-	
2. Mr. Chainid Adhyanasakul	Director / Deputy Chief Executive Director / Chief Executive Officer	0.80	0.35	-	-	-	
3. Mr.Phairat Senachak	Director / Executive Director	0.80	0.10	-	-	-	
4. Mr.Vidhya Nativivat	Director / Nominating and Remuneration Committee	0.80	0.35	-	0.05	-	
5. Ms.Sirirat Wongwattana	Director / Executive Director / Nominating and Remuneration Committee	0.80	0.35	-	0.03	-	
6. Mr.Wongsakorn Prasitwipat	Director	0.20	0.35	-	-	-	
7. Mr.Wicharn Siriwetwarawut	Director	0.20	0.35	-	-	-	
8. Mr.Pornswat Katechulasriroj	Director	-	0.20	-	-	-	
9. Mrs.Nuanual Swasdikula-Na-Ayudhaya*	Director / Audit Committee	0.80	0.35	0.18	-	-	
10. Mr. Ekamol Kiriwat *	Director	0.50	0.30	-	-	-	
11. Mr. Banlue Chatadisai *	Director / Audit Committee	0.60	0.35	0.30	-	-	
12. Mr. Manit Sutaporn *	Director / Audit Committee	0.60	0.35	0.18	-	-	
13. Prof.Dr.Suchatvee Suwansawat *	Director/ Chairman of Risk Management Committee	0.50	0.35	-	-	0.25	
14. Mr.Boonliam Luangnakthongdee	Risk Management Committee	-	-	-	-	0.15	
15. Mr.Chirdsak Kukiattinun	Risk Management Committee	-	-	-	-	0.15	
16. Mr. Pramote Rermyindee	Company secretary	0.60	-	-	-	-	
17. Mr.Virayuk Puntupetch	Deputy Chairman / Chairman of Nominating and Remuneration Committee	0.20	-	-	-	-	
18. Dr.Somsak Toruksa	Director / Audit Committee	0.10	-	-	-	-	
19. Dr.Thamnoon Ananthothai	Director / Audit Committee / Risk Management Committee	0.50	-	-	-	-	
20. Mr.Ooi Boon Aun	Director / Nominating and Remuneration Committee	0.20	-	-	-	-	
21. Mr.Krish Follett	Director/ Chairman of Audit Committee	0.40	-	-	-	-	
Total		10.26	4.45	0.66	0.08	0.55	

Note: (Some directors, aside from meeting allowance, are receiving salaries as executives and members of the Executive Board)

- 1.* Independent Director
2. Directors #19 and #21 resigned in August 2015
3. Directors #17, #18 and #20 resigned accordingly an agenda of the 2015 annual shareholder meeting and did not wish to be reinstated.
4. Director #3 completed his term as the 2016 annual shareholder meeting took place.

(B) Directors and Executives' Remuneration

In 2016, the company's remuneration for 10 Executive Directors and executives, consisting of salary and bonus, totaled Bt59.91million.

Note *In the line with the disclosure of executive remuneration, the word "executives" here include the manager of the accounting of finance department.

2 Other payments

Other payments to directors

-None-

Other payments to executives

Consisting of welfare, social security fund, and contribution to the provident fund paid by the company and employees at the rate of 3-10% of salary. In 2015, The remunerations for 10 Executive Directors and executives paid by the company total Bt. 5.67 million.

Human Resources

1 Number of Employee

At the end of 2016, the company and subsidiaries employed 972 employees. The following is the number of employees of each unit.

Division	Employee (Persons)
	31 December 2016
1 Office of the Chief Executive Officer	19
2 Project Planning and Marketing of Housing Division	18
3 Business Development of Condominium Project	18
4 Marketing of Condominium Division	21
5 Sales Management Division	86
6 Design Division	17
7 Construction Management Division of Operation Group 1	33
8 Construction Management Division of Operation Group 2	71
9 Advertising Division	16
10 Public Relations and Corporate Communication Division	12
11 Accounting Division	36
12 Internal Audit Division	4
13 Legal Procedure & Ownership Transfer Division	64

Division	Employee (Persons)
	31 December 2016
14 Financial & Treasury Division	25
15 Investment Management Division	5
16 Oversea Project Development Division	9
17 Budgeting Division	7
18 Information Technology Division	11
19 Property Fund Management Division	17
20 Debt and equity Administration Division	3
21 Investment Relations and Research Development Division	2
22 Human Resource Division	9
23 General Administration Division	25
24 Project Management Division - Zone 1 - 8	444
Total	972

In the past 3 years, the company has witnessed no lawsuits regarding labor disputes.

2 Employees' remuneration

The company has in place the remuneration committee, authorised and responsible for considering the remuneration policy and payout criteria for the chief executive officer, directors and consultants. It is also setting the annual benefits, annual salary adjustment, extra salary adjustment, and other benefits for employees at all levels. The committee also considers the employment rules and work code and ensures that disciplinary actions are appropriate and fair to employees.

The employee remuneration (excluding that of executives) covers salary, bonus, welfare benefits, overtime, allowances and contribution to the provident fund. It amounted to Bt 645.83 million in 2016.

3 HR Development Policy

The company realizes the importance of all employees and is committed to consistent supports for the enhancement of their knowledge and skills to match their job descriptions. This is to ensure quality products to customers and standardized marketing and service quality. The human resource development policy is thus designed accordingly to the areas of work. Training is planned in line with the company's business direction and employees' job descriptions. The competency system has been introduced, so that employees are equipped with all knowledge and skills required for their jobs.

The HR development plan has been shaped under the policy. Training courses for employees are clearly defined. There is an analysis on training specification, to promote employees' job competency accordingly to their job descriptions. The urgency of training in different work periods is also taken into account. The development scheme planned for employees at all levels is diverse, covering internal training, external training, and coaching.

The training program is designed in accordance with the company's annual targets. The methods are designed to match the courses, requiring employees to take classes, practice and actually work in the respective fields under the supervisors' guidance. On top of this is the sharing and exchanging of experiences, skills and knowledge of employees in different units. The company regularly hosts a forum where they can share experiences and notify obstacles, to define solutions as well as outline the standardized work procedure and services. These are to put in place the learning culture in the organization. In 2013, some of the enhancement programs are as follows:

1. Administrative skill enhancement

The company has placed emphasis on preparing employees for the supervisory and administrative levels. Such enhancement programs are organized every year.

2. Teamwork enhancement

The company sees the value of creative teamwork, within business units or across units, as this ensures efficiency of the overall operations. The Perfect Team curriculum was initiated, bringing employees from different units. Together, they got to know each other and participated in group activities, allowing the closer cross-unit relationship and harmony.

3. Preparation for ISO 9001:2008 Certificate

Customers' benefits have been the priority. Under the commitment to deliver quality products and services, the company is adopting international standards for the entire production process. The ISO 9001 standards will ensure that products meet customers' demands and comply with relevant laws and regulations. Employees at all business units were trained about the standards. Employees with outstanding knowledge and capacity are selected for additional training before serving the internal audit. The new job requires them to monitor and ensure all departments achieve the preset goals.

4. Marketing skill enhancement

The company plans to grow business with new projects every year. All sale employees, who directly feed information to and serve customers, are thus required to attend the training program. This is to ensure standardized and impressive services to customers. The Service Signature project, to create a unique service standard, was initiated in 2013. In 2015, the Company a leading Japanese company to analyze, recommend and improve the sales team as well as the distribution process, aimed at heightening efficiency and sale revenue.

5. Employee Training and Competency Enhancement

The company puts emphasis on training and perfectly readying all employees for their job descriptions. The activities have been rolled out consistently. The company established PF Training Center. They start with the orientation of the new recruits. Then, there is on-the-job training as well as training on new tools that can support their work. Employees' competency is also enhanced, to ready them for promotion and ensure that they will be able to perform the new jobs efficiently and effectively. The courses designed for all employees can be categorized as follows:

1. Standard Course
2. Management Course
3. Team Work Course
4. Course on construction
5. Course on design
6. Course on sale

7. Course on computer
8. Course on quality

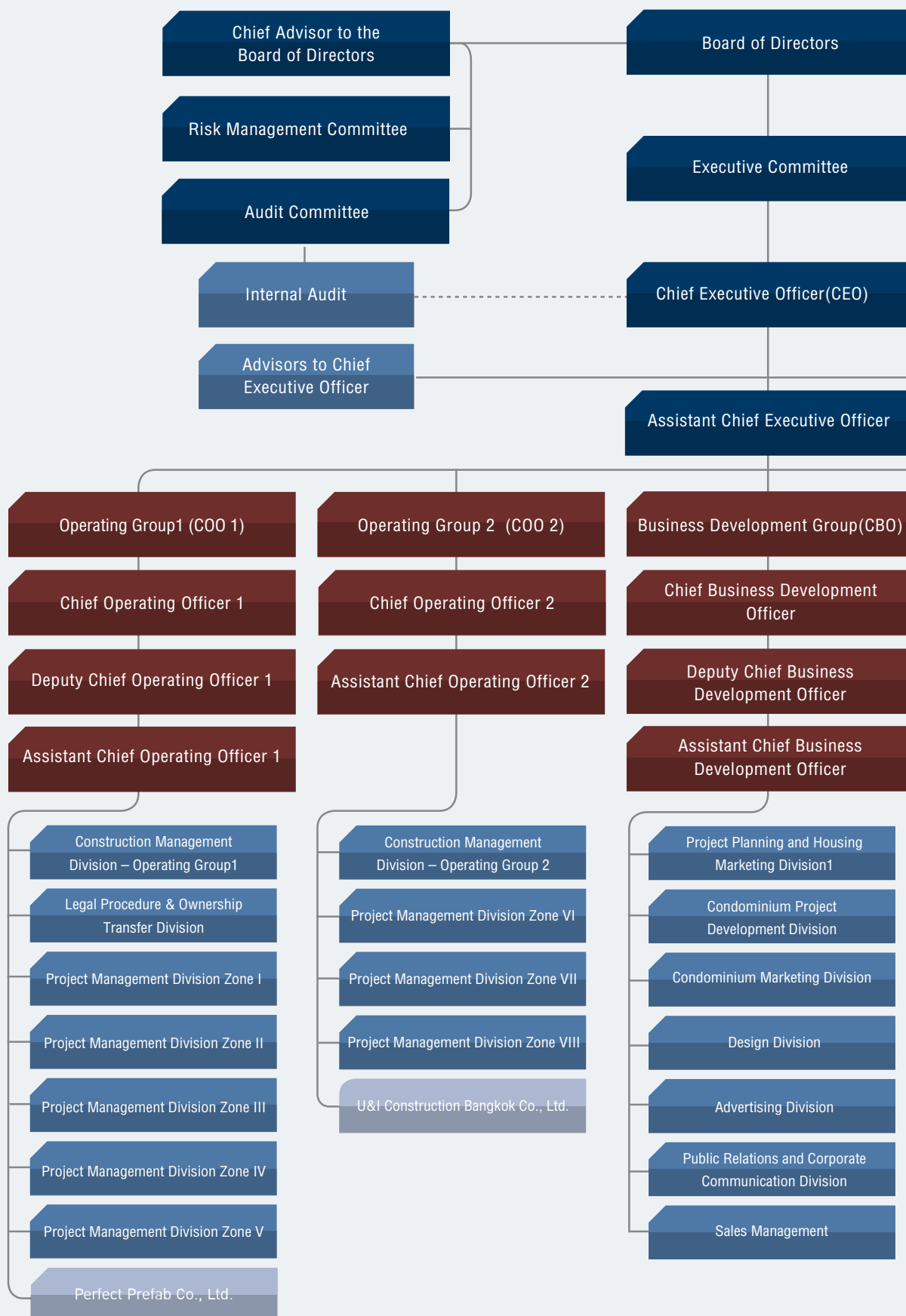
During 2014 and 2015, the Company developed 28 in-house training courses for 767 employees. A number of 43 employees also attended 32 training courses provided by outside organizations. The number of training courses totaled 60, involving 810 attendants.

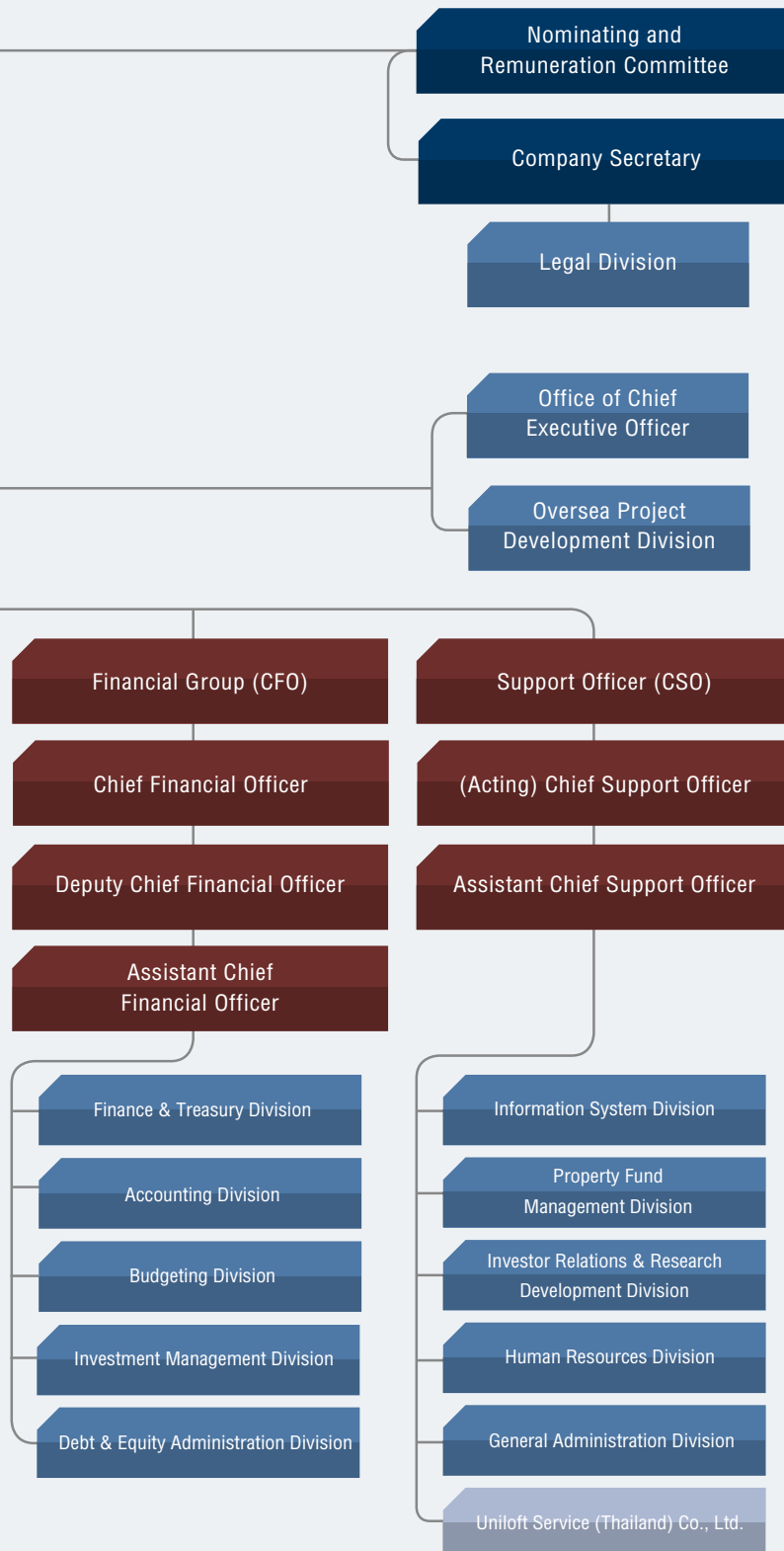
Throughout 2016, the Company designed 17 in-house training courses for 693 employees and a number of 52 employees attended 41 public training courses. The number of training courses in the year totaled 58, involving 745 attendants.



Property Perfect Public Company Limited and Subsidiaries organization chart

31 December 2016





BOARD OF DIRECTORS OF THE COMPANY

1. **Dr.Tawatchai Nakhata**
Chairman / Chief Executive Director

2. **Mr.Chainid Adhyanasakul**
Chief Executive Officer /
Deputy Chief Executive Director / Director

3. **Mr.Vidhya Nativivat**
Director /
Chairman of Norminating and Remuneration Committee

4. **Ms.Sirirat Wongwattana**
Director / Executive Director /
Norminating and Remuneration Committee/
Chief Financial Officer

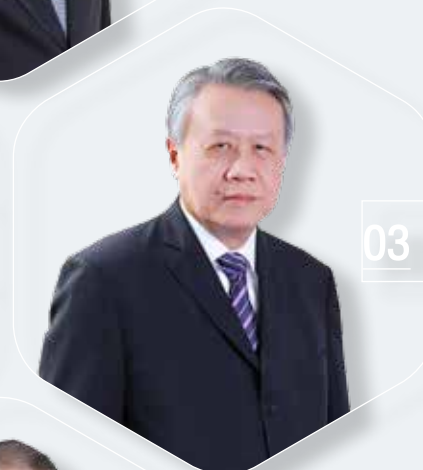
5. **Mr.Phairat Senachak**
Director /
Advisor to Chief Executive Officer



01



02



03



04



05

6. **Mr.Wongsakorn Prasitvipat**
Director / Executive Director /
Chief Business Development Officer

7. **Mr.Wicharn Siriwetwarawut**
Director / Executive Director /
Chief Operating Officer 1



06



07

8. **Mr. Pornswat Katechulasriroj**

Director /
Executive Director /
Chief Operating Officer2



9. **Mrs. Nuanual Swasdikula-Na-Ayudhaya**

Director / Independent Director /
Audit Committee



10. **Mr. Ekamol Kiriwat**

Director /
Independent Director



11. **Mr. Banlue Chantadisai**

Director / Independent Director /
Chairman of Audit Committee



12. **Mani Sutthaporn**

Director / Independent Director /
Audit Director

13. **Prof. Dr. Suchatvee Suwansawat**

Director / Independent Director /
Chairman of Risk Management Committee



14. **Mr. Pramote Rermyinde**

Company Secretary

BUSINESS POLICY AND OVERVIEW



Vision, Objectives, Goals and Strategies of The Company/Group

Vision

The Company sets sight to be a leading property developer that constantly satisfies customers of all ages, communities, partner, shareholders and employees, and commitment to environmental conservation and the quality of life.

Mission

1. Create and develop modern products and services at potential locations and timely and constantly respond to new living concepts.
2. Create and solidify the financial stability in response to sustainable development of the organization and stakeholders'.
3. Create and improve operational excellence through a professional team and the consistent and standardized operating system.
4. Create and enhance satisfaction in products and services with the better environment and quality of life and responses to the need of clients of all ages.
5. Create and grow reputation and pride through responsible and ethical operations, in recognition of the benefits and impacts on the relevant parties.

The Company is primarily involved in developing properties. The range of products cover single houses, townhouses and condominiums. The policy is in place in the administration and contractor assignments for the construction of designed products. To control the quality of construction works, The Company's engineers and architects are dispatched to monitor the entire process. A subsidiary was established to provide construction services primarily to The Company and the group. This is on top of the assignments awarded to external construction companies, to help reduce the construction cost. More subsidiaries were also established to support the development of shopping malls, office buildings, commercial areas, investment-purpose retail business, Hotel and overseas property development.

The Company's main business goal is to deliver customers "Happy-Living" home, through ethical and responsible operations which highlight responsibility to the environment, society and shareholders.

The Company puts emphasis on the added value of its project development, to deliver happiness in all aspects and maximum satisfaction to customers. The aspects include project locations, project design, product quality and quality of life. All project and house designs offer maximum space benefits. For the natural ambience, green areas are completed with trees, lakes and gardens. There are central clubs and services for customers, aside from 24-hour security system completed with with CCTVs and security guards. During holidays, entertainment activities are hosted to encourage socialization among all dwellers in the projects. The Company's commitment to quality projects and happy living has resulted in positive responses to the Company and Subsidiaries' products.

The Company will further its commitment towards quality projects. On offer quality of life to all groups of customers. The Company's products - condominium, townhouses, twin houses and single houses - are available at the prices of Bt1 million to Bt150 million. They are located in a diverse range of areas, to reach as many as customers as possible.

They are assured of satisfaction when living in any project by Property Perfect Group. The Company and subsidiaries are convinced that the commitment will produce the desirable quality of life and environment, which will yield good society and encourage people to do good deeds to society.



PROJECT'S INFORMATION

PROJECT OF PROPERTY PERFECT PLC.

AND SUBSIDIARIES' ON 31 DECEMBER 2016.



“Perfect Masterpiece” Brand

1. Perfect Masterpiece Rattanathibet

Location	Saima, Muang District , Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2007-2019
Product	SDH
Total project Value	4,789 MB.

2. Perfect Masterpiece Lakeside Rangsit

Location	Meuang District , Prathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2011-2016
Product	SDH
Total project Value	566 MB.

3. Perfect Masterpiece Ramkhamheang-Suvarnabhumi

Location	Kwang Minburi, Khet Minburi, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2017
Product	SDH
Total project Value	290 MB.

4. Perfect Masterpiece Ramkhamheang-Suvarnabhumi 2

Location	Kwang Minburi, Khet Minburi, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2020
Product	SDH
Total project Value	2,409 MB.

5. Perfect Masterpiece Phase 1-3 Sukhumvit 77

Location	Sukhumvit Rd., Samut Prakarn.
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2012-2018
Product	SDH
Total project Value	2,992 MB.

“Perfect Place” Brand

6. Perfect Place Rattanathibet 3

Location	Bangrak Noi., Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2013-2018
Product	SDH
Total project Value	1,301 MB.



7. Perfect Place Ratchapruek Phase 3

Location	Bangrak Noi., Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2014-2017
Product	SDH
Total project Value	582 MB.



8. Perfect Place Ratchapruek Phase 4

Location	Bangrak Noi., Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	SDH
Total project Value	1,209 MB.



9. Perfect Place Rangsit

Location	Meuang District, ,Prathum Thani Province.
Developed by	Property Perfect Plc.
Time to Develop	2011-2017
Product	SDH
Total project Value	673 MB.



10. Perfect Place Rangsit (2)

Location	Meuang District, ,Prathum Thani Province.
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH
Total project Value	679 MB.



11. Perfect Place Chaengwattana

Location	Cheangwattana Rd., Pakkred , Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2013-2019
Product	SDH
Total project Value	1,327 MB.





12. Perfect Place Ramkhamhaeng-Suvarnabhumi 2

Location	Kwang Minburi.,Khet Minburi, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2017
Product	SDH
Total project Value	1,523 MB.



13. Perfect Place Ramkhamhaeng-Suvarnabhumi 3

Location	Kwang Minburi.,Khet Minburi, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH
Total project Value	2,110 MB.



14. Perfect Place Sukhumvit77-Suvarnabhumi Phase 5-6

Location	Rachathewa, Bang Phli Samut Prakarn
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2007-2019
Product	SDH
Total project Value	2,382 MB.



15. Perfect Place Outer Ring-Ramkhamhaeng

Location	Khet Sapansung, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2017
Product	SDH
Total project Value	217 MB.



16. Perfect Place Outer Ring 2-Ramkhamhaeng

Location	Khet Sapansung, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2020
Product	SDH
Total project Value	1,173 MB.



17. Perfect Place Ramintra - Outer Ring

Location	Kanchanapisek road, (East-outer Ring) Sai Mai, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2017
Product	SDH
Total project Value	136 MB.

18. Perfect Place Ramintra - Outer Ring (The Exclusive)

Location	Kanchanapisek road Sai Mai, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2017
Product	SDH
Total project Value	49 MB.



19. Perfect Place Ramintra - Outer Ring 2

Location	Kanchanapisek road, (East-outer Ring) Sai Mai, Bkk
Developed by	Property Perfect Plc.
Time to Develop	2015-2020
Product	SDH
Total project Value	688 MB.



20. Perfect Place Muang Chiang Mai

Location	San Phi Sue, Muang, Chiang Mai Province.
Developed by	Residence Number Nine Co., Ltd..
Time to Develop	2014-2017
Product	SDH
Total project Value	958 MB.



“Maneerin”/“Perfect Park” Brand

21. Perfect Park Ratchapruek

Location	Bangrak Noi., Nonthaburi Province.
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	SDH
Total project Value	988 MB.



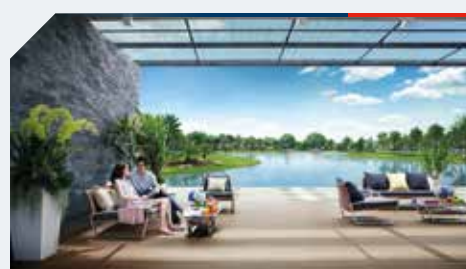
22. Maneerin Lake & Park Ratchapruek-Tiwanon

Location	Bangkoowat., Nonthaburi Province.
Developed by	Property Perfect Plc.
Time to Develop	2003-2017
Product	SDH
Total project Value	3,094 MB.



23. Perfect Park RamaV-Bangyai

Location	Bang Maenang, BangYai, Nonthaburi Province.
Developed by	Property Perfect Plc.
Time to Develop	2006-2018
Product	SDH,DH
Total project Value	6,190 MB





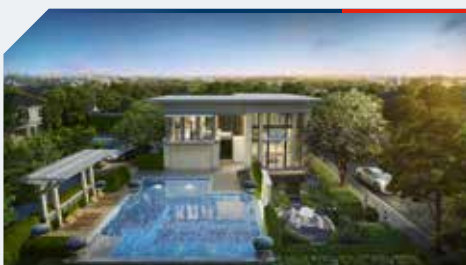
24. Perfect Park Suvarnabhumi (Romklao)(Phase 1-4) (EX)

Location	Kwang Minburi, Khet Minburi, Bangkok
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2007-2018
Product	SDH, DH
Total project Value	3,185 MB.



25. Perfect Park Bangbuatong

Location	Bangbuathong, Nonthaburi Province.
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2010-2019
Product	SDH
Total project Value	1,603 MB.



26. Perfect Park Chaiyapruet

Location	Bangbuathong, Nonthaburi Province.
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2016-2019
Product	SDH,DH
Total project Value	691 MB.



27. Perfect Park Bangna

Location	Bangsaothong District ,Samut Prakarn
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2015-2019
Product	SDH, DH
Total project Value	529 MB.

“The Metro” Brand



28. The Metro Rattanathibet

Location	Ta-It, Pakkred Nonthaburi Province.
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	TH
Total project Value	1,133 MB.



29. The Metro Ramkhamheang-Outer Ring

Location	Khet Sapsung, Bangkok.
Developed by	Property Perfect Plc.
Time to Develop	2013-2017
Product	TH
Total project Value	758 MB.

30. The Metro Biztown Bangna

Location	Khet Sapsung, Bangkok.
Developed by	Property Perfect Plc.
Time to Develop	2013-2017
Product	Commercial Buildings
Total project Value	535 MB.



“Modi Villa” Brand

31. Modi Villa Chaiyapruek

Location	Pimolrach, Bangbuathong, Nonthaburi.
Developed by	Property Perfect Plc.
Time to Develop	2015-2018
Product	SDH/DH
Total project Value	630 MB.



32. Modi Villa Townhome Chaiyapruek

Location	Pimolrach, Bangbuathong, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2015-2018
Product	TH
Total project Value	410 MB.



33. Modi Villa Rangsit

Location	Pimolrach, Bangbuathong, Nonthaburi.
Developed by	Property Perfect Plc.
Time to Develop	2016-2017
Product	TH
Total project Value	424 MB.



34 Modi Villa Ladkrabang-Suvarnbhumi

Location	Klongluangpang, Muang, Chachoengsa.
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2017
Product	SDH/DH
Total project Value	602 MB.



35. Modi Villa Townhome Ladkrabang

Location	Klongluangpang, Muang, Chachoengsao
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2017
Product	TH
Total project Value	973 MB.





36. Modi Villa Pinklao - Outer Ring

Location	Salaklang, Bangkruai Nontaburi
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2012-2018
Product	TH/SDH/DH
Total project Value	1,263 MB.



37. Modi Villa Bangbuathong

Location	Bangbuathong, Nonthaburi Province.
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2013-2018
Product	TH/SDH/DH
Total project Value	1,197 MB.



38. Modi Villa Bangna

Location	Bangsaothong Samut Prakarn Province.
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2013-2017
Product	SDH,DH
Total project Value	565 MB.



39. Modi Villa Townhome Bangna

Location	Bangsaothong, SamutPrakarn Province.
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2013-2019
Product	TH
Total project Value	1,051 MB.



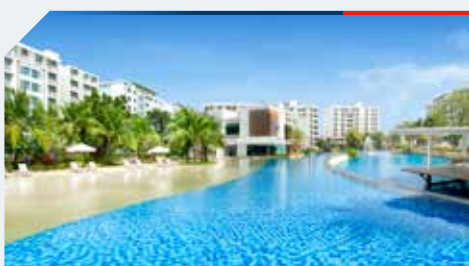
40. Modi Villa Townhome Petchkasem 69

Location	Petchkasem road, Bangkok
Developed by	Estate Perfect Co., Ltd..
Time to Develop	2015-2020
Product	TH
Total project Value	757 MB.

"Metro Park"/"Metro Sky" /" The Sky" "Metroluxe"/"Bella Costa" Brand

41. Metro Park Sathorn Phase 3

Location	Bangbua., Phasi Chareon. Bangkok.
Developed by	Property Perfect Plc.
Time to Develop	2007-2019
Product	CD
Total project Value	3,702 MB.



42. Metro Sky PrachaChuen

Location	Pracha Chuen Rd., Khet Bang Sue, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2020
Product	CD
Total project Value	3,500 MB.



43. Metro Sky Charansanitwong 13

Location	Soi Charansanitwong 9/1, Khwaeng Wat-Thapra Bangkok Yai, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2014-2020
Product	CD
Total project Value	2,643 MB.



44. Metro Sky Wutthakat

Location	Taladplu, Thonburi, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2014-2020
Product	CD
Total project Value	2,159 MB.



45. MetroLuxe Riverfront (Metro Riverfront)

Location	Rattanathibet Rd., Nonthaburi Province.
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	CD
Total project Value	1,750 MB.



46. Metroluxe Phaholyothin (Metro Sky Phaholyothin)

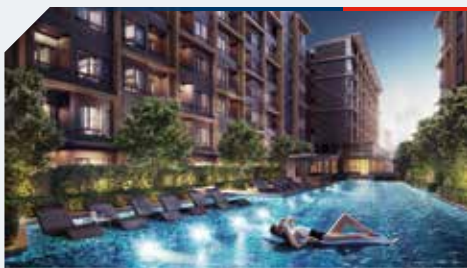
Location	Suthisanwinitchai Rd., Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2017
Product	CD
Total project Value	801 MB.



47. Metroluxe Phaholyothin (2)

Location	Suthisanwinitchai Rd., Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2017
Product	CD
Total project Value	844 MB.





48. Metroluxe Ratchada(MetroSky Ratchada)

Location	Ratchadapisek Rd., Bangkok.
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2014-2019
Product	CD
Total project Value	1,855 MB.



49. Metroluxe Kaset (Metro Sky Kaset)

Location	Praditmanutham Rd., Bangkok.
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2014-2019
Product	CD
Total project Value	1,595 MB.



50. Metroluxe Ekamai- Rama IV

Location	Rama IV Rd.,Khet Khlong Toei, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2018
Product	CD
Total project Value	1,556 MB.



51. The Sky Sukhumvit (Metro Sky Sukhumvit)

Location	SukhumvitRd., Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2012-2020
Product	CD
Total project Value	3,800 MB.



52. Bella Costa

Location	Paknam Pran, Pranburi Prachuabkirikhan
Developed by	Property Perfect Plc.
Time to Develop	2014-2018
Product	CD
Total project Value	1,794 MB.

“iCondo” Brand



53. iCondo Ngamwongwan 1

Location	Duang Manee Rd.,Nonthaburi Province.
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2011-2017
Product	CD
Total project Value	525 MB.

54. iCondo Ngamwongwan 2

Location	Duang Manee Rd., Nonthaburi Province.
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2012-2017
Product	CD
Total project Value	592 MB.

**55. iCondo Sukhumvit103**

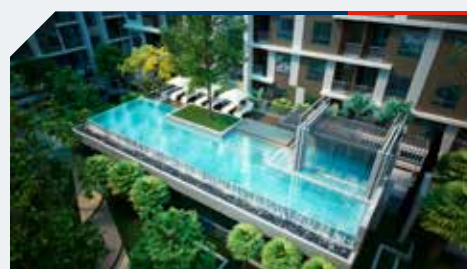
Location	Sukhumvit 103 Rd.(SoiUdomsuk),Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2011-2017
Product	CD
Total project Value	1,547 MB.

**56. iCondoSukhumvit 105**

Location	Sukhumvit 105 Rd.(SoiLasal) ,Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2011-2018
Product	CD
Total project Value	2,209 MB.

**57. iCondo Phetkasem39**

Location	Pet kasem Rd.,Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2012-2017
Product	CD
Total project Value	607 MB.

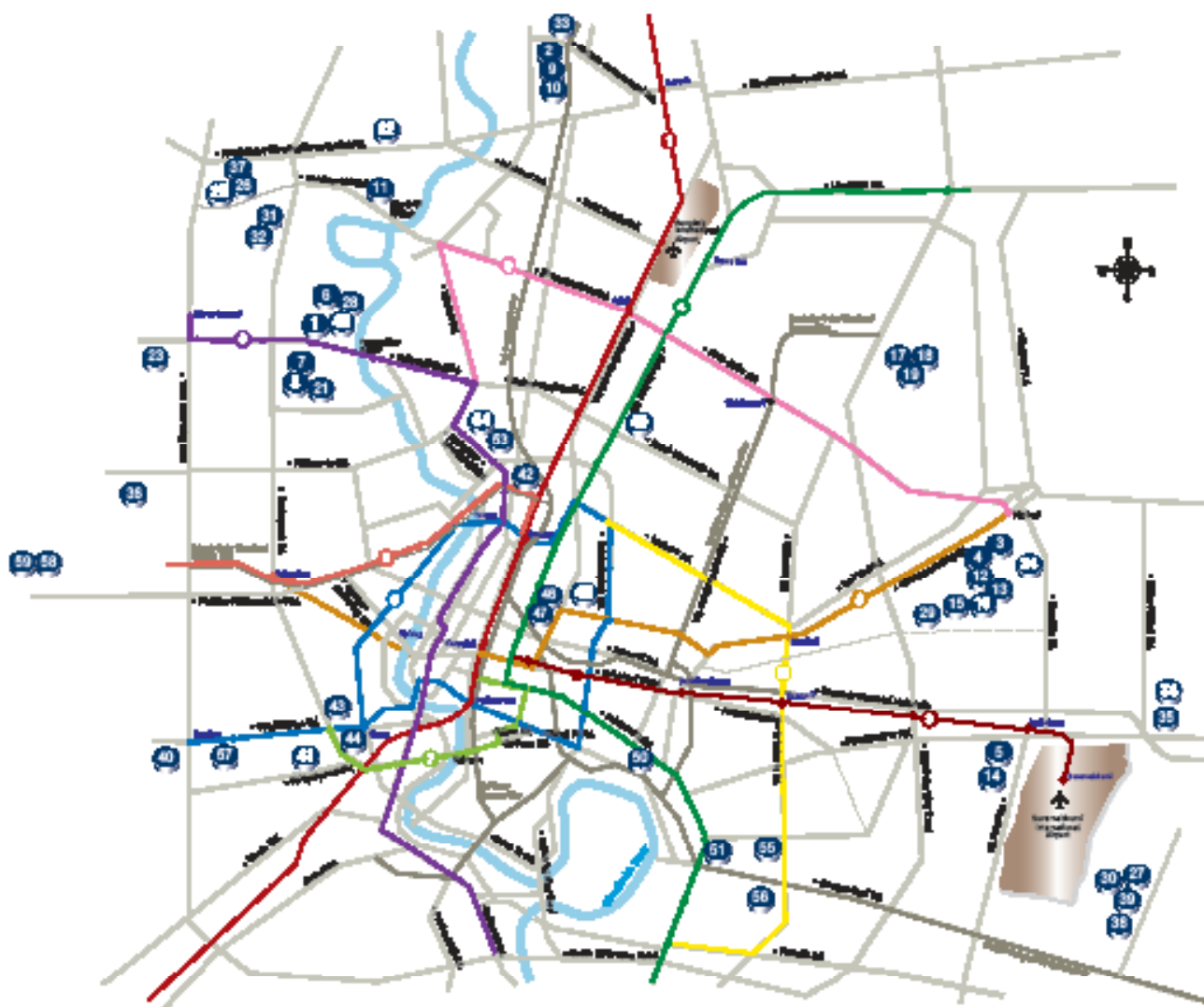
**58. iCondo Salaya**

Location	Salaya-NakornChaisriRd.,Thambon Salaya, Phutthamonthon District , Nakorn Prathom
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2012-2017
Product	CD
Total project Value	939 MB.

**59. iCondo Salaya2**

Location	Salaya-NakornChaisriRd.,Thambon Salaya, Phutthamonthon District , Nakorn Prathom
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2016-2018
Product	CD
Total project Value	1,477 MB.





Route of

Mass Rapid Transit Authority

- Red Line (North-South)
- Blue Line (East-West)
- Green Line (North-East)
- Yellow Line (North-East)
- Purple Line (North-South)
- Orange Line (North-South)
- Pink Line (North-South)
- Brown Line (North-South)

1. Paya Lebar MRT Station
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PRODUCTS AND SERVICES

Total revenue structure from sales by product type

The Company's revenue is generated mainly by property development, which largely consists of low-rise development like single detached houses and townhouses. The revenue structure in the past 3 years is as follows:

	Consolidated financial statements					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of Land and house	6,614.0	42.5%	6,624.4	51.3%	6,275.6	49.1%
Revenue from sales of residential condominium	4,987.6	32.1%	3,159.6	24.5%	3,667.1	28.7%
Revenue from sale of land	863.7	5.6%	501.4	3.9%	1,628.7	12.7%
Revenue from Hotel Business	2,193.9	14.1%	1,523.6	11.8%	844.7	6.6%
Revenue from rental and service	361.3	2.3%	224.7	1.7%	28.4	0.2%
Revenue from constructions	88.9	0.6%	-	0.0%	-	0.0%
Other income						
Gain from sale of land purchase rights	118.7	0.8%	-	0.0%	-	0.0%
One-time gain from below-fair value acquisition	-	0.0%	530.0	4.1%	-	0.0%
Interest received	29.1	0.2%	83.0	0.6%	26.7	0.2%
Dividends received	7.4	0.0%	7.6	0.1%	6.6	0.1%
Income from investment in associate	-	0.0%	-	0.0%	77.3	0.6%
Others	287.9	1.9%	251.0	1.9%	230.2	1.8%
Total revenue	15,552.5	100.0%	12,905.3	100.0%	12,785.3	100.0%

The financial statements showed that land and house sale generated 49.1%, 51.3% and 42.5% of total revenue in 2014, 2015 and 2016, respectively. Condominium business generated 28.7%, 24.5% and 32.1% of revenue, respectively. Proceeds from the sale of vacant land plots accounted for 12.7%, 3.9% and 5.6 %. The hotel business generated Bt844.7million, Bt1,523.6 million and Bt2,193.9 million or 6.6%, 11.8% and 14.1%, respectively. In the consolidated statements, the Company booked Bt60 million as gain from investment in associated companies in 2014 and booked Bt1.8 million and Bt21.8 million as losses in a joint venture in 2015 and 2016, respectively. The figures are shown before Item: Earnings before expenses and taxes.

Land and Houses Sale Revenue Structure by Product Type

House and condominium sale revenue from various projects are as follows;

Project	Developed by	Type	2016		2015		2014	
			Million Baht	%	Million Baht	%	Million Baht	%
Brand “Perfect Masterpiece”								
Maneeya Masterpiece Exclusive Zone	PF	SDH	14.5	0.2%	26.7	0.4%	40.5	0.6%
Perfect Masterpiece Rattanathibet-Ratchapruek	PF	SDH	369.0	5.6%	294.4	4.4%	282.9	4.5%
Perfect Masterpiece Ramkhamhaeng	PF	SDH	-	0.0%	-	0.0%	173.4	2.8%
Perfect Masterpiece (Century) Ramkhamhaeng Suvarnabhumi	PF	SDH	76.1	1.2%	-	0.0%	-	0.0%
Perfect Masterpiece Rangsit	PF	SDH	-	0.0%	30.0	0.5%	338.4	5.4%
Perfect Masterpiece 2 Rangsit	PF	SDH	254.0	3.8%	141.1	2.1%	-	0.0%
Perfect Masterpiece Sukhumvit 77	EP	SDH	434.7	6.6%	180.9	2.7%	333.5	5.3%
Brand “Perfect Place”								
Perfect Place Rattanathibet-Ratchapruek Phase 2	PF	SDH	70.6	1.1%	390.2	5.9%	452.5	7.2%
Perfect Place Rattanathibet-Ratchapruek 3	PF	SDH	475.5	7.2%	76.2	1.2%	-	0.0%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Colonial)	PF	SDH	11.2	0.2%	25.6	0.4%	67.1	1.1%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Exclusive zone)	PF	SDH	10.7	0.2%	31.7	0.5%	79.6	1.3%
Perfect Place Ramkhamhaeng-Suvarnabhumi (The Lake zone 2)	PF	SDH	5.9	0.1%	93.4	1.4%	-	0.0%
Perfect Place 2 Ramkhamhaeng-Suvarnabhumi	PF	SDH	43.2	0.7%	157.6	2.4%	226.7	3.6%
Perfect Place Ramkhamhaeng-Suvarnabhumi 3	PF	SDH	205.3	3.1%	89.3	1.3%	-	0.0%
Perfect Place (1) Ramintra-Outer Ring	PF	SDH	95.3	1.4%	-	0.0%	-	0.0%
Perfect Place Ramintra-Outer Ring The Exclusive	PF	SDH	39.1	0.6%	-	0.0%	-	0.0%
Perfect Place Outer Ring-Ramkhamhaeng	PF	SDH	102.9	1.6%	-	0.0%	-	0.0%
Perfect Place Outer Ring-Ramkhamhaeng (2)	PF	SDH	14.3	0.2%	-	0.0%	-	0.0%
Perfect Place Ratchapruek	PF	SDH	-	0.0%	50.0	0.8%	-	0.0%
Perfect Place 2 Ratchapruek	PF	SDH	8.0	0.1%	20.5	0.3%	244.7	3.9%
Perfect Place 3 Ratchapruek	PF	SDH	42.9	0.6%	439.1	6.6%	82.2	1.3%
Perfect Place 4 Ratchapruek	PF	SDH	276.1	4.2%	-	0.0%	-	0.0%
Perfect Place Ratchapruek (Exclusive zone)	PF	SDH	30.0	0.5%	-	0.0%	52.3	0.8%
Perfect Place Rangsit	PF	SDH	52.8	0.8%	163.0	2.5%	112.1	1.8%
Perfect Place 2 Rangsit	PF	SDH	139.1	2.1%	22.3	0.3%	-	0.0%
Perfect Place Chaengwattana	PF	SDH	381.3	5.8%	360.2	5.4%	288.5	4.6%
Perfect Place Pattanakarn-Srinakarin	PF	SDH	145.4	2.2%	555.4	8.4%	297.6	4.7%
Perfect Place Sukhumvit 77-Suvarnabhumi	EP	SDH	421.9	6.4%	458.8	6.9%	345.7	5.5%
Perfect Place Muang Chiang Mai	RN 9	SDH	98.7	1.5%	63.5	1.0%	17.5	0.3%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Masterpiece Zone 2)	RN 9	SDH	15.1	0.2%	72.8	1.1%	-	

Project	Developed by	Type	2016		2015		2014	
			Million Baht	%	Million Baht	%	Million Baht	%
Brand “Maneerin” “Perfect Park”								
Maneerin Lake & Park Ratchapruerk-Tiwanion	PF	SDH/Land	5.5	0.1%	5.2	0.1%	33.9	0.5%
Perfect Park Rama V-Bangyai	PF	SDH	423.4	6.4%	461.5	7.0%	403.8	6.4%
Perfect Park Rangsit	PF	SDH	23.7	0.4%	100.3	1.5%	179.9	2.9%
Perfect Park Ratchapruerk	PF	SDH	369.2	5.6%	126.0	1.9%	-	0.0%
Perfect Park Suvarnabhumi	EP	SDH	187.7	2.8%	234.2	3.5%	286.3	4.6%
Perfect Park Bangbuathong	RN 9	SDH	235.7	3.6%	233.0	3.5%	183.3	2.9%
Perfect Park Bangna	BD	SDH	9.4	0.1%	4.6	0.1%		0.0%
Band “The Villa” “The Metro” “Movi Villa”								
The Villa Rattanathibet-Ratchapruerk	PF	TH	14.7	0.2%	202.8	3.1%	381.9	6.1%
The Metro Ramkhamhaeng	PF	TH	172.3	2.6%	336.1	5.1%	128.5	2.0%
The Metro Pattanakarn-Srinakarin	PF	TH	129.7	2.0%	200.0	3.0%	253.3	4.0%
The Metro Rattanathibet	PF	TH	104.9	1.6%	35.2	0.5%	-	0.0%
Modi Villa Chaiyapruerk	PF	TH	114.2	1.7%	30.4	0.5%	-	0.0%
Modi Villa Townhome Chaiyapruerk	PF	TH, SDH	38.8	0.6%	17.7	0.3%	-	0.0%
Modi Villa Rangsit	PF	TH	118.5	1.8%	-	0.0%	-	0.0%
Modi Villa Townhome-Ladkrabang	EP	TH	77	1.2%	114.1	1.7%	84.6	1.3%
Modi Villa Ladkrabang-Suvarnabhumi	RN 9	SDH	64.6	1.0%	95.1	1.4%	91.1	1.5%
Modi Villa Pinklao-Outer Ring	EP	TH, SDH	199.8	3.0%	166.7	2.5%	273.5	4.4%
Modi Villa Bangna	EP	SDH	44.3	0.7%	49.6	0.7%	58.0	0.9%
Modi Villa Townhome Bangna	EP	TH	95.4	1.4%	127.5	1.9%	88.0	1.4%
Modi Villa Bangbuathong	RN 9	TH, SDH	189.2	2.9%	230.6	3.5%	334.3	5.3%
Modi Villa (Townhome) Petchkasem69	EP	TH	86.9	1.3%	70.2	1.1%	-	-
Other								
Metro Biztown Bangbuathong	RN 9	Shop	42.4	0.6%	10.6	0.2%	-	-
Metro Biztown Bangna	BD	Shop	9.7	0.1%	-	0.0%	-	-
Other 11 projects	PF /EP / RN9	TH, SDH, Shop	23.4	0.4%	30.6	0.5%	60.0	1.0%
Total Revenue from the Sale of land and houses			6,614.0	100.0%	6,624.4	100.0%	6,275.6	100.0%

Remark :

PF = Property Perfect Public Company Limited

EP = Estate Perfect Company Limited

BD = Bright Development Bangkok Company Limited

RN 9 = Residence Number Nine Company Limited

SDH = Single Detached House, TH = Townhouse, Land = Land, Shop = Shop House

As shown in the balance sheet, sales revenue of Property Perfect in 2014-2016 are Bt4,167.8 million, Bt4,512.5 million and Bt4,402.1 million, respectively. In the same period, subsidiaries' revenue are Bt2,107.8 million, Bt2,111.9 million and Bt2,211.9 million, respectively.

Sales of Condominium Units Revenue Structure by Product type

Project	Developed by	Type	2016		2015		2014	
			Million Baht	%	Million Baht	%	Million Baht	%
Metro Park Sathorn	PF	CONDO	170.2	3.4%	251.9	8.0%	369.4	10.1%
The Sky Sukhumvit	PF	CONDO	328.1	6.6%	1,009.1	31.9%	-	-
Metroluxe Riverfront	PF	CONDO	494.2	9.9%	-	0.0%	-	-
Metroluxe Phaholyothin	PF	CONDO	568.5	11.4%	-	0.0%	-	-
Metroluxe Rama 4	PF	CONDO	919.6	18.4%	-	0.0%	-	-
Bella Costa	PF	CONDO	522.6	10.5%	-	0.0%	-	-
Metroluxe Kaset	BD	CONDO	677.7	13.6%	-	0.0%	-	-
iCondo Ngamwongwan	BD	CONDO	1.6	0.0%	9.2	0.3%	79.9	2.2%
iCondo Sukhumvit 105	BD	CONDO	357.8	7.2%	522.8	16.5%	625.3	17.1%
iCondo Sukhapiban 2	BD	CONDO	2.3	0.0%	96.9	3.1%	514.8	14.0%
iCondo Sukhumvit 103	BD	CONDO	-	0.0%	170.5	5.4%	869.7	23.7%
iCondo Kaset	BD	CONDO	-	0.0%	5.4	0.2%	290.5	7.9%
iCondo Ngamwongwan 2	BD	CONDO	159.3	3.2%	188.0	5.9%	234.2	6.4%
iCondo Petchkasem 39	BD	CONDO	34	0.7%	136.3	4.3%	435.0	11.9%
iCondo Salaya	BD	CONDO	44.1	0.9%	518.0	16.4%	248.4	6.8%
iCondo Salaya 2	BD	CONDO	387.3	7.8%	0.0%		-	-
The Hyde Sukhumvit	GRAND	CONDO	320.4	6.4%	251.5	8.0%	-	-
Total Revenue from the Sale off Condominium								
Units			4,987.7	100.0%	3,159.6	100.0%	3,667.1	100.0%

Remark :

PF = Property Perfect Public Company Limited

BD = Bright Development Bangkok Company Limited

GRAND = Grande Asset Hotels and Property Public Company Limited

CONDO = Condominium

Revenue from sales of condominium units presented in the consolidated financial statements came from total revenue from projects developed by Property Perfect Public Company Limited in 2014 - 2016 are Bt.369.4 million, Bt1,261.0 million and Bt3,003.2 million, respectively. In the same period, subsidiaries' revenue are Bt3,297.7 million, Bt1,898.6 million and Bt1,984.5 million, respectively.

Products and Services

The company and subsidiaries are developing property projects under a variety of brands, to satisfy various needs of different target groups and to offer products at a wide price range. The projects are primarily in prime locations in Bangkok and peripheral provinces, located along mass transit routes and community areas near universities. There are also projects in high-potential provinces like Prachuab Khiri Khan (HuaHin) and Chiang Mai. The products are classified as following:

1. Single detached houses, duplex houses and townhouses

The company and subsidiaries' projects cater for customer demands which vary from location to location. They are priced from Bt1.9 - Bt60.0 million under the following brands.

Single Detached houses and Duplex houses



Project : Perfect Masterpiece
Price range : 10.0 - 60.0 MB.



Existing projects:

Perfect Masterpiece Century Rattanathibet
Perfect Masterpiece Lakeside Rangsit
Perfect Masterpiece Changwattana
Perfect Masterpiece Ramkhamhaeng
Perfect Masterpiece Sukhumvit 77-Suvarnabhumi



Project : Perfect Place
Price range : 5.0 - 10.0 MB.



Existing projects:

Perfect Place Rattanathibet
Perfect Place Ratchaphruek
Perfect Place Rangsit2
Perfect Place Chaengwattana
Perfect Place Ramkhamhaeng-Suvarnabhumi 3
Perfect Place Sukhumvit 77-Suvarnabhumi 6
Perfect Place Ramintra-Outer Ring
Perfect Place Outer Ring- Ramkhamhaeng
Perfect Place Muang Chiangmai



Project : Perfect Park
Price range : 3.0 - 5.0MB.



Existing projects:

Perfect Park Ratchapruek
Perfect Park Rama V- Bang Yai
Perfect Park Bangbuathong
Perfect Park Suvarnabhumi
Perfect Park Chaipruek
Perfect Park Bangna



Project : Modi Villa
Price range : 3.0 - 4.0 MB.



Existing projects:

Modi Villa LatKrabang-Suvarnabhumi
Modi Villa Bangna
Modi Villa Chaipruek

Townhouses



Project : The Metro

Price range : 2.7 – 5.0 MB.

**Existing projects:**

The Metro Ramkhamhaeng-Outer Ring

The Metro Pattanakarn-Srinakarin

The Metro Rattanathibet



Project : Modi villa (Townhome)

Price range : 1.9 – 3.0 MB.

**Existing projects:**

Modi Villa Lad krabang-Suvarnabhumi

Modi Villa Bangna

Modi villa) Petchkasem69

Modi Villa Pinklao- Outer Ring

Modi Villa Bangbuathong

Modi Villa Rangsit

In 2017, the company and subsidiaries plan to launch new projects and expand existing ones. This will cover a total of 11 projects, with combined value of Bt14,252 million. They will cover new locations like Rungsit, Sukhumvit 77, Bangna, Ramintra, Chaeangwattana and Krungthep Kreetha

2. Condominium

The company and subsidiaries have launched condominium projects under various brands. They are both low-rise (with no more than 8flr.) or high-rise (with over 8flr.), in response to target groups' new generation. The prices range from Bt1.59-Bt150.0million. The projects are primarily in prime locations in Bangkok, located along mass transit routes and community areas. Details are as follows:

Condominium



Project : Hyde

Price range : 6.02 –150.0 MB.

**Existing projects:**

The Hyde Sukhumvit 13

The Hyde Sukhumvit 11



Project : The Sky

Price range : 3.08 – 11.0 MB.



Project : Metro Sky

Price range : 2.0 – 5.0 MB.



Condominium



Project : Metro Luxe
Price range : 1.8 – 5.4 MB.

**Existing projects:**

Metroluxe Riverfront
Metroluxe Rama IV
Metroluxe Phaholyouthin
Metroluxe Kaset
Metroluxe Ratchada



Project : The Lake
Price range : 1.59 – 3.0 MB.



Project : i Condo
Price range : 1.59 – 2.4 MB.

**Existing projects:**

iCondo Sukhumvit 105
iCondo Salaya
iCondo Salaya The Campus



Project : Bella Costa
Price range : 3.99 – 12.0 MB

**Existing projects:**

Bella Costa HuaHin

In 2017, the Company and subsidiaries plan to launch 5 condominium projects with combined value of Bt7,938 million in prime locations near electric train routes and universities – Metro Sky Charan 13, Metro Sky Wutthagat, Metroluxe Phaholyothin 2, iCondo Serithai and iCondo Sukhumvit 77.

The company and subsidiaries base the investment decision on customer preferences survey in each location, to finalize target groups, development types and an appropriate price range. All projects are thoroughly reviewed by relevant business units, also through feasibility studies on the projects which scatter on various potential locations in the Greater Bangkok. The focus is to create quality, well-designed and environmental-friendly projects, aside from favorable pre-and after-sale services. After the transfer, the company and subsidiaries assure customers with a 1-year house warranty starting from the transfer date. The Perfect Service unit is established to take care of customers who have been delivered their completed units, within the warranty and off-warranty period. This is to ensure speedy services and guarantee customer satisfaction. Manning the unit are loyal employees, equipped with service mind and knowledge through training.

Moreover, the company and subsidiaries put in place community management practices, to cover the provision of recreation areas, utilities and infrastructure inside the projects until the construction works are finished and transferred to the estate committee or the juristic body.

3. Hotel and resort business

The Company puts emphasis on the development of hotels with 4-5 stars, which will be managed by professional and international hotel chains. At present, the Company has awarded the management contracts to Starwood Hotels & Resorts Worldwide Inc and Hyatt International Corporation. The Company's focus is to erect hotels in prime locations of Bangkok which boasts travel convenience. The Company has the policy to diversify business risks by investing in provinces which are tourist destinations and targeting a vast range of target customers.

The Company operates a hotel and resort business abroad, owning Kiroro Resort in Akaigawa-mura, Hokkaido, Japan. The ski resort is located on a 292-rai plot, where two four-star hotel buildings are located. There are 422 hotel rooms, from 22sqm standard rooms to 149sqm suites. The resort's average occupancy rate in 2015 was 60.2%. Considered one of the best ski resorts in Japan, it boasts the scenery that supports travel at all seasons. Akaigawa-mura is also well-known as the second most beautiful village in Japan. The resort offers a complete range of facilities such as function rooms, restaurants and a bar, hot spring, a swimming pool, souvenir shops and recreational areas. Hotels under the management of Starwood Hotels and Resorts will be branded "Sheraton" and "Tribute Portfolio". Meanwhile, NZ Ski, the New Zealand company that owns and operates a ski business, has been contracted to operate the ski resort in Japan thanks to a pool of professional staff and world-class management.

Hotel

THE WESTIN
GRANDE SUKHUMVIT
BANGKOK



Existing projects:

The Westin Grande Sukhumvit Hotel
(Average Room Rate: 4,220 baht / room / night)


Sheraton
Hua Hin
RESORT & SPA



Existing projects:

Sheraton HuaHin Resort and Spa Hotel
(Average Room Rate: 4,520 baht / room / night)


Sheraton
Hua Hin
PRANBURI VILLAS



Existing projects:

Sheraton HuaHin Pranburi Hotel
(Average Room Rate: 7,350 baht / room / night)


HYATT
REGENCY™
BANGKOK
SUKHUMVIT



Existing projects:

Hyatt Regency Bangkok Sukhumvit Hotel
(Under Construction)

Hotel

**Existing projects:**

Kiroro Ski Resort Hotel

4. Rental office buildings

The Company and subsidiaries have embarked on rental office building business, currently owning Pacific Place I and Pacific Place II of which competitive edges lie mainly with the proximity to BTS Nana Station. Located in a business area, they offer great transport convenience against cheaper rents compared to nearby buildings. The buildings and equipment are properly maintained and they are professionally managed. Though, there is limited room for an increase in office rents due to supply glut from existing and new office buildings. As such, the Company would maintain its focus on existing properties, ensuring the highest efficiency in generating revenue and profits.

Office Rental

**Existing projects:**

One Pacific Place Building
(Average Rental Rate : 502 Baht / sqm.)

Two Pacific Place Building
(Average Rental Rate : 562 Baht / sqm.)

5. Retail business

The Company and subsidiaries draw up a plan to develop shopping malls, office buildings and commercial areas. In the first phase (1-2 years), a community mall will be developed. This will be followed by a closed shopping mall and office for rent. We Retail, a subsidiary, has developed and operated a community mall, Metro West Town, on Kanlapaphruek Road. In 2015, it entered into a joint venture with Dara Harbour Company Limited, a unit of Fatima Group, to develop a mixed-use shopping centre and a residential building in Sri Rach district, Chon Buri. The project is under a feasibility study and designing stage. There is also a plan to open a large-sized shopping mall on Ratchadapisek and Ramintra Road.

Marketing and Competition

1. Marketing and Competition of Property Development

Marketing

Product Strategies

Product

- **Low Rise Residential Units**

The Company and subsidiaries' property development business takes into consideration the consumer demand and satisfaction survey as well as market competition, to respond each customer group's preferences and improve the Company's competitiveness. The Company and subsidiaries have developed a variety of products — single detached houses, duplex houses and townhouses — which come up with stunning designs and functions that fit Thais' lifestyles and Thailand's climate. The Company's architectural team is highly experienced in this task and has been working closely with leading architectural firms to launch new innovation.

The Group plans to unveil a new house design this year. European Habitat boasts the beautiful European architecture, designed to satisfy present-day preferences. The design is the latest chapter of the Urbanista Collection 2016 series, to incorporate the European ambience.

The unique gable roof is the highlight of this design. It is finished with small windows and a swan-shaped weather vane. Added on is a sky balcony on the second floor which comes with a container for balcony flowers, creating a leisure spot to cherish nature while sipping coffee in the morning or reading. The houses will be painted with pastel colors unique for their soothing and soft characters.

- **Condominium**

The company and subsidiaries' condominiums are both low-rise (with no more than 8 floors) and high-rise (with over 8 floors), offered under various brands in line with the project type and target groups. The Company has put emphasis on project layouts, with focus on the usable space of the overall area that encompasses the central area and room space. The projects must portray a modern and stylish look, reflecting the urban lifestyle.

Quality and Service

The Company and subsidiaries construct houses and townhouses through experienced contractors who have worked with the Company or shown credible track records. The contractors are demanded to follow the Company's designs, constructing the units with quality materials. The construction is closely monitored to ensure timely delivery. Contractors are also allowed to propose and comment on construction methods. For example, they can choose whether to use the conventional method or the prefabricated or precast system, in delivering quality products with the specified budgets.

However, several construction-related obstacles are foreseeable, such as labor shortage, the increase in construction material prices and shorter delivery period. The Company and subsidiaries have expanded the number of prefab houses. The Tunnel Formwork¹ system was adopted to tackle the obstacles. At present, in the projects that adopt the system, the Company ably reduces the construction period from 6-8 months to 4-5 months. The Company also puts emphasis on the quality of construction materials. SCG Building Materials Company Limited is now the major supplier of such materials, to assure buyers of the durability and quality designs. The Company and subsidiaries manage the cost of materials through bulk orders. This increases the Company's bargaining power and allows the Company to determine the development cost more precisely. The Company and subsidiaries also partner with SCG Building Materials in the construction of houses with the Modular² system. "SCG HEIM Innovative House" offers beautiful look, safety and value. High technology is involved in all construction stages, aside from high-quality materials and precise quality control. The innovative product is an option to consumers who are interested in innovation. It is now available at premium projects.

Note

- 1 Tunnel Formwork system allows the casting of tunnel moulds. On the moulds, concrete walls and floors can be built in one operation.
- 2 Modular is an innovative precast construction system. The steel structure and materials are designed by a computer programme, to ensure that the houses can withstand earthquakes, floods and other disasters.



The Company and subsidiaries mainly build and offer complete houses to customers. The houses must be completed before putting on the market, which allows customers to view the completed units and immediately move in. The houses can be transferred within a month after the purchase

Regarding condominium development, the Company and subsidiaries plan to launch more projects. More focus will be placed on every stage of construction, from the selecting of only established and experienced contractors. The Company and subsidiaries have a special team to closely work with the contractors. Consultants with experience in high-rise development are also hired to oversee the construction management, to ensure that the construction works meet engineering standards and requirements on quality and safety. The consultants will also ensure the construction is completed on schedule. In the past few years, the Company and subsidiaries have awarded most construction contracts to Italian-Thai Development Public Company Limited and Sangfah Construction & Engineering Co., Ltd. which are established and able to deliver standardized services. The construction works will be monitored by the Company's engineering and construction management teams, to ensure that standards are maintained. There is a central team to monitor construction standards plus engineering advisors for all projects. There are training courses and field trips for the engineering and construction management teams, as well as training for contractors. Construction manuals that contain quality check stage by stage are handed out to the Company's teams and contractors.

Environment Impact Assessment

Aside from enticing designs, functions and reasonable prices, the Company pays attention to the project planning, environmental management, infrastructure system, security system and after-sale services for customers' maximum benefits. The Company has also hosted activities for major festivals, where its customers can meet neighbors and nurture their good relationship. With the focus, the company won EIA Monitoring Award from the Natural Resources and Environment Ministry for three consecutive years. The three projects received the awards,

- In 2005-2007, Perfect Place Rattanathibet, Perfect Place Ramkhamhaeng phase 1
- In 2006 - 2008, Perfect Place Ramkhamhaeng phase 2 and 3
- In 2008, the company won the "Outstanding Energy-Saving Estate" award from the Energy Ministry's Department of Alternative Energy and Efficiency, from a list of home and project designs that boasted energy-saving features like designs, fixtures, space planning and management. The company's products won the following 10 awards;
 - 3 in the category of small detached houses with below 200 sqm of usable space, for Perfect Place Rattanathibet and Perfect Place Sukhumvit 77-Suvarnabhumi projects .
 - 2 in the category of medium-sized detached houses with 200-300 sqm of usable space for Perfect Masterpiece Rattanathibet
 - 1 in the category of townhouses with below 120 sqm in usable space for The Villa Rattathibet project
 - 1 in the category of townhouses with over 120 sqm in usable space for The Metro Rama 9
 - Award in the category of a small development project with no more than 99 development lots for Maneerin Park 2 Rangsit project.
 - Award in the category of a medium development project with 100-299 development lots for Perfect Masterpiece Ekamai-Ramintra project.
 - Award in the category of a large development project with 300 development lots or over for Perfect Place Sukhumvit 77-Suvarnabhumi project.
- In 2012, Perfect Masterpiece Rattanathibet was named the "Best Housing Development" in Thailand Property Awards 2012, recognized as an excellent housing estate, while Perfect Place Rangsit was awarded a plaque honoring it as an outstanding private housing project.

- In 2014, Perfect Place ChaengWattana and Perfect Masterpiece Rangsit were named outstanding energy-saving projects.

In addition, the company provides public gardens, lakes, large and perfect club houses . The company has teamed up with business partners to open their shops in the club house areas such as restaurant , Fitness Center, 7-11 Convenience stores and True coffee - Coffee Shop. These facilities differentiate the company's projects from others', creating the friendly ambience to residents who have warmly welcomed the concept.



Pricing Strategy













The company and subsidiaries has policy to set prices based on the economic condition, market demand and competition in all of products such as Single Detached house, Duplex house, Townhouse and condominium . These factors are jointly considered with costs, locations, project types and market conditions when compared with competitors. There are several guidelines for price setting such as setting higher price than rivals but better designs, and environmental and convenient facilities

The company and subsidiaries have offered various project types and prices to serve different demand as follows :

Products in the single detached houses, duplex houses and townhouses category are priced from Bt1.9 million to Bt60 million, to meet the purchasing power of various target groups.

Products in the condominium category are priced from Bt1.59 million to Bt150million.

Table: Residential prices by brand

Type	Type / Price range (Unit : Million baht)					
	1.0 – 2.0	2.0 – 3.0	3.0 – 4.0	4.0 – 5.0	5.0 – 9.0	9.0 Up
Single Detached House and Duplex House			 3.0 – 5.0 Million Baht		 5.0 – 10.0 Million Baht	 10 – 60 Million Baht
Townhouse		 1.9 – 3.0 Million Baht	 2.7 – 5.0 Million Baht			
Condominium			 1.8 – 5.4 Million Baht		 6.02 – 150.0 Million Baht	
					 3.99 – 12 Million Baht	
					 3.99 – 11 Million Baht	
			 2.0 – 5.0 Million Baht			
		 SATHORN – WUTTHAKAT 1.59 – 3.0 Million Baht				
		 1.59 – 2.4 Million Baht				

Place

Location

The projects of the company and subsidiaries are mostly located in high-potential locations, set along the electric train routes or new roads as.

- **In the North and West of Bangkok,**

The projects will be located on main roads along the Purple Line route (Bang Sue-Bang Yai) which operated on 6 August 2016, Red Line (Bang Sue-Rangsit) and Pink Line (Kharai-Min Buri), which include Ratchaphruek, Chaiyaphruek, Rattanathibet, Kanchanapisek, Nonthaburi Bridge -Bang Buathong road and Rangsit-PathumThani roads. These encompass roads linking to important area as Rama 4 Bridge (crossing the Chao Phraya River) and roads that link Ratchaphruek and Kanchanapisek roads which link area from Chaengwattana road to Kanchanapisek road and Western Motorway road that link Bangyai-Ban Pong-Karnchanaburi. Ratchaphruek Road is being expanded from 6 lanes to 10. With proximity to the second-stage expressway and the new express way -Sri Rath -Outer Ring which aside from shopping centers like Central West Gate Bang Yai, Central Chaengwattana, Central Rattanathibet, Future Park Rangsit , Zpell Rangsit, Crystal PTT on Ratchaphruek Road and The Crystal shopping center Ratchaphruek.

- **In the East,**

New projects will be located on main roads along the Airport Rail Link, the Pink Line (Kharai-Min Buri) which will be operated in 2020, and Orange Line (Talingchan-Min Buri). Near Suvarnabhumi Airport, the main roads include Ramkhamhaeng road, Sukhumvit77 road and Romklao road, promising linkages to the Motor Way towards Chon Buri and Pattaya in the East and the Eastern outer ring road towards North and South of Bangkok.

- **Urban**

City projects are in business areas like near Motor way, Airport Rail Link, BTS and MRT subway as well as the routes which running and to be opened soon. They are mostly up-scale housing units (Perfect Masterpiece), 3-storey townhouses (The Metro) and condominium (The Hyde, Metroluxe, Metro Sky, iCondo).

- **Provinces**

The Company and subsidiaries had 2 projects, focusing on the provinces that offer high growth potential for residential development. Perfect Place Muang Chiang Mai was launched in the province, to offer single detached houses near the city area. A beachfront condominium project, Bella Costa Huahin, was launched near the scenic Khao Tao mountain in Prachuap Khiri Khan.



Promotion

Advertising & PR

The Single Detached House and condominium projects of the company and subsidiaries have applied the integrated communications as newspaper, TV Scoop, radio spot, Billboard, Direct mail etc, in selling the products. Mass media is exploited for the one-time advertisement to advertise a number of projects to target customers in lower advertising cost. Complimenting the strategy is the direct marketing, whereby a specific media is chosen for a particular target group and achieve the objective of public relations, marketing events and customer relationship management (CRM) to take care of existing customers. The Perfect Family Club is launched to thank existing customers who introduce the projects to their friends, as a means to effectively reach out to target customers at a low cost. The ratio of units sold under the scheme has been significantly rising, thanks to clients' recommendations to their friends and relatives.

As online media can reach all target customer and tend to gain increasing popularity, the Company and subsidiaries outline an offensive online marketing strategy. A higher budget is set aside for online marketing, on top of the website which presents corporate information for good corporate image. Social media channels like Facebook, LINE, Twitter and Instagram are entailed to reach out to specific groups of target customers. A budget is set for better results through search engines, aside from advertising banners on websites and electronic mails to reach a particular group of customers. The mobile media and applications have been adopted, to facilitate access to the company's information. The company and subsidiaries also host special marketing activities for customers who accessed information through the websites. These customers are asked to register online for site visits and registered customers are awarded a special privilege. This is to promote the interactive communication channel and it has been warmly welcomed. This also allows effective data collection and follow-ups.

The company and subsidiaries have devised unique promotions for particular groups of target customers with realization of their different preferences, to speed up their buying decision process. The strategies take into account economic environment at a certain period. For example, for customers seeking a complete house, with help from leading financial institutions, they are offered with low-interest loans, an extended borrowing period, and the step installment



program. Through cooperation with leading furniture makers, the company offers customers a chance to buy a house with furniture at special prices, to help them save shopping time and reduce the need for an interior design. Special furniture prices also save their money, as loans for furniture purchase often carry higher interest rate than mortgage loans.

Brand Building Strategies

The brand bidding of the company' and subsidiaries has been differentiated from competitors'. The Brand DNA is created under the **"Happy Living"** concept, to underline the company's focus in creating the new living standards for all residing in the Property Perfect projects.

- **House (Happy with Perfect Quality)** Residing in high-quality houses, which are well-designed for maximized functions and pleasant look as well as for energy saving and environmental friendly purposes. Focus is also on standard materials and the thorough quality control of the construction process. The construction works are closely and thoroughly monitored and applied modern technology like the prefabrication which ensures short construction period but standard quarter. A final check before transfers is required.





In 2013, the company and subsidiaries also adopted the ISO9001: 2008 standards, dealing with quality management. The quality management system will be adopted for the low-rise development projects of the company and subsidiaries, to warrant customer satisfaction.

- **Security (Happy with Peace of Mind)** Deriving from maximum security. Through cooperation with Thai Secom Pitakkij Co., Ltd. (SECOM), a leader security system provider in Japan, the trustworthy Home Security system is designed for all projects to cover from the entrance, guard booths and the overall projects' space to customers' home.
- **Living in the environment and society** that supports one's lifestyle is true happiness. The Company promotes activities in housing and condominium projects. The central areas are spacious and fully equipped with facilities. For example, large fitness clubs are available at housing estates, where dwellers can enjoy a swimming pool, aerobic classes, shops and other services. The central areas are also designed for recreational family activities, reducing the need to venture outside the projects.
- **Green Environment (Happy with Friendly Environment)** Near-nature environment is provided, with the larger central space which offers floral trees and large lakes for cool living amid fresh air. Focus is also on energy-saving and environmental-friendly materials, reflective green glass and heat-insulating gypsum boards. Artificial materials have also been introduced to help save the environment, including the laminate floor that looks like real wood and is equally durable; and aluminum window sills which are both durable and beautiful.



The company and subsidiaries believe that a successful brand is built upon customers' good experiences, which will lead to the company' and subsidiaries have sustainable image. The construction works, design and project planning are thus properly designed, along with emphasis on environment management, infrastructure and security inside the projects. Activities are also hosted for better relationships among residents, to create a warm community and happy environment to all residents. Favorable communities spark words of mouths among residents of the company's projects, which is a sustainable way to build brand.

Target customers

Single detached houses, Duplex house and townhouses

Type	Brand	Target customers	Unit price ¹
Single Detached Houses		Target: Owners of medium- and large-sized businesses, high-level corporate executives, professionals like medical specialists and pilots Age group: 40 - 55 years Education: Master degree or higher Monthly income: Bt200,000 or higher Household income: Bt300,000 or higher No. of family members: 4 - 6	Bt10.0-Bt60.0 million
		Target: SME business owners, middle-level corporate executives, professionals like doctors, engineers and architects Age group: 35 - 45 years Education: Bachelor degree or higher Monthly income: Bt50,000 - Bt100,000 Household income: Bt100,000 - Bt200,000 No. of family members: 3 - 4	Bt5.0-Bt10.0 million
		Target: Corporate managers, middle-level corporate executives, engineers and architects Age group: 30 - 40 years Education: Bachelor degree or higher Monthly income: Bt30,000 - Bt50,000 Household income: Bt60,000 - Bt100,000 No. of family members: 3 - 4	Bt3.0-Bt5.0 million
		Target: Corporate managers, small-sized business owners Age group: 30 - 40 years Education: Bachelor degree or higher Monthly income: Bt30,000 - Bt50,000 Household income: Bt60,000 - Bt100,000 No. of family members: 3 - 4	Bt3.0-Bt4.0 million



Type	Brand	Target customers	Unit price ^{/1}
Townhouse		Target: Corporate managers, small-sized business owners Age group: 30 - 40 years Education: Bachelor degree or higher Monthly income: Bt50,000 - Bt100,000 Household income: Bt80,000 - Bt150,000 No. of family members: 3 - 4	Bt2.7-Bt5.0 million
		Target: Corporate assistant managers, civil servants, state enterprise employees Age group: 30 - 35 years Education: Bachelor degree Monthly income: Bt20,000 - Bt40,000 Household income: Bt40,000 - Bt80,000 No. of family members: 2 - 3	Bt1.9-Bt3.0 million

Condominiums

Type	Brand	Target customers	Price per square meter ^{/1}
High-Rise condominium		Target: High-level executives, business owners, foreign businessmen, and others whose monthly income is Bt200,000 or higher	Bt200,000-Bt310,000
		Target: High-level executives, business owners, foreign businessmen and others whose monthly income is Bt150,000 or higher	Bt100,000-Bt181,000
		Target: High-level executives, business owners or others whose monthly income is Bt120,000 or higher	Bt78,000-Bt109,000
Low-Rise condominium		Target: Middle- and high-level executives, business owners and others whose monthly income is Bt50,000 or higher	Bt75,000-Bt140,000 ^{/2}
		Target; Employees and others whose monthly income is between Bt25,000-Bt50,000	Bt50,000 - Bt65,000
		Target: High-level executives, business owners, foreign businessmen and others whose monthly income is Bt150,000 or higher	Bt80,000 - Bt140,000
		Target: Corporate employees and others whose monthly income is between Bt25,000-Bt55,000	Bt53,000 - Bt60,000

Note: ^{/1} Average sale price as of June 2016

^{/2} The price on launch date. Metro Luxe is partially transformed from Metro Sky/The Sky

Expanding the portfolio of single detached houses, townhouses and condominiums allows the Company to reach out to a wider range of customers, hence increasing marketing opportunities. This also helps the Company offer products to new target groups, to increase the market shares and reduce reliance on a particular target group.

Marketing and marketing channels

The Company and subsidiaries handle the marketing of single detached houses, duplex house, townhouses and condominium units through sale offices located at each project venue. Consistent training on products is consistently held for the marketing team, ensuring that they can offer recommendations, answer questions, highlight outstanding points and give assurance to target customers.

The Company's website, www.pf.co.th, is beautifully designed, allowing easy access and information search. Full details of all projects are presented to promote the products. The website is also a channel to communicate with target customers.



Competition and Trend of Real Estate Business

Overall, the property market is dominated by large-sized developers due to an increase in development costs, more stringent rules on project financing, and slow recovery in sale activities. In this situation, large-sized developers still hold competitive edges in terms of investment, construction and marketing. They also enjoy comparatively higher trust from consumers. This helps them enhance their market shares amid market contraction. The property market in 2016 witnessed several negative factors like economic slowdown, persistently high household debt, financial institutions' stringent rules for mortgage and project financing, and persistently low consumer confidence, as well as a sharp rise in land prices.

In 2016, the number of residential units launched in the Greater Bangkok increased by only 2% from the previous year. By product type, the number of townhouse units rose by 20% against a decrease by 3% and 7% in the number of single detached houses and condominium units, respectively. The combined value of the newly-launched units also plunged by 12% from the previous year, mainly due to a 4% fall in low-rise unit prices and a 19% decrease in condominium prices. The number and value of transferred units in the year also slid by 10% and 11%, respectively.

On product development, developers still focus their strengths on residential projects in high-potential locations. They focus more on projects geared for middle- upper income earners. The purchasing power remains low due to economic condition and high household debt which effect to lower level. Land prices have increased significantly, posing challenges

on selling activities as the prices of main products move up.

On the marketing front, most developers have delayed spending plans, which cover advertising spending, on the belief that such would not yield reasonable impacts in this circumstance. The marketing activities are now geared towards all target groups and adjusted to better cope with the current situation, to maintain or raise their market shares. Corporate marketing campaigns and Online marketing are also in focus, aside from the enhancement of image as well as product and service quality, to achieve a competitive advantage.

The developers have been avoiding a price war, to maintain the profit margin against the advance in production cost. Property prices tend to rise in line with the production cost, once the market recovers. Developers have adjusted unit size, improved the functions, and cut unnecessary details, to offer the best value for money. This will help boost the purchasing power of customers for units in their desirable locations. Meanwhile, the adoption of more prefabricated technology has cut the construction cost and offered development speed, which will improve their ability to address the changes in market condition. It will also help reduce cost volatility and circumstantial risks, and ultimately strengthen their competitive edge.

In 2017, the property market is expected to expand by 10%. In the first half, stagnation is very likely as the economy slowly picks up on the recovery in the agricultural and tourism sectors. Continued investment in public projects like Orange, Pink and Yellow electric trains offers land developers new investment opportunities. However, land prices are skyrocketing. Most of new projects launched in the period are those postponed from late 2016. In the second half, business acceleration is expected thanks to economic stimulus measures which will inject new money into the economic system, boosting the purchasing power and consumer confidence. Meanwhile, several government projects in the pipeline, valued as much as Bt400 billion, should become clearer, being a key factor in boosting confidence in the private sector which has been withholding new investments. Their investments will spur economic activities. Meanwhile, once the missing link of Bang Sue and Tao Poon train stations is closed, land development activities should gain speed in the western and northeastern parts in Bang Yai area.



2. Rental office market and competition

Market

The marketing strategy for Pacific Place I and Pacific Place II, two potential downtown buildings located near BTS Nana Station, remains focused on slightly cheaper rents compared to those of other buildings located nearby as well as proper maintenance. The emphasis is on occupancy rate.

Competition

Bangkok's rental office market witnessed an increase of 140,000 square meters in additional space in 2016, according to CBRE Thailand's research. However, the vacancy rate dropped to 8% and rents increased by 5-9% depending on locations and office building grades. The research shows limited supply in the market, with only 225,000 square meters scheduled for completion in 2017 and only 167,000 square meters to be completed in 2018. Meanwhile, demand will continue to grow, as companies are expanding their offices while foreign companies look for space for their offices in Thailand. Most buildings under construction thus enjoy nearly 100% occupancy rate ahead of completion.

Bangkok's rental office market will remain buoyant for operators. New supply should stay as low as 50,000-200,000 sqm in the year against an average increase in demand by 200,000 sqm. There is a room for an upward adjustment in rents by 5-10% on average depending on locations and building grades. Meanwhile, office space operated by old buildings accounts for only 14% of space from buildings aged 10 years or lower. Most of them are in good locations and are nearly-fully occupied. This shields them from negative impacts to be brought about by new office space.

3. Market and competition in hotel and tourism business

Market

In operating the hotel business, the Company and subsidiaries maintain the focus on hotels with 4-5 stars. The Company seeks to develop the properties or build portfolio through acquisition of existing properties. All will be in business areas that offer great transport convenience or in tourist destinations, to reach out to a variety of guests. The Company's marketing strategy is geared towards target guests' demand, competition and the management chain's requirements. The properties are managed by international hotel chains.

Competition

The hotel and tourism industry showed continued expansion in 2016, with a number of 32.6 million foreign visitors which increased by 8.91% from the previous year. More international visitors from all parts of the world visited Thailand in the year, particularly from East Asian nations like China, Malaysia, South Korea, Taiwan and ASEAN. This was a result of the government's supports to tourism activities in Bangkok and provinces. Meanwhile, boosting the tourism industry was lower airfares in line with fuel prices.

The hotel and tourism industry has the potential to show continued growth in 2017. Thailand anticipates to welcome 34.39 million tourist arrivals in the year, an increase by 5.5% from the previous year. Tourism authorities' continued promotional efforts as well as the government's plan to turn Thailand to the Asean marina hub is a boon to the industry. Tourists from other East Asia will continue playing a significant role in boosting the Thai travel industry.



4. Market and competition of retail industry

Market

To promote shopping malls among shoppers, our strategy is placed on location. Community shopping malls and regional-level malls are all located in good locations, to satisfy the demand of shoppers in each area.

The Company makes the decision to develop open shopping complex, community mall or closed shopping complex according to the feasibility study carried out for specific land plots. Importantly, the locations should be near populated areas, train stations and business areas. The next focus is on the selection of products and services to meet customer demand in each location.

Competition

The retail business showed continued expansion in 2016 despite economic slowdown in the past 1-2 years. Rents continued to rise on high occupancy rate, which averaged at 90%. The occupancy rate stayed high as most new retail venues were either nearly fully booked or fully booked. In 2016, only 187,000 square meters entered the market.

Continued expansion is expected in 2017 on the bright retail opportunities in Thailand. The average rents are also expected to rise further especially in the heart of Bangkok which remains popular among shoppers and foreign luxury brands which target both local and foreign customers. The situation in Bangkok suburban areas and provinces is also expected to improve in line with economic recovery.

THE COMPANY'S SECURITIES AND HOLDERS

1. Common shares

Accounting year	31 Dec. 2013	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016
Registered capital				
- Value (Bt)	5,961,161,256	10,737,610,610	7,900,000,000	9,000,000,000
- No. of shares	5,961,161,256	10,737,610,610	7,900,000,000	9,000,000,000
Registered capital				
- Value (Bt)	5,782,930,655	5,782,951,655	7,667,826,432	7,667,826,432
- No. of shares	5,782,930,655	5,782,951,655	7,667,826,432	7,667,826,432
- Par value (Bt. /Shares)	1.00	1.00	1.00	1.00

As of 31 December 2013, the company's registered capital totaled Bt5,961,161,256 (5,961,161,256 shares at Bt1 par value) while the paid-up capital totaled Bt5,782,930,655 (5,782,930,655 shares at Bt1 par value). The amount increased due to the exercise of warrants (PF-W3) into common shares worth Bt141,882,692 (141,882,692 shares at Bt1 par value). The new shares were registered with the Commerce Minister on 3 April 2013 and 9 July 2013.

On 29 July 2014, shareholders at the 1/2014 extraordinary meeting reached the following resolutions:

1. Reduce the Company's registered capital from Bt5,961,161,256 (5,961,161,256 shares at Bt1 par value) to Bt5,960,980,722 (5,960,980,722 shares at Bt1 par value), by cancelling 180,534 shares (worth Bt180,543 at Bt1 par value) reserved for the exercise of expired warrants (PF-W2) issued to creditors in the rehabilitation plan.
2. Increase the registered capital from Bt5,960,980,722 (5,960,980,722 shares at Bt1 par value) to Bt10,737,610,610 (10,737,610,610 shares at Bt1 par value), by issuing 4,776,629,888 shares at Bt1 par value to the shareholders of Thai Property and Grand Asset who agree to the Company's tender offers for their shares. Some shares are also reserved for the exercise of the Company's warrants issued in 2015 (PF-W3). Details are as follows:
 - 2.1 Reserve 1,596,592,736 shares at Bt1 par value for the tender offers for Thai Property and Grand Asset, as payment to the companies' shares sold to the Company.
 - 2.2 Reserve 3,161,773,631 shares at Bt1 par value for the tender offer for Grand Asset.
 - 2.3 Reserve 18,263,521 shares at Bt1 par value for the adjustment of 1/2012 warrants (PF-W3) accordingly to the condition binding the issuers and holders of PF-W3 warrants.

The new shares were resigned with the commerce ministry on 31 July 2014.

As of 31 December 2014, the Company's registered capital stood at Bt10,737,610,610 (10,737,610,610 shares at Bt1 par value), with Bt5,782,951,655 (5,782,951,655 at Bt1 par value) being paid-up. A number of warrants (PF-W3) were exercised to 21,000 shares at Bt1 par value or a total of Bt21,000. The new shares were registered with the Commerce Ministry on 9 October 2014.

As of 31 March 2015, the registered capital remained unchanged at Bt10,737,610,610 (10,737,610,610 shares at Bt1 par value), with Bt5,782,951,655 paid-up (5,782,951,655 shares at Bt1 par value).

On 23 April 2015, the annual shareholder meeting resolutions were as follows:

1. Reduce the registered capital by Bt4,776,629,888 at Bt1 par value, from Bt10,737,610,610 to Bt5,960,980,722, by the cancellation of common shares reserved for the tender offer of Thai Prop and Grand Asset as well as shares reserved for the exercise of warrants (PF-W3)
2. Increase the registered capital by Bt1,939,019,278, from Bt5,960,980,722 to Bt7,900,000,000, by issuing 1,939,019,278 new shares at Bt1 par value.
3. Approve the allocation of 1,928,031,552 shares at Bt1 par value to existing shareholders, at the ratio of 1 new share to every 3 old shares at the price of Bt1. Approve the reservation of no more than 10,987,726 shares at Bt1 par value for the exercise of warrants (PF-W3). The company issued a total of 1,806,495,077 shares at Bt1 apiece or a total of Bt1,806,495,077.

The capital reduction and increase was registered at the Commerce Ministry on 7 and 8 May 2015, respectively. The new shares were registered on 24 June 2015.

As of 31 December 2015, the Company's paid-up capital increased to Bt7,667,826,432 (7,667,826,432 shares at Bt1 par value), following the issuance of common shares worth Bt1,806,495,077 and the exercise of warrants worth (PF-W3). Bt78,379,700. The new paid-up shares were registered with the Commerce Ministry on 8 April, 24 June and 24 July 2015.

As of 30 September 2016, the Company's registered capital remained unchanged, at Bt7,900,000,000 (7,900,000,000 common shares at Bt1 par value); paid-up capital amounting to Bt7,667,826,432 (7,667,826,432 shares at Bt1 par value).

On 23 December 2016, shareholders at the 2016 extraordinary meeting resolved as follows:

- Reduce the registered capital from Bt7,900,000,000 to Bt7,667,826,432, with 7,667,826,432 common shares at Bt1 par value. The unallocated 232,173,568 common shares at Bt1 per value were cancelled: 121,173,568 shares were originally reserved for allocation to existing shareholders, 99,649,367 shares were reserved for the exercise of PF-W3 warrants which were expired, and 10,987,726 shares were reserved for the exercise of expired PF-W3 warrants.
- On 26 December 2016, the Board of Directors approved the Company's offering of 300,000,000 newly-issued shares at Bt1 par value to unconnected investors in a private placement at the price of Bt1 a share. The Company received full payment on 28 December 2016 and the new shares were registered with the Ministry of Commerce on 9 January 2017.
- Increase the registered capital by Bt1,332,173,568 from Bt7,667,826,432 to Bt9,000,000,000, by the issuance of 1,332,173,568 shares at Bt1 par value.

As of 31 December 2016, the Company's registered capital stood at Bt9,000,000,000 (9,000,000,000 common shares at Bt1 par value). The paid-up capital amounted to Bt7,667,826,432 (7,667,826,432 shares at Bt1 par value).

2. Major shareholders

As of 31 December 2016, the company's registered capital totaled Bt9,000,000,000 (9,000,000,000 shares at Bt1 par value) while the paid-up capital totaled Bt7,667,826,432 (7,667,826,432 shares at Bt1 par value). The first 10 largest shareholders are ;

Rank	The first 10 largest shareholders	No. of shares	%
1	ANDAMAN LONGBEACH RESORT COMPANY LIMITED ^{/1}	893,398,441	11.65
2	Mr. Chainid Adhyanasakul	580,659,675	7.57
3	Miss Kannika Adhyanasakul	559,404,792	7.30
4	JAPAN ASIA GROUP LIMITED ^{/2}	387,016,825	5.05
5	ANDAMAN VILLA Co.,Ltd. ^{/3}	355,870,600	4.64
6	THAI NVDR Co., Ltd.	293,824,106	3.83
7	BUALUANG LONG TERM EQUITY FUND	177,289,866	2.31
8	Mr.Denchai Pinkarnchanapaiboon	167,666,666	2.19
9	Provident fund of Employee of Electricity Generating Authority of Thailand, registered by Bualuang Securities	160,366,666	2.09
10	BUALUANG LONG TERM EQUITY FUND 75/25	159,860,800	2.08

Data from Thailand Securities Depository Co., Ltd.

Note

^{/1} ANDAMAN LONGBEACH RESORT COMPANY LIMITED is 100% owned by Resort Holding Company Limited, which is in turned owned 45% by Wahkit Finance Limited, registered in British Virgin islands . Property Perfect Public Company Limited was informed by Andaman Long beach Resort (Andaman)'s management that its indirect major shareholder, Wahkit Finance Limited, has no connection with Japan Asia Group Limited and HOTEL MANAGEMENT AND LEISURE LIMITED. Other shareholders of Resort Holding are Mr. Methee Tanmanatrakul (45%) and Mr. Chaiwat Aswintrangkul (10%). Mr. Chaiwat and Mr Methee are authorized to sign obligations involving Andaman and Resort Holding. There is no connection between Andaman and the company in terms of major shareholders, directors or executives. There is no "nominee account" relationship. The Company's directors or executives have no relationship — as directors, executives, shareholders or controlling entities - with Wahkit Finance Limited, Resort Holding Company Limited and Andaman Long Beach Resort Company Limited.

(Ms Vipra Tanmanatrakul also holds 523,200 shares in her own account in Andaman Long Beach Resort Co., Ltd..)

^{/2} JAPAN ASIA GROUP COMPANY LIMITED emerges as a shareholder, as the creditor in the Rehabilitation Plan converted debts to equity in line with the Rehabilitation Plan. Japan Asia Group Limited is registered in the British Virgin Islands, a sovereign territory of the United Kingdom, operating financial services and investment. Under the British Virgin laws, the information of shareholders, registered capital and operating results of companies incorporated there is available only to authorized director, which in the case of Japan Asia Group Limited is Star Mark Enterprises Limited. In quest for the information on its shareholders, the company learns that Japan Asia Group Company Limited's ultimate shareholder is Mrs. Wai Ching Chung, a resident of Hong Kong, the People's Republic of China. There is no connection between Japan Asia Group Limited and the company in terms of major shareholders, directors or executives. There is no "nominee account" relationship.

^{/3} Andaman Villa Company Limited has 3 shareholders — Ms. Napaporn Buraprateep (holding 40%), Ms. Rudee Noranitipadungkarn (40%), and Mr. Vichai Jitseree (20%). Ms. Rudee and Mr. Vichai are the company's authorised signatories. The Company and Andaman Villa are not related, as there is no cross-shareholding by major shareholders, cross-directorship or cross-management. Neither is there nominee relationship.

3. Other Securities

3.1 Warrants

-None-

3.2 Debentures

Details of outstanding debentures as of 31 December 2016 are as follows;

(1) Unsecured Debentures No. 1/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.1/2015, maturing in 2017
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 2,400,000 units
Face value	: 1,000 Baht
Issue size	: Bt.2,400 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 12 March 2015
Maturity	: 2 years and a half from issue date
Maturity date	: 12 September 2017
Interest rate	: Fixed 5.5% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Trustee	: Krung Thai Bank Public Company Limited
Registrar	: Krung Thai Bank Public Company Limited

(2) Unsecured Debentures No.2/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.2/2015, maturing in 2017
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 2,500,000 units
Face value	: 1,000 Baht
Issue size	: Bt.2,500 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 21 May 2015
Maturity	: 2 years and a half from issue date
Maturity date	: 12 November 2017
Interest rate	: Fixed 5.20% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Trustee	: Krung Thai Bank Public Company Limited
Registrar	: Krung Thai Bank Public Company Limited

(3) Unsecured Debentures No.3/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.3/2015, maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 3,000,000 units
Face value	: 1,000 Baht
Issue size	: Bt.3,000 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 20 August 2015
Maturity	: 3 years from issue date
Maturity date	: 20 August 2018
Interest rate	: Fixed 5.15% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

(4) Unsecured Debentures No. 4/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.4/2015, maturing in 2017
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 110,000 units
Face value	: 1,000 Baht
Issue size	: Bt.110 million
Offering method	: Offered to no more than 10 investors within 4 months
Issue date	: 22 October 2015
Maturity	: 2 years and 14 days from issue date
Maturity date	: 5 November 2017
Interest rate	: Fixed 4.25% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Registrar	: Krung Thai Bank Public Company Limited

(5) Unsecured Debentures No. 5/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.5/2015, maturing in 2019
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 3,000,000 units
Face value	: 1,000 Baht
Issue size	: Bt.3,000 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 5 November 2015
Maturity	: 3 years and a half from issue date
Maturity date	: 5 May 2019
Interest rate	: Fixed 5.50% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Trustee	: Krung Thai Bank Public Company Limited
Registrar	: Krung Thai Bank Public Company Limited

(6) Unsecured Debentures No.1/2016

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.1/2016, maturing in 2020
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 3,000,000 units
Face value	: 1,000 Baht
Issue size	: Bt 3,000 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 28 January 2016
Maturity	: 4 years from issue date
Maturity date	: 28 January 2020
Interest rate	: Fixed 5.60% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

(7) Unsecured Debentures No. 2/2016 #1

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.2/2016 #1, maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 1,550,000 units
Face value	: 1,000 Baht
Issue size	: Bt 1,550 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 2 June 2016
Maturity	: 2 years and a half from issue date
Maturity date	: 2 December 2018
Interest rate	: Fixed 4.70% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Registrar	: Krung Thai Bank Public Company Limited

(8) Unsecured Debentures No. 2/2016 #2

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.2/2016 #2, maturing in 2020
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 1,450,000 units
Face value	: 1,000 Baht
Issue size	: Bt 1,450 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 2 June 2016
Maturity	: 4 years from issue date
Maturity date	: 2 June 2020
Interest rate	: Fixed 5.50% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Registrar	: Krung Thai Bank Public Company Limited

(9) Unsecured Debentures No. 3/2016 #1

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.3/2016 #1, maturing in 2019
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 1,200,000 units
Face value	: 1,000 Baht
Issue size	: Bt 1,200 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 22 September 2016
Maturity	: 3 years from issue date
Maturity date	: 22 September 2019
Interest rate	: Fixed 4.85 % per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Registrar	: Krung Thai Bank Public Company Limited

(10) Unsecured Debentures No. 3/2016 #2

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.3/2016 #2, maturing in 2020
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 1,200,000 units
Face value	: 1,000 Baht
Issue size	: Bt 1,200 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 22 September 2016
Maturity	: 4 years from issue date
Maturity date	: 22 September 2020
Interest rate	: Fixed 5.30 % per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Registrar	: Krung Thai Bank Public Company Limited

(11) Unsecured Debentures No. 4/2016

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No.4/2016 , maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 200,000 units
Face value	: 1,000 Baht
Issue size	: Bt.200 million
Offering method	: Offered to no more than 10 investors within a 4-month period
Issue date	: 1 September 2016
Maturity	: 1 years 11 Month and 29 days from issue date
Maturity date	: 30 August 2018
Interest rate	: Fixed 4.30% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 2:1
Credit rating	: "BB+" by Tris Rating Co., Ltd.
Trustee	: Krung Thai Bank Public Company Limited

(12) Unsecured Debentures No. 1/2016

Specific name	: Unsecured debentures of Grande Asset Hotels and property Plc. No.1/2016, maturing in 2019
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 700,000 units
Face value	: 1,000 Baht
Issue size	: Bt.700 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 17 February 2016
Maturity	: 2 years 11 month and 28 days from issue date
Maturity date	: 14 February 2019
Interest rate	: Fixed 5.70 % per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 3:1
Credit rating	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

(13) Unsecured Debentures No. 2/2016

Specific name	: Unsecured debentures of Grande Asset Hotels and Property Plc. No.2/2016, maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 150,000 units
Face value	: 1,000 Baht
Issue size	: Bt.150 million
Offering method	: Offered to no more than 10 investors within 4 months
Issue date	: 16 March 2016
Maturity	: 2 year and 3 days from issue date
Maturity date	: 19 March 2018
Interest rate	: Fixed 5.20% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Registrar	: Krung Thai Bank Public Company Limited

(14) Unsecured Debentures No 3/2016

Specific name	: Unsecured debentures of Grande Asset Hotels and property Plc. No. 3/2016, maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 200,000 units
Face value	: 1,000 Baht
Issue size	: Bt.200 million
Offering method	: Offered to no more than 10 investors within 4 months
Issue date	: 27 May 2016
Maturity	: 2 year 11 month and 23 days from issue date
Maturity date	: 20 May 2019
Interest rate	: Fixed 5.35% per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 3:1
Registrar	: Krung Thai Bank Public Company Limited.

(15) Unsecured Debentures No 4/2016

Specific name	: Unsecured debentures of Grande Asset Hotels and Property Plc. No. 4/25016, maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	: 300,000 units
Face value	: 1,000 Baht
Issue size	: Bt300 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 14 July 2016
Maturity	: 2 years and 5 months from issue date
Maturity date	: 14 December 2018
Interest rate	: Fixed 5.20 % per annum
Principal payment	: Principal payment maturity date,
Early redemption	: None
Other significant condition	: Debt to equity ratio must be maintained at no more than 3:1
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

The combined value of remaining debentures on 30 December 2016; face value is Bt20,960 million. (Book value is Bt20,904)

3.3 Bills (Bill of Exchange and Promissory Notes)

As of 31 December 2016, the Company and subsidiaries own a total to Bt3,727.03million through the issuance of bills of exchange which offer the interest rate of 3.80 – 4.70 % per annum. They will come due within January 2017 May 2017.

4. Dividend policy of the company and subsidiaries

The Board of Directors approved at the 5/2007 meeting a change in the dividend policy, which earlier set the dividend payout ratio at 50% of after-tax profits as approved by the shareholders meeting. The change followed the alteration in the accounting measure, which is based on the cost method rather than the equity method. The Company's dividend payment ratio was changed to at least 50% of the non-consolidated net profits after legal reserves. The ratio is also set in accordance with the Company's financial status, liquidity, investment plans and other factors related to the operations.

The company's subsidiaries have dividend payout policy of at least 50% of unconsolidated net profit after deducting legal reserve. Besides, financial position, liquidity, business expansion and other factors related to the company's management are also taken into dividend payment consideration.

Annual dividend payouts as follows:

Separate Financial Statement	2016	2015	2014
Net profit per share (Baht) ^{1/}	0.06668	0.04752	0.06353
Dividend per share (Baht) ^{2/}	0.04	0.03	0.044
Dividend payout (%) ^{3/}	67.78	83.18	69.35

Note

^{1/} Earnings per share is the earnings specified in the statements of comprehensive income.

^{2/} Dividend per share is dividend paid out each year per company filings to the Stock Exchange of Thailand.

^{3/} Dividend payout ratio is the ratio of annual dividend to net profits.

MANAGEMENT AND AUTHORIZED PERSON OF THE COMPANY

1

Dr.Tawatchai Nakhata**Age 69 Years****Chairman / Chief Executive Director / Authorized Signatory Directors****Academic Qualifications**

- Ph.D. University of Illinois
- Audit Committee Program (ACP) 13/2006; Director Accreditation Program (DAP) 52/2006; Thai Institute of Directors (IOD)

Equity Holding 0.169%**Career experience within the past 5 years**

Timing	Designation	Company / Business Type
1992 - Present	Chairman	Property Perfect Plc.
2008 - Present	Chief Executive Director	Property Perfect Plc.
2010 - Present	Independent Director	Khonburi Sugar Plc.
2011 - Present	Chairman	We Retail Plc.

2

Mr.Chainid Adhyanasakul**Age 62 Years****Director / Chief Executive Officer / Deputy Chief Executive Director / Authorized Signatory Directors****Academic Qualifications**

- Bachelor of Laws Chulalongkorn University
- Thai Barrister-at-Law Thai Bar Association
- Director Accreditation Program (DAP) 114/2015; Thai Institute of Directors (IOD)

Equity Holding 7.572%**Career experience within the past 5 years**

Timing	Designation	Company / Business Type
1985 - Present	Chief Executive Officer/ Deputy Chief Executive Director	Property Perfect Plc.
2011 - Present	Director	We Retail Plc.
2007 - Present	Director	Grande Asset Hotels and Property Plc.
2007 - 2015	Director	Bright Development Bangkok Co., Ltd. / Property Development
2007 - Present	Director	Centrepont Shopping Mall Co., Ltd. / Property Development
2002 - Aug.2014	Director	Krungthep Land Plc. / Property Development
1999 - 2015	Director	Estate Perfect Company Limited/ Property Development

3

Mr.Vidhya Nativivat

Age 62 Years

Director / Chairman of Nominating and Remuneration Committee

Academic Qualifications

- Master of Laws, The George Washington University, USA
- Bachelor of Laws, Thammasat University
- Director Accreditation Program (DAP)77/2009; Thai Institute of Directors (IOD)

Equity Holding 1.405%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Jun. 2014 - Present	Chairman of Nominating and Remuneration Committee	Property Perfect Plc.
2004 - Present	Non Executive Director	Property Perfect Plc.
1986 - Present	Managing Director	Bunchong and Vidhya Law Office Ltd./ Law
2004 - Jun. 2014	Nominating Committee / Remuneration Committee	Property Perfect Plc.

4

Mrs.Nuanual Swasdikula-Na-Ayudhaya

Age 67 Years

Director / Independent Director / Audit Committee

Academic Qualifications

- Bachelor of Laws, Thammasat University
- Thai Barrister-at-Law Thai Bar Association
- Director Accreditation Program (DAP) 114/2015; Thai Institute of Directors (IOD)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Present	Audit Committee	Property Perfect Plc.
2009 - May 2015	Director / Independent Director / Risk Management Committee	Property Perfect Plc.
2010 - June 2014	Nominating Committee	Property Perfect Plc.
1996 - 2008	Executive Vice President	TMB Bank Plc.
1994 -1996	Senior Manager for Commercial Finance and Construction Finance	TMB Bank Plc.
1992 - 1994	Commercial Finance Manager	TMB Bank Plc.
1991 -1992	Industrial and Commercial Finance Manager	TMB Bank Plc.
1990 - 1991	Business Development Manager	TMB Bank Plc.

5

Ms.Sirirat Wongwattana

Age 55 Years

Director / Executive Director / Chief Financial Officer / Act for Chief Supporting Officer /
Authorized signatory directors

Academic Qualifications

- Master of Science in Finance, University of Houston - Clear Lake, USA
- B.A. of Science, Economics& Business Administration-Finance, Kasetsart University
- Director Certification Program (DCP) 126/2009; Thai Institute of Directors (IOD)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Present	Director / Nominating and Remuneration Committee ^{1/}	Property Perfect Plc.
2011 - Present	Director / Executive Director& Secretary of Executive Directors / Act for Chief Supporting Officer / Chief Financial Officer	Property Perfect Plc.
2008 - 2010	Director/ Executive Director& Secretary of Executive Directors / Assistant Chief Business Development Officer	Property Perfect Plc.
2003 - 2007	Director of Investor Relation & Information System Division	Property Perfect Plc.
2000 - 2003	Head of Research	BFIT Securities Limited / Securities

6

Mr.Wicharn Siriwetwarawut

Age 55 Years

Director / Executive Director / Chief Operating Officer 1 / Authorized signatory directors

Academic Qualifications

- Master of Business Administration, Chulalongkorn University
- Bachelor of Civil Engineer, Chulalongkorn University
- Director Certification Program (DCP) 126/2016; Thai Institute of Directors (IOD)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
2015 - Present	Director	Property Perfect Plc.
2014 - Present	Executive Director / Chief Operating Officer 1	Property Perfect Plc.
2011 - 2014	Executive Director / Act for Chief Operating Officer 1 / Deputy Chief Operating Officer 1	Property Perfect Plc.
2003 - 2010	Assistant Chief Operating Officer	Property Perfect Plc.
2014 - Present	Managing Director	Estate Perfect Co., Ltd.
2014 - Present	Managing Director	Residence Number Nine Co., Ltd
2014 - Present	Managing Director	Perfect Prefab Co., Ltd.
1995 - 2003	Managing Director	Baanpan Engineering & Holding Co., Ltd.

7

Mr.Pornswat Katechulasiroj Age 50 Years

Director / Executive Director / Chief Operating Officer 2/ Authorized signatory directors

Academic Qualifications

- Bachelor of Engineer , King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program (DCP) 129/2016; Thai Institute of Directors (IOD)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
2015 - Present	Director	Property Perfect Plc.
2015 - Present	Director	Thai Property Plc.
2014 - Present	Executive Director / Chief Operating Officer 2	Property Perfect Plc.
2010 - 2014	Executive Director / Act for Chief Operating Officer 2 / Deputy Chief Operating Officer 2	Property Perfect Plc.
2014 - Present	Managing Director / Chief Operating Officer 2	Bright Development Bangkok Co., Ltd.
2010 - 2014	Director / Act for Chief Operating Officer 2 / Deputy Chief Operating Officer 2	Bright Development Bangkok Co., Ltd.
2009 - Present	Director / Act for Chief Operating Officer 2 / Deputy Chief Business Development Officer2	Estate Perfect Co., Ltd.

8

Mr.Wongsakorn Prasitvipat Age 56 Years

Director / Executive Director / Chief Business Development Officer / Authorized signatory directors

Academic Qualifications

- Master of Business Administration,.Chulalongkorn University
- Bachelor of Architect, Chulalongkorn University
- Real Estate Course (RECU#10) Chulalongkorn University
- Director Certification Program (DCP) 126/2016; Thai Institute of Directors (IOD)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
2015 - Present	Director	Property Perfect Plc.
2014 - Present	Executive Director / Chief Business Development Officer	Property Perfect Plc.
2011 - 2014	Executive Director / Act for Chief Business Development Officer / Deputy Chief Business Development Officer	Property Perfect Plc.
2008 - 2010	Assistant Chief Operating Officer	Property Perfect Plc.
1993 - 2007	Director of Design & Project Development Division	Property Perfect Plc.
2014 - Present	Managing Director	Chiang Mai Development Co., Ltd.

9

Prof.Dr.Suchatvee Suwansawat

Age 44 Years

Director / Independent Director / Chairman of Risk Management Committee

Academic Qualifications

- Ph.D. in Civil and Environmental Engineering, Massachusetts Institute of Technology (MIT), USA
- Master of Technology and Policy, Massachusetts Institute of Technology (MIT), USA
- Master of Science (MS.), The University of Wisconsin-Madison, USA
- Bachelor of Engineering (B.Eng.), King Mongkut's Institute of Technology Ladkrabang
- Audit Committee Program (ACP) 27/2009; Director Certification Program (DCP) 105/2008; Thai Institute of Directors (IOD)
- Certificate of Top Executives in Business and Industrial Development, Institute of Business and Industrial Development. (#1)
- Certificate of Real Estate Development (#43)
- Certificate of Top Executives, Capital Market Academy (#13)
- University Governance. Programed: UGP (#9) Knowledge Network Institute of Thailand
- Executive Development Program (#11) Thai Listed Companies Association

Equity Holding 0.001%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Present	Chairman of Risk Management Committee	Property Perfect Plc.
2014 - Present	Director and Independent Director	Property Perfect Plc.
Present	President	Council of University Presidents of Thailand (CUPT)
2015 - Present	Chancellor	King Mongkut's Institute of Technology Ladkrabang
2014 - 2016	President of the Association of Engineering Institute of Thailand (EIT)	The Association of Engineering Institute of Thailand (EIT)
2011 - Present	Director of Board of Investment of Thailand	Board of Investment of Thailand
2012 - 2013	President of National Housing Authority	National Housing Authority
2010 - 2014	Dean of College of Engineering	King Mongkut's Institute of Technology Ladkrabang
2009 - 2010	Chairman of the Airport Rail Link monitoring committee	SRT Electrified Train Co., Ltd. (Airport Rail Link)

10

Mr.Ekamol Kiriwat

Age 71 Years

Director / Independent Director

Academic Qualifications

- M.B.A. (Finance) Harvard University, USA.
- Bachelor of Economic, Dartmouth College, USA.
- Director Certificate Program (DCP) 2005; Thai Institute of Directors (IOD)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Present	Independent Director	Property Perfect Plc.
Present	Independent Director	The Siam Commercial Bank Plc.
2005 - Jan. 2015	Chairman and Independent Director	K.C. Property Plc.
2008 - 2011	Chairman and Independent Director	Seamico Securities Plc.
1997 - 2000	Director	Bank of Thailand

11

Mr. Banlue Chantadisai

Age 66 Years

Director / Independent Director / Chairman of Audit Committee

Academic Qualifications

- Master of Business Administration (MBA), University of Chicago Business School, U.S.A.
- Bachelor of Science, Massachusetts Institute of Technology, U.S.A.
- Join in Public-Private Sector Course, National Defense College (15th)
- Director Certificate Program (DCP) 2001; Thai Institute of Directors (IOD)

Equity Holding 0.007%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Present	Independent Director / Chairman of Audit Committee	Property Perfect Plc.
Present	Chairman of the Board of Director	Lynn Phillips Mortgage Credit Foncier Co., Ltd.
2010 - April 2015	Independent Director and Chairman of Audit Committee	Grande Asset Hotels and Property Plc.

12

Mr. Manit Suthaporn

Age 61 Years

Director / Independent Director / Audit Committee

Academic Qualifications

- Master of Laws, Chulalongkorn University
- Bachelor of Laws, Thammasat University
- National Defense College (339th)
- Executive Training Course: Vision and Moral Leader of the Civil Service Commission
- Director Certificate Program (DCP); 134/2010; Thai Institute of Directors (IOD)
- Advanced Security Management Program (ASMP) Class 2
- The Association National Defence College of Thailand under the Royal Patronage of His Majesty the King. Thammasat Leadership Program (TLP) (1st)

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
Present	Independent Director / Audit Committee	Property Perfect Plc.
Present	Law consultant	IRPC Plc.
2010 - Apr. 2015	Executive Vice President, Legal Division	IRPC Plc.

13

Mr.Pramote Rermyindee**Age 62 Years****Company Secretary****Academic Qualifications**

- Bachelor of Laws, Chulalongkorn University
- Thai Barrister-at-Law Thai Bar Association Graduate Diploma in Business Law, Thammasat University
- Director Certification Program (DCP) 69/2006, Director Accreditation Program (DAP) 43/2005
Finance for Non-Finance Director; Thai Institute of Directors (IOD)

Equity Holding 1.788%**Career experience within the past 5 years**

Timing	Designation	Company / Business Type
1998 - Present	Company Secretary	Property Perfect Plc.
1992 - Present	Partner Manager	Ordinary Partnership, Thammathit Law Office / Law
1994 - 1997	Executive Director	Sapthamrong Securities Limited / Financial Institution
1993	Executive Director	Sri Nakorn Credit Foncier Limited / Financial Institution

14

Mr.Phairat Senachack**Age 67 Years****Director / Consultant of Chief Executive Officer****Academic Qualifications**

- MINI MBA Thammasat University
- Bachelor of Business Administration Assumption University
- Director Certification Program (DCP) 74/2006, Director Accreditation Program (DAP) 30/2004;
Thai Institute of Directors (IOD)

Equity Holding 0.000%**Career experience within the past 5 years**

Timing	Designation	Company / Business Type
2015 - Present	Director / Advisor to Chief Executive Officer	Property Perfect Plc.
2011 - 2015	Director / Executive Director	Property Perfect Plc.
1996 - 2010	Deputy Chief Operating Officer	Property Perfect Plc.

15

Ms. Wilawun Leongnarktongdee Age 59 Year

Assistant Chief Executive Officer

Academic Qualifications

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Financial Economics National Institute of Development Administration
- Diploma in Professional Studies in Accounting Chulalongkorn University
- Bachelor of Arts in Accounting, Thammasat University
- Director Certification Program (DCP 72/2006) Thai Institute of Directors Association
- Executive Development Program (Class of 2nd) Thai Listed Companies Association Experiences

Equity Holding 0.000%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
2015 - Present	Assistant Chief Executive Officer	Property Perfect Plc.
2015 - Present	Director and Executive Director	Grande Asset Hotels and Property Plc.
2015 - Present	Director	Centrepont Shopping Mall Co., Ltd.
2013 - 2014	Executive Director	Krungthep Land Plc.
2012 - 2014	Chief Financial Officer	Krungthep Land Plc.
2002 - 2014	Director	Krungthep Land Plc.
2002 - 2012	Assistant Chief Executive Officer- Financial / Assistant Managing Director	Krungthep Land Plc.

16

Mr.Surasak Vacharapongpreecha Age 53 Year

Director / Deputy Chief Financial Officer

Academic Qualifications

- Master of Business Administration,Thammasat University
- Bachelor of Accountancy, Thammasat University
- Certified Public Accountant

Equity Holding 0.50%

Career experience within the past 5 years

Timing	Designation	Company / Business Type
2014 - Present	Director / Deputy Chief Financial Officer	Property Perfect Plc.
2010 - 2014	Assistant Chief Financial Officer	Property Perfect Plc.
2013 - 2014	Director	Bright Development Bangkok Co., Ltd.

Details of directors, executive directors and directors of Property Perfect Plc., subsidiary affiliates and related company

As of 31 December 2016

Company's Name		Company	Subsidiary Company																								
			EP	BD	R9	DARA	CMD	TPROP	PED	MPH	See-Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	Center Point	All -D	RM	P-PREFAB	PSC	T-Utilities
Name	PF																										
1. Dr.Tawatchai Nakhata	X, XXX																			X							
2. Mr.Chainid Adhyanasakul	I, II, III				/							/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
3. Mr.Phairat Senachack	I, II, III																									/	
4. Mr.Vidhya Nativivat	/																										
5. Ms.Sirirat Wongwattana	I, II, III	/	/	/	/	/																					
6. Mrs.Nuanual Swadikula-Na-Ayudhaya	*, /																										
7. Mr.Pramote Remyindee	@				/	/	/	/	/	/										/	/	/	/	/	/	/	
8. Mr.Wicharn Siriwetwarawut	I, II, III	/	/																						/		
9. Mr.Pornswat Katechulasiroj	II, III	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	
10. Mr.Wongsakorn Prasitvipat	I, II, III				/																/						
11. Mr.Surasak Vacharapongpreecha	II, III																										
12. Prof.Dr.Suchatvee Suwansawat	*, /																										
13. Mr.Ekamol Kiriwat	*																										
14. Mr.Banlue Chantadisai	*																										
15. Mr.Manit Suthaporn	*																										
16. Ms.Wilawun Leongnarkdongdee	III											/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/

Note :

PF	= Property Perfect Public Company Limited	EP	= Estate Perfect Company Limited
BD	= Bright Development Bangkok Company Limited	R9	= Residence Number Nine Company Limited
DARA	= Dara Harbour Company Limited	CMD	= Chiangmai Development Company Limited
TPROP	= Thai Property Public Company Limited	PED	= Pacific Estate Development Company Limited
MPH	= Premier Holding Company Limited	Soe-Peak	= Scenery Peak Company Limited
Grand	= Grande Asset Hotels and Property Public Company limited	GRE	= Grand Equity Development Company Limited
HB	= Honor Business Company Limited	OWD	= Owendelle Company Limited
PPI	= Property Perfect International Pte.Ltd.	KRH	= Kiroro Resort Holdings Company Limited
KA	= Kabushiki Kaisha Kiroro Associates Company Limited	KH	= Kabushiki Kaisha Kiroro Associates Company Limited
KRD	= Kabushiki Kaisha Kiroro Resort Development Company Limited	WR	= We Retail Public Company Limited
Centrepoint	= Centrepoint Shopping Mall Company Limited	ALL-D	= All Discount Company Limited
RM	= Ramintra Mall Company Limited	P-PREFAB	= Perfect Prefab Company Limited
PSC	= Perfect Sport Company Limited	T-Utilities	= T Utilities Company Limited
x	= Chairman	xx	= Chief Executive Director
/	= Director	///	= Executive
		*	= Independent Director
		@	= Company Secretary

Details of directors of subsidiaries, affiliates and related company

As of 31 December 2016

Company's Name Name		Subsidiary Company																										
		EP	BD	R 9	DARA	CMD	TPROP	PED	MPH	Sce-Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	Center Point	ALL-D	MS	U&I	P-PREFAB	PSC	Uniloft	T-Utilities
1. Dr. Tawatchai Nakhata														/	/	/	/	/	/	X								
2. Mr.Chainid Adhyanasakul					/					/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
3. Mr.Bhichai Rattakul														X	X													
4. Mr.Ooi Boon Aun																/												
5. Mr.Phairat Senachack																										/		
6. Mr.Pramote Remyindee					/		/	/	/											/	/	/	/	/				
7. Mr.Pornswat Katechulasriroj			/	/	/	/	/	/	/	/	/										/	/	/					
8. Mr.Wicharn Siriwetwarawut			/	/																					/			
9. Mr.Wongsakorn Prasitvipat					/															/								
10. Ms.Sirirat Wongwattana			/	/	/	/																						
11. Mr.Wason Srirattanphong			/		/																					/		
12. Mr.Sumet Suwathanakorn			/																									
13. Mr.Nantachart Kiebpipat			/																							/		
14. Mr.Krittapas Pongpakawat			/																					/		/		
15. Mr.Krishnaveni d/o Sandanam													/															
16. Mr. Yoshiro Ito																/												
17. Mr.Metree Tanmanatrakul																		/										
18. Mr.Kampol Tatiyakavee																				/								
19. Mr.Chersdak Kookiatnunt																									*	XXX		/
20. Mr.Virayuk Puntupetch																												*
21. Mr.Pornchai Ketlek			/																									

Company's Name	Subsidiary Company																											
	EP	BD	R 9	DARA	CMD	TPROP	PED	MPH	Sce-Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	Center Point	ALL-D	MS	U&I	P-PREFAB	PSC	Uniloft	T-Utilities	
22. Mr.Sanpetch Sukkasem	/																											
23. Mr.Prakit Rerkpreedapong	/																											
24. Mr.Pipat Nittayakosol	/																											
25. Mr.Sombat Bovornsombat	/																											
26. Dr.Warasak Jakrapiyanun	/																											
27. Mr.Witchaya Wattananukit	/																											
28. Mr.Phuwit Pangasuk	/																											
29. Mr.Kongsak Kaewsuriyathamrong	/																											
30. Mr.Rungroj Singhthanadkij	/																											
31. Mr.James Stevenson Worboys	/																											
32. Mr.Saranyu Adhyanasakul	/																											
33. Mr.Nattaphon Sueb-Am	/																											
34. Mr.Prathombob Intr-Bumrong	/																											
35. Dr.Bhichit Rattakul	/ / / / / /																											
36. Mr.Prasong Varatanakul	/ * , ///																											
37. Mr.Likit Somnualtad	/																											
38. Mr.Wichai Thongtang	/																											
39. Mr.Vitavas Vibhagool	/ /																											
40. Ms.Wilawun Leongnarkongdee	/ / / / / /																											
41. Mr.Suradej Narula	/																											
42. Mr. Amarin Narula	/ / / /																											
43. Mr.Paisit Kaenchan	/																											
44. Mrs.Phonsiri Manoham	/																											
45. Mr.Pornchai Kittipanyangam	/																											

Name	Company's Name		Subsidiary Company																											
			EP	BD	R 9	DARA	CMD	TPROP	PED	MPH	Sce-Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	Center Point	ALL-D	MS	U&I	P-PREFAB	PSC	Uniloft	T-Utilities	
46. Mr. Wattana Suthipiniijtham																														/
47. Mr. Amarit Pansiri																														/
48. Mr. Vidhya Nativivat																														/
49. Mr. Eizo Morita																														/
50. Mr. Benjamin Lam																														/
51. Mr. Ian Mackenzie																														/
52. Mr. Sangchai Apichartthanapat																														/
53. Mr. Sitthisak Apichartthanapat																														/
54. Mrs. Pornipa Putisart																														/
55. Mr. Pisit Pusanakom																														/
56. Ms. Sopit Pusanakom																														/
57. Mr. Noppol Milinhanggoon																														/
58. Ms. Aunada Phruttinarakorn																														/
59. Mr. Nandhapon Patpongpanit																														/

Note :

- | | | | |
|----------|--|-------|---|
| 1. EP | = Estate Perfect Company Limited | BD | = Bright Development Bangkok Company Limited |
| R9 | = Residence Number Nine Company Limited | DARA | = Dara Harbour Company Limited |
| CMD | = Chiangmai Development Company Limited | TPROP | = Thai Property Public Company Limited |
| PED | = Pacific Estate Development Company Limited | MPH | = Premier Holding Company Limited |
| Sce-Peak | = Scenery Peak Company Limited | Grand | = Grande Asset Hotels and Property Public Company limited |
| GRE | = Grand Equity Development Company Limited | HB | = Honor Business Company Limited |
| OWD | = Owendelle Company Limited | PPI | = Property Perfect International Pte. Ltd. |
| KRH | = Kiroro Resort Holdings Company Limited | KA | = Kabushiki Kaisha Kiroro Associates Co.,Ltd. |
| KH | = Kabushiki Kaisha Kiroro Associates Co., Ltd. | KRD | = Kabushiki Kaisha Kiroro Resort Development Co., Ltd. |

WR	= We Retail Public Company Limited	Centrepont	= Centrepont Shopping Mall Company Limited
ALL-D	= All Discount Company Limited	RM	= Ramintra Mall Company Limited
U & I	= U & I Construction Bangkok Company Limited	P-PREFAB	= Perfect Prefab Company Limited
PSC	= Perfect Sport Company Limited	Uniloft	= Uniloft Service (Thailand) Company Limited
2. X	= Chairman	XX	= Chief Executive Director
XXX	= Chairman of Audit Committee	*	= Independent Director
/	= Director	//	= Executive Director
///	= Audit Director		

CORPORATE GOVERNANCE

Corporate Governance Policy

The Board of Directors recognized the value of good corporate governance, in enhancing transparency, the company's competitiveness, trust from shareholders, investors and other stakeholders, and the long-term business merits. Stakeholders and society's benefits were taken into account. The company has applied the governance guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand, which are in line with the OECD Principles of Corporate Governance, in the following elements.

Section 1: Shareholders' rights

The Board of Directors emphasized shareholders' rights and ensured equitable treatment to all, as prescribed in the company's rules and regulations and relevant laws. Shareholders hold the rights to attend annual meetings, the rights to appoint their proxy to vote at the meetings, the rights to vote on the appointment or removal of individual directors, the rights to cast votes in significant matters, the rights to dividend, the rights to raise opinions and questions at the meetings, and the rights to sufficient and timely information.

The Board sets the annual shareholder meeting (AGM) once a year, within 4 months after the end of each accounting year. If necessary, an extraordinary shareholder meeting will be called where shareholders can vote on issues which could affect their interests, or legal issues which need shareholders' approval.

In organizing the AGM, the Board puts forward the shareholders' rights. Invitation containing agenda in details and the Board's opinions was dispatched at least 15 days prior to the meeting date, with the proxy form, the list of independent directors and proxy advice. With timely information, shareholders can make decisions prior to the meeting date or could appoint independent directors as their proxy. The AGM was published in daily newspapers for at least 3 consecutive days and at least 3 days ahead of the meeting. The meeting details and agenda were also posted on the company's website 30 days before the meeting, so that shareholders or investors can submit their questions in advance.

During the meeting, the Board facilitates shareholders' attendance and voting, and refrains from any actions which will limit their attendance. All shareholders are given full freedom to raise their questions and opinions.

Section 2: Equitable Treatment to Shareholders

The company values equitable shareholder treatment. Shareholders' rights are covered in the corporate governance policy and all are treated in a fair manner through these measures:

- The process to organize AGM is transparent and efficient, in line with the company's rules and regulations and relevant laws. Shareholders are given fair chance to raise opinions and questions, with sufficient time allocation.
- Shareholders are asked to review and vote on directors on the individual basis, and to approve the directors' remuneration, auditor's appointment, auditor fee and other agenda as described in the meeting invitation.
- Ballots are issued for all agenda.
- Shareholders-cum-executives are barred from proposing extra agenda without notifying others in advance, so that all shareholders have sufficient time in reviewing details of each agenda.
- Shareholders who cannot attend the meeting can appoint independent directors or other persons as their proxy, who will cast votes on behalf of them. The company's proxy form is designed to allow shareholders to state their voting opinions.
- The meeting is thoroughly recorded. The meeting minutes contain all significant information like the resolutions and votes, questions, explanations and opinions raised.
- Measures against insider trading among directors and executives are in place. All must report their shareholding, as well as the holdings of spouses and under-aged children. They must report on any change in the shareholdings, after acquisition, disposal or transfer, to the Securities and Exchange Commission under the Securities and Exchange Act BE2535's Article 59, within 3 days after the acquisition, disposal or transfer.
- In place are the measures and procedure in approving transactions with possible conflict of interest or connected transactions, with full compliance with the Stock Exchange of Thailand's regulations on connected transactions, for the equitable benefits of shareholders. Moreover, the Audit Committee also thoroughly screened connected transactions and transactions with possible conflict of interest, before submission to the Board, as required by the SET.

Section 3: Stakeholders' rights

The company realizes the significance of all stakeholders - shareholders, employees, customers, competitors, creditors (suppliers and contractors), relevant government agencies, society and environment. The policies are geared towards fairness to all groups of stakeholders as follow. (Details are included in "Corporate Social Responsibilities (CSR)")

Shareholders

The Company will ensure appropriate and fair returns to shareholders and strive to improve the operations for sustainable growth. The Company is concerned about transparency in important information disclosure to all shareholders accurately, completely and timely through channels including the SET's electronic media, the company's website, announcement in newspapers, press releases and written notices.

Employees

Employees are a key driving force of the organization. With this realization, the Company is committed to nurture good relationships with employees. The sense of attachment and harmony is promoted through various activities. There is a human resource development policy and a concrete structure on remuneration and welfare management. For fair management, the remuneration committee is in charge of setting remunerations, promotions accordingly to ability and career path. Employee welfare and benefits are clearly specified, to ensure that all are physically and mentally happy and could perform their tasks at their full potential.

Customers

To satisfy customers, the Company puts its focus on the standardized quality of products and services as well as treatments. Customers are guaranteed of quality and standardized services. Promises will be kept while complaints or recommendations will be dealt as soon as possible. Exaggeration on products and services is prohibited. There is a convenient access by which customers can contact the Company or file complaints on product quality.

Competitors

The Company follows the competition rule, upholding fair and transparent principles in line with laws. Free competition is promoted. The Company will not enter into any deal which leads to unfair competition or monopoly. All transactions must yield fair returns to both sides. The Company refrains from using dishonest or inappropriate acts in seeking competitors' trade secrets or using unsubstantiated information to destroy competitors' reputation.

Creditors

The Company strictly honors the conditions, contracts and obligations set by all financial institutions and debenture holders. The financial status is reported to creditors accurately, timely, responsibly and transparently. No information is withheld, to cause damage to creditors. The Company's debentures were issued accordingly to the Securities and Exchange Commission's rules and regulations. The Company has strictly complied with shareholders' resolutions reached at the annual meeting. If unable to uphold obligations, the Company will immediately disclose the information to seek resolutions and prevent possible damage.

Product distributors

In selecting distributors, the Company clearly announces the selection rules, selection period, and financial information. Equal treatment is promised to all joining the bid. The procurement process is transparent, fair and honest, without intervention. All bids are also kept secret. The Company shall not reveal a bidder's bid or technical data to another for a short-term gain. The Company stays alert on those fishing for others' information. The process is completed under the guidelines specified by ISO 9001:2008, governing the selection process, bid evaluation, extra procurement practices and distributor evaluation.

Contractors

The Company will award projects to contractors whose quality of work could meet the Company's criteria. These contractors should also have a satisfactory track record and financial capacity. The selection process is transparent, fair and just, without any intervention. All contractors must win approval from the Company's central procurement committee and they will be fairly paid. The contractor selection process is in line with ISO 9001:2008 that sets guidelines in contractor selection, bid hosting, median-price setting and contractor evaluation.

Section 4: Information Disclosure and Transparency

The Board puts emphasis on information disclosure and transparency, with sufficient information released to all stakeholders and measures to ensure the disclosure of accurate, complete and credible information in a timely manner for equal access.

Key financial information is sufficiently disclosed in the financial statements, in line with the regulations. They are disclosed via the SET system and the company's website. The financial statements are reviewed/audited, with unconditional opinions from the auditor and the Board's approval before the release to shareholders. The Board also expresses its responsibility for the financial statements in the annual report.

The company discloses significant financial and non-financial information through the SET system and the company's website, for accurate, complete, equitable, fair, transparent and timely dissemination to the general public. The Investors Relations and Information Technology Unit is in charge of the dissemination and communicate with local and foreign shareholders, investors, stock analysts accurately, equitably and timely. Investors can contact the Investor Relations Unit for the company's information at Tel: 0-2247-7500, Fax: 0-2247-7399, e-mail: ir@pf.co.th, or www.pf.co.th/ir

The Board discloses its role and scope of responsibility as well as those of sub-committees, as well as the number of meetings each director attended under item "Management". Remuneration of the directors and top executives are shown in item "Directors' Remuneration".

The company has pursued the Stock Exchange of Thailand's rules and regulations governing connected transactions or acquisition and disposal of assets of listed companies, whichever is the case. Besides the company has set policies and guidelines to prohibit executives and related persons from using inside information for their own interests.

The company has regarded an importance of efficient internal control system for both executives and operational levels. Practices of operational staff and executives are determined and clearly written. The company has set up an internal audit office to exclusively take responsible for efficient operational examination. The internal audit reports the result directly to the Audit Committee.

5. Board of Director's Responsibility

Board of directors' structure

The company requires independent directors account for at least one third of all directors, or at least 3. At present, the company's board of directors consists of 12 experienced, knowledgeable and capable directors as follows:

- | | |
|--------------------------|-----------|
| • Executive Director | 6 persons |
| • Non-Executive Director | 1 persons |
| • Independent Director | 5 persons |

The chairman does not serve as the CEO, to segregate their supervisory and executive roles. All directors possess full independence in giving opinions.

Much emphasis is placed on the opinions of the independent directors. In any issue that draws any suggestions or disagreement from independent directors will be reviewed for transparency.

The Board abides by the minimum requirements of the SEC and SET in formulating independent directors criteria.

1. They must hold no more than 1% of all voting shares in the company, subsidiaries, affiliates, or in the companies which are major shareholders or have controlling power over the company. The shareholding includes that of those related to the particular independent director.
2. They must not have been or are not involved in the management, or employees, wage earners, or advisors on the payroll, or controlling persons of the company, its subsidiaries, affiliates, or equivalent companies, or juristic persons now and at least 2 years before their appointment as independent directors. Former civil servants for advisors of government agencies which are major shareholders or controlling persons are not included.
3. They are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or controlling entities over the company or subsidiaries.
4. Have absolutely no vested interests in the company, its subsidiaries, affiliates, or major shareholders or controlling entities of the company, which could obstruct their independent judgment. They are not either a significant shareholder or a controlling shareholder who has business relationship with the company, subsidiaries, affiliates now and at least 2 years before their appointment.
5. They do not serve as the auditor of the company, subsidiaries, affiliates, the parent company, or controlling entities, or a significant shareholder (with over 10 per cent of voting shares including connected persons') of the company, controlling entities, or a partner of the audit firm of which auditors perform their jobs on the company, subsidiaries, affiliates, the parent companies or controlling entities at least 2 years before their appointment.
6. They do not serve as a professional service provider, including legal or financial services of which fees more than Bt 2 million per year are levied on the company, subsidiaries, affiliates, the parent company, or controlling entities, or a significant, controlling shareholder or a partner of the professional service provider at least 2 years before their appointment.
7. They are not appointed to represent the directors of the company, major shareholders, or shareholders who are related to major shareholders.
8. They do not operate a company with the similar nature to and significant competition with the company, subsidiaries or affiliates, or hold a significant ownership in a partnership or act as a director with management power, employees, wage earners and advisor on payroll, or hold over 1% of voting shares of other companies which operate in the same industry or present significant competition against the company or subsidiaries.
9. Have no other characteristics that could bar the expression of their free views on the company's operations.

The company's management structure consists of the Board of Directors, four sub-committees reporting to the Board of Directors - the Audit Committee, the Nominating and Remuneration Committee, the Risk Management Committee and the Executive Committee. (Details of the Board of Directors and the sub-committees, concerning names and responsibilities, are shown in "Management Structure")

Responsibilities of the Board of Directors

The Board consists of knowledgeable, capable, skilled and experienced persons who realize their roles and responsibilities, which resulted in efficient operations. The Board takes part in formulating the vision, mission, strategies, goals, business plans and resource allocation, to ensure the management's efficient and effective implementation.

The Board values good corporate governance, to enhance transparency and the company's competitiveness. To instill trust among shareholders, investors and all stakeholders, there is the written corporate governance policy which is reviewed once a year to fit the environment, business direction and international standards. The Code of Conduct is in place so that employees perform in accordance with the corporate governance policy.

To prevent conflicts of interest or connected transactions, the Board assigned sub-committees with clear segregation of roles. There are policies, code of practices and the procedure to approve transactions which might carry conflict of interest, as guidelines to executives, employees and relevant parties. Such cover the criteria in endorsing connected transactions, the use of inside information and information disclosure. The Board also demands the management to regularly assess business risks and formulate risk preventing and mitigation measures, and report them to the Board. These include the risks that may affect the company's performance, as specified in item "Risk Factors".

Board Meetings

The Board holds quarterly meetings, aside from extra meetings as necessary, with clear and prepared agenda, to review the quarterly results as well as monitor progress. The chairman and CEO will jointly review the issues, before bringing them up to the Board's meetings. Each director is allowed to propose their own agenda.

In each meeting, the chairman allocates sufficient and ample time for discussion. Meeting minutes are written and the minutes, approved by the Board, are stored for inspection by the Board and relevant parties. (The minutes of the board of directors and sub-committees in 2009 are in "Management Structure" and "Sub-committees").

Board of Directors' self assessment

Executive directors conduct a quarterly evaluation to assess performance in part of their responsibility and the performance evaluation is presented to the company's Board of Directors to compare with performance in the past.

Remuneration

The company has appointed the Remuneration and Human Resource Committee to consider remuneration principles and policies for Chief Executive Officer, directors and advisors and determine bonus, salary adjustment annually and during the year, and other benefits to staff in each level. Remuneration determination is based on experience, duty and scope of responsibility and compare with other companies in the same industry.

Directors and Management improvement

The company is concerned about the importance of Directors and Management improvement for management succession in the future. The company is aware of the importance of human resources in management level by organizing training “Real Estate Business Management”, contents of which include real estate knowledge, law, finance, accounting and good corporate governance to prepare the company’s high-level executives for being directors in the future. For the company’s directors, they participated in trainings held by Thai Institute of Directors and aimed to develop and support directors to take practices of good corporate governance in organization.

Supervision on subsidiaries and affiliated companies

The Company is represented in the subsidiaries and affiliated companies’ boards of directors and the management teams, to maintain control on such companies’ business direction. This is carried out under corporate governance practices, highlighting business transparency and good governance.

Control on inside information

The Company’s policy bars directors or executives from directly or indirectly revealing information which is not yet publicly disclosed, for the benefits of their own or others. On top of that is a rule that directors, executives and employees, with access to the Company’s financial information, must not take benefit from the information within a 1-month period before the information is disclosed to the public. The directors, executives and employees are instructed to avoid trading the Company’s shares before the disclosure of financial statements. Directors and executives are also notified of their duties to report their securities holdings and changes to the Office of the Securities and Exchange Commission under the Securities and Exchange Act BE.2535’s Articles 59 and 275.

In the employee manual, the Company has clearly specified disciplinary penalties for employees who violate the company rules and regulations.

CONNECTED TRANSACTIONS

1.Connected Transactions of PF Group

1.1 Transactions of the Company with subsidiaries

Legal Entity / Relationship	Transaction	Amount (Million Baht)				Pricing policy
		2016	2015	2014		
Subsidiary Estate Perfect Company Limited (EP) Relationship: - The company holds 100%. - The company's executives (Mr.Wicharn Siri wetwarawut, Mr.Pornswat Katechalarirroj Ms.Sirirat Wongwattana) are directors. - The company's employees (Mr.Kritpas Pongpakawat) is a director.	Loan					
The Company loaned toEP, wholly-owned subsidiary, for land purchase, project development and working capital, charging the interest of 25 basis points above the Company's average financial cost. Audit Committee's comment Financial assistance to a subsidiary. The interest charge, 25 basis points per annum.Equivalent to the interest rate levied on other subsidiaries.	1 Jan.	634.27	246.20	410.27		
	Extra	795.00	608.00	155.00		
	(Repayment)	(11.70)	(219.93)	(319.07)		
	31 Dec.	1,417.57	634.27	246.20		
	Interest Received					
	1 Jan.	0.95	2.95	1.32		
	Extra	69.46	28.07	12.57		
	(Repayment)	(38.30)	(30.07)	(10.94)		
	31 Dec.	32.11	0.95	2.95		
	Revenue from Land Sale	8.70	0.17	0.11		
The Company sold land on which roads inside its development projects are located to EP. Transferring the ownership to EP, the Company, as the project developer, needs not transfer the land for public use. Such transfer is a normal practice among property developers. Audit Committee's comment 1) The transaction benefits the Company's operations, deemed normal among property developers. 2) The Company and the subsidiary jointly agreed on the price.	Land Costs	7.93	0.50	0.02		

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Estate Perfect Company Limited (EP) (Continued)	Project Development	Revenue from administration	5.01	6.10	-
		Debtor	1.06	2.18	-
	Sale Management and Administration	Revenue from administration	33.03	28.55	-
		Debtor	8.38	10.18	-
	Home Decoration Cost	Others income	-	0.06	0.13
		Debtor	-	-	0.13
	Sale Products	Others income	0.03	0.01	-
		Debtor	0.02	-	-
	Guarantee	Amount	3,735.64	3,997.92	3,178.20

The Company was contracted to develop projects for EP, which was charged a similar monthly payment.

Audit Committee's comment

- 1) The transaction is to support the Subsidiary's operations.
- 2) Services Chart is a jointly-agreed price.

The Company was contracted to develop projects for EP, which was charged a similar monthly payment.

Audit Committee's comment

- 1) The transaction is to support the Subsidiary's operations.
- 2) Services Chart is a jointly-agreed price.

The Company hired a contractor for curtain and lamp installation in EP's show houses, and charged EP at cost.

Audit Committee's comment

- The transaction at cost.

The Company sold products to EP which in turn offered the products as gifts to customers.

Audit Committee's comment

- The transaction at cost

The Company guaranteed a loan from financial institutions to a subsidiary, without charging any fee.

Audit Committee's Comment

The transaction was reasonable, aimed to support the subsidiary's operations given the necessity in meeting the lending institution's criteria for the business loan.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Bright Development Bangkok Company Limited (BD) Relationship: - The company holds 100%. - The company's executives (Mr. Wicharn Siriwetwarawut, Mr. Pornswat Katechalaroj and Ms. Sirirat Wongwattana) are directors.	Loan				The Company loaned towholly-owned BD, for land purchase, project development and working capital, charging the interest of +25basis points above the Company's average financial cost. Audit Committee's Comment Necessary financial assistance to a subsidiary. The interest charge, +25 basis points per annum above the Company's average financial cost,Equivalent to the interest rate levied on other subsidiaries.
	1 Jan.	1,705.42	1,683.56	1,712.61	
	Extra (repayment)	1,230.00	295.00	270.00	
	31 Dec.	-	(273.14)	(299.05)	
	Interest Received	2,935.42	1,705.42	1,683.56	
	1 Jan.	24.14	5.75	5.03	
	Extra (repayment)	136.32	95.25	91.67	
	31 Dec.	(50.00)	(76.86)	(90.95)	
		110.46	24.14	5.75	
	Space leasing				
	Revenue from Leasing	0.23	0.69	0.69	The Company leased BD space in the dormitory which serves as BD's sale office for projects located nearby (Salaya), as BD sold the dormitory building to Uniloft Property Fund and the Company leased the project from the fund. Audit Committee's Comment 1) Normal business transaction to support the subsidiary's operations. 2) The jointly-agreed fee is comparative to market rate.
	Debtor	-	0.12	0.93	
Electrical and water bill	Other income	0.07	0.22	0.19	The Company charged BD for the utilities service fees at cost. Audit Committee's comment - The transaction at cost.
	Debtor	-	0.04	-	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Bright Development Bangkok Company Limited (BD)(Continued)	Space leasing	0.22	1.14	0.83	<p>The Company leased dormitory to BD for its free-stay promotional campaign, designed to boost sales of BD's projects in the nearby area (Salaya).</p> <p>Audit Committee's comment</p> <p>1) Normal business transaction to support the subsidiary's operations.</p> <p>2) The jointly-agreed fee is comparative to market rate.</p>
		0.04	0.04	-	
	Advance payment for Land purchase.	1.50	1.50	1.50	<p>The Company transferred advanced payment for land plot to BD, which developed the land plot, to meet the project financier's criteria at the time. The amount was transferred at cost.</p> <p>Audit Committee's Comment</p> <p>1) The transaction was to support the subsidiary's operations and in line with the lending institutions' criteria.</p> <p>2) Transaction at cost.</p>

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Bright Development Bangkok Company Limited (BD)(Continued)	Sale Products	Other income	0.04	0.62	-
		Debtor	0.01	0.01	-
	Project Development	Revenue from administration	1.19	2.06	-
		Debtor	0.18	0.74	-
	Sale Management and Administration	Revenue from administration	27.34	45.28	-
		Debtor	4.37	16.15	-
	Guarantee	Amount	1,800.61	3,887.86	4,170.76

The Company sold products to BD which in turn offered the products as gifts to customers.

Audit Committee's comment
- The transaction at cost.

The Company was contracted to develop projects for BD, which was charged a similar monthly payment.

Audit Committee's comment
1) Normal business transaction to support the subsidiary's operations
2) The Company and the subsidiary jointly agreed on the price.

The Company was contracted to develop projects for BD, which was charged a similar monthly payment.

Audit Committee's comment
1) Normal business transaction to support the subsidiary's operations
2) The Company and the subsidiary jointly agreed on the price.

The Company guaranteed a loan from financial institutions to a subsidiary without charging fee.

Audit Committee's comment
The transaction was reasonable, aimed to support the subsidiary's operations given the necessity in meeting the lending institution's criteria for the business loan.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Residence Number Nine Company Limited (R9) Relationship: - The company holds 100%. - Director and The company's executives (Mr.PornswatKatechalaroj and Ms.Sirirat Wongwattana) are directors. - The company's employees (Mr.Pornchai Ketlek and Mr.Sanpetch Sukkasem) are directors.	Loan				The Company loaned to wholly-owned R9 for land purchase, project development and working capital, charging the interest of +25basis points above the Company's average financial cost. Audit Committee's comment Financial assistance to a subsidiary. The interest charge, 25 basis points per annum.Equivalent to the interest rate levied on other subsidiaries
	Loan				
	1 Jan.	-	-	5.17	
	Extra (repayment)	-	-	-	
	31 Dec.	-	-	(5.17)	
	Interest Received				
	1 Jan.	-	-	0.01	
	Extra (repayment)	-	-	0.05	
	31 Dec.	-	-	(0.06)	
		-	-	-	
Loan	Loan Payable				The Company extended a working capital loan to wholly-owned R9, charging the interest of 25 basis points above R9's average financial cost. Audit Committee's comment The transaction served as a financial support among the Company and subsidiaries. The levied interest at 0.25%.
	1 Jan.	170.00	175.00	-	
	Extra (repayment)	490.00	197.00	175.00	
	31 Dec.	(375.00)	(202.00)	-	
		285.00	170.00	175.00	
	Interest Expense				
	1 Jan.	0.32	5.37	-	
	Extra (repayment)	13.46	11.19	5.37	
	31 Dec.	(6.92)	(16.24)	-	
		6.86	0.32	5.37	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Residence Number Nine Company Limited (R9) (Continued)	Sale Products	-	0.01	-	The Company sold products to R9 which in turn offered the products as gifts to customers. Audit Committee's comment - The transaction at cost.
	Project Development	5.42	3.42	-	The Company was contracted to develop projects for R9, which was charged a similar monthly payment. Audit Committee's comment 1) Normal business transaction to support the subsidiary's operations. 2) The Company and the subsidiary jointly agreed on the price.
	Sale Management and Administration	22.47	20.83	-	The Company was contracted to handle sale and admin operations for R9, which was charged a similar monthly payment. Audit Committee's comment 1) Normal business transaction to support the subsidiary's operations. 2) The Company and the subsidiary jointly agreed on the price.
	Guarantee	856.97	932.97	1,739.28	The Company guaranteed a loan from financial institutions to a subsidiary without charging fee. Audit Committee's comment The transaction was reasonable, aimed to support the subsidiary's operations given the necessity in meeting the lending institution's criteria for the business loan.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Chiangmai Development Company Limited (CD) Relationship : - The company holds 100%. - Director and The company's executives (Mr.Wongsakorn Prasitvipat , Mr.Pornswat Katechulasriroj and Ms.Sirirat Wongwattana) are directors. - Estate's employee (Mr.Wasan Srirattanapong) is a director.	Loan				The Company loaned to CD, wholly-owned subsidiary, for land purchase, project development and working capital, charging the interest of 25basis points above the Company's average financial cost. Audit Committee's comment The transaction served as a financial support among the Company and subsidiaries. The levied interest at 0.25% . Equivalent to the interest rate levied on other subsidiaries.
	1 Jan.	150.33	17.33	-	
	Extra (repayment)	7.50	133.00	17.33	
	31 Dec.	-	-	-	
	Interest Received	157.83	150.33	17.33	
	1 Jan.	3.48	0.29	-	
	Extra (repayment)	8.61	3.19	0.29	
	31 Dec.	-	-	-	
		12.09	3.48	0.29	
	Loan Payable				
	1 Jan	-	-	75.00	The Company borrowed a working capital loan from wholly-owned CD, paying interest at 25 basis points above CD's average financial cost. Audit Committee's comment The transaction served as a financial support among the Company and subsidiaries. The levied interest at 0.25%.
	Extra (repayment)	-	-	-	
	31 Dec	-	-	(75.00)	
	Interest Payable	-	-	-	
	1 Jan	-	-	0.35	
	Extra (repayment)	-	-	3.62	
	31 Dec	-	-	(3.97)	
		-	-	-	
		-	-	-	
		-	-	-	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Chiangmai Development Company Limited (CD) (Continued)	Guarantee	-	-	119.60	The Company guaranteed a loan from financial institutions to a subsidiary without charging fee. Audit Committee's comment The transaction was reasonable, aimed to support the subsidiary's operations given the necessity in meeting the lending institution's criteria for the business loan.
We Retail Public Company Limited (WR) Relationship: - The company holds 94.97% - Chairman of the company (Dr.Tawatthai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Mr. Pramote Remyindee) is a director. - Sub-Committee * of the company (Mr.Chersak Kookiatnunt) is a director.	Loan	-	774.99	411.09	The Company loan to WR, a 94.97%-owned subsidiary, for land purchase, project development and working capital, charging the interest of 25basis points above the Company's average financial cost. Audit Committee's comment Necessary financial assistance to a subsidiary. The interest charge, 25basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
	1 Jan.	-	-	363.90	
	Extra (repayment)	-	245.00	-	
	31 Dec.	-	(1,019.99)	-	
	Interest Received	-	-	774.99	
Note: * <i>Risk Management committee</i>	1 Jan.	-	32.67	3.24	The Company leased space from WR, to locate its sale office for projects in nearby areas. Audit Committee's comment 1) Normal business transaction to support the subsidiary's operations 2) The price and condition is the same as those offered to outsiders.
	Extra (repayment)	-	40.27	29.43	
	31 Dec.	-	(72.94)	-	
	Leasing cost	1.05	0.10	-	
	Guarantee	0.34	0.29	-	
Space leasing	Creditor	0.09	0.10	-	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
We Retail Public Company Limited (WR) (Continued)	Electrical and water bill	0.11	0.10	-	The Company charged WR for the utilities service fees at cost. Audit Committee's comment - The transaction at cost.
	Debtor	-	0.05	-	
	Guarantee	-	223.00	223.00	The Company guaranteed a loan from financial institutions to a subsidiary without charging fee. Audit Committee's comment The transaction was reasonable, aimed to support the subsidiary's operations given the necessity in meeting the lending institution's criteria for the business loan.
Ramintra mall Company Limited (RM) Relationship: - The company holds 100%. - Chief Executive Director of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Mr. Pramote Rermyindee) is a director.	Loan	-	-	-	The Company loaned the amount to RM, a wholly-owned subsidiary, to pay for land lease extension, charging the interest rate at 0.25 basis points per annum above the Company's average financial cost. Audit Committee's comment Necessary financial assistance to a subsidiary. The interest charge, 25basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
	1 Jan.	-	-	-	
	Extra (repayment)	29.50	-	-	
	31 Dec.	-	-	-	
	Interest Received	29.50	-	-	
	1 Jan.	-	-	-	
	Extra (repayment)	0.91	-	-	
	31 Dec.	-	-	-	
		0.91	-	-	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Property Perfect International Pte.Ltd (PPI) Relationship: - The company holds 100%. - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's Consultant (Mr.Bhichai Rattakul) is a director.	Loan	1,314.64	1,013.16	857.16	The Company extended a loan to wholly-owned PPI, to finance the latter's investment in KRH (Kiroro Resort in Japan), as well as a working capital loan. The loans were subjected the step interest rates. - In 2012, 1% per annum - From 2013, The interest charge, 25basis points per annum above the Company's average financial cost, The interest in the first year was low and raised later because the hotel and ski resort, undergoing asset restructuring, would show losses in the initial stage. It should generate additional rents in the later years. In 2016, KRH repaid all loans from PPI with a loan from the Company, to switch loans through PPI to direct borrowing from the Company. Audit Committee's comment Necessary financial assistance to a subsidiary. The interest charge, 25 basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
	1 Jan.	164.83	301.48	340.80	
	Extra (repayment)	(645.47)	-	(184.80)	
	31 Dec.	834.00	1,314.64	1,013.16	
	Interest Received				
	1 Jan.	94.64	48.41	12.54	
	Extra	15.75	46.23	35.87	
	(repayment)	(110.23)	-	-	
	31 Dec.	0.16	94.64	48.41	
Advance Payment on Operating Expense	Debtor	4.45	3.00	-	The Company made advance payment to PPI's hotel and ski resort advisor, as the expenses occurred in Thailand. Audit Committee's comment 1) The transaction was actual. 2) The transaction at cost.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Perfect Sport Club Company Limited (PSC) Relationship : - The company holds 100%. - The Advisor to Chief Executive Officer (Mr. Phairat Senachack) is a director. - The company's employee (Mr. Kriepas Pongpakawat) is director. - Estate 's employee (Mr. Wasan Srirattanapong) is a director. - Bright 's employee* (Mr. Nantachart Kliebhipat) is a director.	Land Sale	-	0.06	-	The Company sold land on which roads inside its development projects are located to PSC. Transferring the ownership to PSC, the Company, as the project developer, needs not transfer the land for public use. Such transfer is a normal practice among property developers. Audit Committee's comment 1) The transaction benefits the Company's operations, deemed normal among property developers. 2) The Company and the subsidiary jointly agreed on the price
	Revenue from land sale	-	0.06	-	
	Cost of Land	-	0.06	-	
	Clubhouse management cost	-	-	3.88	The Company hired PSC to manage sports clubs of the Company's projects. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The service fee is jointly specified, based on the management cost and profit.
	Electrical and water bill	0.15	0.18	-	The Company charged PSC for the utilities service fees at cost. Audit Committee's comment - The transaction at cost.
	Debtor	0.03	0.11	-	
	Purchase	0.02	0.09	-	The Company sold products to PSC which in turn offered the products as gifts to customers. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The price and condition is the same as those offered to outsiders.
	Products	-	0.01	-	

* Resigned on December 2016

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Perfect Sport Club Company Limited (PSC) (Continued)	Land leasing	Revenue from leasing	2.54	0.05	-
		Debtor	0.05	0.01	-
					The Company leased space in projects' sports clubs to PSC, to locate 7-Eleven stores. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The price and condition is the same as those offered to outsiders.
U&I construction Bangkok Co., Ltd. (U&I) Relationship : - The company holds 100%. - The company's employees (Mr. Kritpas Pongpakawat and Mr. Prakit Rerkpreedapong) and directors. - Estate 's employee (Mr. Pipat Nitayakosol) is a director.	Loan	Loan			
		1 Jan. Extra (repayment) 31 Dec.	90.00 350.00 (80.00) 360.00	100.00 - (10.00) 90.00	- 100.00 - 100.00
		Interest Received 1 Jan. Extra (repayment) 31 Dec.	0.10 11.78 (11.66) 0.22	2.08 5.72 (7.70) 0.10	- 2.08 - 2.08
	Contracted U&I for construction houses	Value of Contract Construction Cost Trade Creditor	21.61 21.78 1.79	38.09 32.03 6.46	5.91 5.71 -
					The Company hired U&I to construct houses and condominiums developed by the Company and subsidiaries. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The service fee is jointly specified, based on the management cost and profit.
Electrical and water bill	Other Income Debtor		0.01	0.17	0.03
			-	0.09	0.03
					The Company charged U&I for the utilities service fees at cost. Audit Committee's comment - The transaction at cost.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Perfect Prefab Company Limited (P-PREFAB) Relationship: - The company holds 51% - Director and the company's executive (Mr. Wicharn Siriwetwarawut) is a director. - The company's employee (Dr. Vorasak Chakrapriyanant, Mr. Rungroj Singhathanakij and Mr. Prakrit Rerkpreedapong) are directors.	Loan	50.00	60.00	60.00	The Company extended a loan to P-PREFAB, a 51%-owned subsidiary, to help expand the latter's business and working capital, charging 25 basis points per annum above the Company's average financial cost. Audit Committee's comment Necessary financial assistance to a subsidiary. The interest charge, 25 basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries
	1 Jan. Extra (repayment)	-	-	-	
	31 Dec.	(8.12)	(10.00)	-	
	Interest Received	41.88	50.00	60.00	
	1 Jan. Extra (repayment)	0.72	6.61	3.53	
Contracted P-PREFAB companies for the production and installation of prefab materials	31 Dec.	2.54	3.24	3.08	The Company hired P-PREFAB to produce, assemble and install pre-fabricated construction materials for the Company's development projects. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The transaction price and condition was reasonable and comparative to market price.
	Value of Contract	(3.19)	(9.13)	-	
	Construction Cost	0.07	0.72	6.61	
	Advance Payment Contractor	204.24	90.32	3.17	
	Trade Creditor	180.60	88.01	15.34	
Electrical and water bill		-	0.02	-	Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The transaction price and condition was reasonable and comparative to market price.
		10.55	12.12	0.06	
Other Income		0.01	0.01	-	The Company charged P-PREFAB for the utilities service fees at cost. Audit Committee's comment - The transaction at cost.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Subsidiaries, indirectly owned Kiroro Resort Holdings Co., Ltd.* (KRH) Relationship : <ul style="list-style-type: none"> - PPI holds 97.27% - The company holds in PPI 100% - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's Consultant (Mr.Bhichai Rattakul) is a director. 	Advance Payment on Operating Expense	1.82	27.83	9.16	The Company made advance payment for KRH, an indirect subsidiary through the 97.27 % holding in PPI, on several items like - travel expenses and PR activities, as the activities took place in Thailand. Audit Committee's comment 1) The transaction was actual and meant to support the subsidiary's operations. 2) The transaction at cost.
	Loan				
Note * Renamed from Share Group Co., Ltd.	Loan				The Company loaned KRH for Hotel Innovation, an indirect subsidiary through the 97.27 % holding in PPI, charging the interest of 25 basis points above the Company's average financial cost. In 2016, the Company extended a yen-denominated loan to KRH as yen loans carried a lower cost than baht loans and KRH revenue is in yen. KRH used the loan partly to fully retire a loan from PPI, to switch loans through PPI to direct borrowing from the Company. The Company also struck a currency swap contract (CCS) to plug an exchange risk gap. Audit Committee's comment Necessary financial assistance to a subsidiary. The interest charge, 25basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries. The interest rate of the 2016 loan was equivalent to 25 basis points per annum on top of baht bond coupon rate converted accordingly to the CCS.
	1 Jan. Extra (repayment) 31 Dec. Interest Received 1 Jan. Extra (repayment) 31 Dec.	200.00 1,721.54 (200.00) 1,721.54	- 200.00 - 200.00	- - - -	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Kabushiki Kaisha Kiroro Associates Co.,Ltd (KA) Relationship: - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Advance Payment on Operating Expense Debtor	-	0.90	4.17	The Company made advance payment for KA, an indirect subsidiary through the 97.27 % holding in PPI and KRH, on several items like - travel expenses and PR activities, as the activities took place in Thailand. Audit Committee's comment 1) The transaction was actual. 2) The transaction at cost
Kiroro Resort Development Co., Ltd. (KRD) Relationship: - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100%	Advance Payment on Operating Expense Debtor	0.37	-	-	The Company made advance payment for KRD, an indirect subsidiary through the 97.27 % holding in PPI and KRH, on several items like - travel expenses and PR activities, as the activities took place in Thailand. Audit Committee's comment 1) The transaction was actual. 2) The transaction at cost

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Grande Asset Hotels and Property Public Company Limited (GRAND) Relationship: - MPH holds 35.53% - TPROP hold MPH 100% and hold GRAND 5.09% - PF hold TPROP 94.60% and hold GRAND1.70% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Ms. Wilawun Leongnarkongdee) is a director . - The company's Consultant* (Dr.Bhichit Rattakul) is a director.	Purchase Product	0.32 0.13	0.10 0.03	- -	The Company bought products to from Grande which in turn offered the products as gifts to customers. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The price and condition is the same as those offered to outsiders.
	Space Rental	0.19 0.20	- -	- -	
	Other income Debtor				
<i>*Resigned on February 2017</i>					

1.2 Transactions between the Company and connected individuals and entities.

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Related Person						
Mr.Pramote Remyindee (Mr.Pramote)		Advance Payment	-	0.01	-	The Company made an advance payment to Mr. Pramote, for the accumulation of land on Chaiyapruke Road purchased for future development. Audit Committee's comment The transaction was to support Company's operations and approved by CEO.
Relationship :		for	-	119.62	2.62	
- The company's executive		Land Purchase.	-	(119.63)	(2.61)	
		31 Dec.	-	-	0.01	
Mr.Wicharn Siriwetwarawut (Mr.Wicharn)		Buy a unit of condominium	-	-	3.39	Reservation of 1 unit in The Sky Sukhumvit condominium project Audit Committee's comment Normal business transaction, under the welfare condition to award a discount to staff.
Relationship :		Deposit and Down Payment	-	3.24	0.15	
- Director and The company's executive						
		Sale Expense	2.50	-	-	Reservation of 1 unit in Metro Sky Prachachuen project. Audit Committee's comment The price and condition is the same as those offered to outsiders.
		Deposit and Down Payment	0.10	-	-	

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2016	2015	2014	
Related other Legal Entity Center of Standard Precast Co., Ltd. (CSP) Relationship : <ul style="list-style-type: none"> - CSP holds P-PREFAB 49% - PF holds P-PREFAB 51% - No individual with conflict of interest holds shares or sits in the board of directors. 	Contracted for production and installation of prefab materials Value of Contract Construction Cost Advance Payment Trade Creditor	85.98 88.26 5.72 3.73	45.40 31.11 11.91 9.15	- 0.22 14.39 0.95	CSP was contracted to produce, assemble and install construction materials for the Company's housing projects Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The transaction price and condition was reasonable and comparative to market price.
Banchong and Vidhya Law Office Co., Ltd. (Banchong Law Office) Relationship : <ul style="list-style-type: none"> - Legal Entity which Mr. Vidhya Nativivat, the company's director, is a director and major Shareholder. 	Law consultant cost Administrative Cost	-	-	0.06	Specialized legal advisor hired to screen company document, registered or involving the Company's operations. Audit Committee's comment The transaction was to support the Company's operations.
Finnative Co., Ltd. (Finnative) Relationship: <ul style="list-style-type: none"> - Legal Entity which Mr. Jesd Jesdpiyawong, Chief Executive Officer of TU and Former director of KRH*, is a director and major Shareholder. 	Financial consultant cost Administrative Cost	2.57	2.57	2.57	Specialized financial advisor to advise the Company, negotiate with foreign investors, and coordinate the Company's overseas investment. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The Transaction under written contract.
* Resigned on February 2017	Service Cost Administrative Cost	-	11.55	-	The Company hired Finnative Company Limited to find and negotiate with a potential buyer of Krungthep Land Public Company's shares. The Company was charged at a certain percentage of the transaction value. Audit Committee's comment 1) The transaction was to support the Company's operations. 2) The Transaction under written contract.

1.3 Connected transactions of subsidiaries.

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Connected transactions of subsidiaries						
Estate Perfect Company Limited (EP)	We Retail Public Company Limited (WR)	EP give land leasing rights to WR	53.11	55.03	56.95	EP leased a land plot to WR covering 16 Rai and 29 square Wah, on Sukhumvir road for 30-year period, for development into shopping mall.
Relationship : - PF holds 100% - Director and the company's executives		Relationship : - The company holds 94.97% - Chairman of the company (Dr.Tawatchai Nakhata) is a director.	6.81	6.79	6.79	Audit Committee's comment 1) The transaction was to support WR's operations. 2) The Company and the subsidiary jointly agreed on the price.
(Mr.Wicharn Siriwetwarawut, Mr.Pornswat Katechulasriroj, and Ms.Sirirat Wongwattana) are directors. - The company's employees (Mr. Kriepas Pongpakawat) is a director.	- Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Mr.Pramote Rermyindee) is a director - Sub-Committee * of the company (Mr. Cherd sak Kookiatnunt) is a director.	Debtor	9.99	7.61	5.24	
Note: * Risk Management committee						

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
Estate Perfect Company Limited (EP) (Continued)	<p>Perfect Sport Club Company Limited (PSC)</p> <p>Relationship:</p> <ul style="list-style-type: none"> - The company holds 100%. - The Advisor to Chief Executive Officer (Mr. Phairat Senachack) is a director . - The company's employee (Mr. Kritpas Pongpakawat) is a director. - Estate 's employee (Mr. Wasan Srirattanapong) is a director. - Bright 's employee* (Mr. Nantachart Kliebhipat) is a director. <p><i>* Resigned on December 2016</i></p>	<p>contracted PSC for the management of EP projects' clubhouse.</p>	Administrative Cost	-	-	0.72	<p>EP hired PSC to manage the sports club at EP's projects.</p> <p>Audit Committee's comment</p> <ol style="list-style-type: none"> 1) The transaction was to support EP's operations . 2) The service fee was jointly determined, considering cost and profit.
	<p>U&I Construction Bangkok Co., Ltd. (U&I)</p> <p>Relationship :</p> <ul style="list-style-type: none"> - The company holds 100%. - The company's employees (Mr. Kritpas Pongpakawat) is a director. - Estate 's employee (Mr. Pipat Nitayakosol) is a director. 	<p>EP contracted U&I for the houses construction</p>	Value of Contract	68.58	32.95	30.86	<p>EP hired U&I, established as a contractor for the Company and subsidiaries, to construct houses for EP.</p> <p>Audit Committee's comment</p> <ol style="list-style-type: none"> 1) The transaction was to support EP's operations. 2) The service fee was jointly determined, considering cost and profit.
			Construction Cost	57.62	43.78	19.40	
			Advance Payment Contractor	0.08	0.12	0.48	
			Trade Creditor	6.89	3.36	2.48	

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy	
			2016	2015	2014		
Estate Perfect Company Limited (EP) (Continued)	Perfect Prefab Company Limited (P-PREFAB) Relationship : - The company holds 51% - Director and the company's executive (Mr.Wicharn Siriwetwarawut) is a director - The company's employee (Dr. Vorasak Chakrapiyanant, Mr.Rungroj Singhathanatkij and Mr.Prakit Rerkpreedapong) are directors.	EP contracted P-PREFAB companies for the production and installation of prefab materials	Value of Contract	11.05	25.21	21.42	EP hired P-PREFAB to produce, assemble and install construction materials for EP's housing projects. Audit Committee's comment 1) The transaction was to support EP's operations. 2) The transaction price and condition was reasonable and comparative to market price.
			Construction Cost	10.34	29.62	16.98	
			Advance Payment	-	-	0.03	
			Contractor				
			Trade Creditor	0.24	0.15	3.27	
Bright Development Bangkok Company Limited (BD) Relationship : - The company holds 100%. - Director and the company's executives (Mr.Pornswat Katechalariraj and Ms.Sirirat Wongwattana) are directors.	Residence Number Nine Company Limited (R9) Relationship : - The company holds 100%. - Director and the company's executives (Mr.Pornswat Katechalariraj and Ms.Sirirat Wongwattana) are directors. - The company's employees (Mr.Pornchai Ketlekand Mr.Sanpetch Sukkasem) are directors.	BD loans to R9	Loan	-	-	-	BD retired R9 promissory notes in accordance with its creditors' terms. Under the terms, BD must retire the P/N if having extra money from condominium sale. The P/N carried the interest rate of 0.25% above BD's average funding cost. Audit Committee's comment The transaction was financial assistance to a subsidiary, subjecting to the interest rate that BD shouldered.
			1 Jan.	-	-	-	
			Extra (repayment)	-	53.65 (53.65)	-	
			31 Dec.	-	-	-	
			Interest Received				
			1 Jan.	-	-	-	
			Extra (repayment)	-	0.13 (0.13)	-	
			31 Dec.	-	-	-	

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Bright Development Bangkok Company Limited (BD) (Continued)	<p>Perfect Sport Club Company Limited (PSC)</p> <p>Relationship :</p> <ul style="list-style-type: none"> - The company holds 100%. - Advisor to Chief Executive Officer (Mr. Phairat Senachack) is a director. - The company's employee (Mr. Kritpas Pongpakawat) is a director. - Estate 's employee (Mr. Wasan Srirattanapong) is a director. - Bright 's employee * (Mr. Nantachart Kliebhipat) is a director. <p><i>*Resigned on December 2016</i></p>	<p>Purchase Products</p> <p>Sale Expense Creditor</p>	0.01	-	-	<p>BD sold products to PSC which in turn offered the products as gifts to customers.</p> <p>Audit Committee's comment</p> <p>1) The transaction was to support BD's operations.</p> <p>2) The price and condition is the same as those offered to outsiders.</p>

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
Residence Number Nine Company Limited (R9)	Perfect Sport Club Company Limited (PSC)	R9 hired PSC to managed the sports club in R9's projects.	-	-	0.30	R9 hired PSC to manage the sports club in R9's projects.	
Relationship : <ul style="list-style-type: none">- The company holds 100%.- Director and the company's executives (Mr. Pornswat Katechalarirroj and Ms. Sirirat Wongwattana) are directors.- The company's employees (Mr. Pornchai Ketlek and	Relationship : <ul style="list-style-type: none">- The company holds 100%.- The company's director (Mr. Phairat Senachack) is a director .- The company's employee (Mr. Kritpas Pongpakawat) is director.- Estate 's employee (Mr. Wasan Srirattanapong) is director.- Bright 's employee* (Mr. Nantachart Kliebhipat) is director.	Administrative Cost				Audit Committee's comment <ul style="list-style-type: none">1) The transaction was to support R9's operations.2) The service fee is jointly specified, based on the management cost and profit.	
	*Resigned on December 2016						
Mr. Sanpetch Sukkasem) are directors.	U&I construction Bangkok Co., Ltd. (U&I)	R9 contracted U&I for the houses construction	13.56	18.87	6.55	R9 hired U&I, established as a contractor for the Company and subsidiaries, to construct houses for R9.	
	Relationship : <ul style="list-style-type: none">- The company holds 100%.- The company's employees (Mr. Kritpas Pongpakawat and Mr. Prakrit Rerkpreedapong) are directors.- Estate 's employee (Mr. Pipat Nitayakosol) is a director.	Construction Cost	37.82	20.09	4.63		
		Trade Creditor	1.45	1.36	3.75	Audit Committee's comment <ul style="list-style-type: none">1) The transaction was to support R9's operations.2) The service fee is jointly specified, based on the management cost and profit.	

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Residence Number Nine Company Limited (R9) (Continued)	<p>Perfect Prefab Company Limited (P-PREFAB)</p> <p>Relationship :</p> <ul style="list-style-type: none"> - The company holds 51% - Director and the company's executive (Mr.Wicharn Siriwetwarawut) is a director. - The company's employee (Dr.Vorasak Chakrapiyanant , Mr.Rungroj Singhathanakij and Mr.Prakit Rerkpreedapong) are directors. 	<p>R9 contracted P-PREFAB companies for the production and installation of prefab materials</p>	<p>Value of Contract</p> <p>Construction Cost</p> <p>Trade Creditor</p>	<p>11.85</p> <p>11.68</p> <p>0.02</p>	<p>-</p> <p>-</p> <p>-</p>	<p>R9 hired P-PREFAB to produce, assemble and install construction materials for R9's housing projects.</p> <p>Audit Committee's comment</p> <p>1) The transaction was to support R9's operations.</p> <p>2) The transaction price and condition was reasonable and comparative to market rates.</p>

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Property Perfect International Pte. Ltd. (PPI)	Kiroro Resort Holdings Co., Ltd. ** (KRH)	PPI loans to KRH	795.62	795.62	794.42	PPI extended a loan to KRH, for the investment in Kiroro Resort and as working capital loan. The loan was subjected the step interest rates. - In 2012, 1% per annum - From 2013, +0.25% above PPI's average financial cost
Relationship : - The company holds 100%. - Chairman of the company (Dr.Tawatchai Nakata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's Consultant (Mr.Bhichai Rattakul) is a director.	Relationship : - PPI holds 97.27% - The company holds in PPI 100% - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	1 Jan.	-	-	186.00	
		Extra (repayment)	(795.62)*	-	(184.80)*	
		31 Dec.	-	795.62	795.62	
		Interest Received				
Note: Including the conversion of PPI's loan to KRH shares - In 2014, 500 million yen (approximately Bt154.80 million) - In 2016, 500 million yen (approximately Bt150.51 million)	Note * Renamed from Share Group Co., Ltd.	1 Jan.	94.51	48.28	12.41	Audit Committee's comment The transaction is financial assistance for hotel business acquisition overseas. The step interest rates are reasonable and supportive to the subsidiary's operations. On 27 February 2014, the Board of Directors at the 1/2014 meeting acknowledged the conversion of this loan into KRH's equity. KRH raised the capital by 500 million yen (100,000 shares at 5,000 apiece). The shares were sold to PPI and with the proceeds, KRH repaid its loan to PPI. 1) The loan to equity conversion price and conditions reached by the Company and other shareholders of KRH indicated a fair negotiation, without influence from a conflicting individual. (At Arm's length basis) 2) The loan to equity conversion price represented a discount from the Company's average investment cost and was below KRH's paid-up capital prior to the transaction.
		Extra (repayment)	19.27 (113.78)	46.23	35.87	
		31 Dec.	-	94.51	48.28	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
Property Perfect International Pte. Ltd. (PPI) (Continued)	Kiroro Resort Holdings Co., Ltd. ** (KRH) (Continued)	PPI charge KRH for consultant	Other Income	3.09	3.23	-	PPI charged KRH for hotel and ski resort advisory fee. Audit Committee's comment 1) The transaction was actual. 2) The transaction at cost
Kiroro Resort Holdings Co., Ltd.* (KRH) Relationship: - PPI holds 97.27% - The company holds in PPI 100% - Chairman of the company (Dr. Tawatchai Nakata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's Consultant (Mr.Bhichai Rattakul) is a director.	Kabushiki Kaisha Kiroro Associates Co., Ltd. (KA) Relationship: - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	KRH loans to KA	Loan	417.27	319.08	253.30	KRH extended a working capital loan to KA, charging 2% per annum. Audit Committee's comment The transaction was to financial assistance to KA KRH leased asset to KA to operate hotel business. Audit Committee's comment 1) The transaction was to support KA's operations. 2) The leasing fee was jointly determined.
		KRH leased asset to KA	Interest Received	15.74	11.83	10.54	
			Interest Receivables	49.17	33.32	19.02	
			Revenue fromLeasing	58.44	93.52	110.73	
		Debtor	-	-	5.91		
Service Cost	Administrative Cost	0.08	1.93	0.65	KRH used KA's ski services. Audit Committee's comment 1) The transaction was to support KRH 's operations. 2) Service fee was jointly determined.		
	Creditors	0.18	0.20	0.16			
	KRH pay advance for administration cost to KA	Debtor	-	-		0.72	
Note * Renamed from Share Group Co., Ltd.		Audit Committee's comment 1) The transaction was actual. 2) KA was charged at cost.					

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Kiroro Resort Holdings Co., Ltd. (KRH) (Continued)	Kabushiki Kaisha Kiroro Associates Co., Ltd. (KA) (Continued)	KA pay advance for administration cost to KRH	21.08	20.27	53.91	KRH advanced the operating expenses for KRH. Audit Committee's comment 1) The transaction was actual. 2) KA was charged at cost.
		KRH loans to KH	253.43	23.97	-	KRH extended a working capital loan to KH, charging 2% per annum.
	Kiroro Hotel Co., Ltd. (KH) Relationship : - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100 % - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Interest Received	2.32	0.04	-	Audit Committee's comment The transaction was to financial assistance to KH.
		Interest Receivables	-	0.04	-	
		KRH leased assets to KH	155.85	14.17	-	KRH leased assets to KH to operate the hotel business. Audit Committee's comment 1) The transaction was to support KH's operations. 2) The leasing fee was jointly determined.
		Service Cost	2.47	0.94	-	KRH used KH's hotel services. Audit Committee's comment 1) The transaction was to support KRH 's operations. 2) Service fee was jointly determined.
		KRH pay advance for administration cost to KH	7.59	3.79	-	KRH advanced the operating expenses for KH. Audit Committee's comment 1) The transaction was actual. 2) The transaction was at cost.
		KA pay advance for administration cost to KRH	5.12	10.69	-	KRH advanced the operating expenses for KRH. Audit Committee's comment 1) The transaction was actual. 2) The transaction was at cost.

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
Kiroro Resort Holdings Co., Ltd. (KRH) (Continued)	Kiroro Resort Development CO., Ltd. (KRD) Relationship : - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100 %	KRH pay advance for real estate development to KRD	Debtor	56.33	-	-	KRH advanced real estate development expenses for KRD Audit Committee's comment 1) The transaction was actual, 2) The transaction was at cost.
		KRH loans to KRD	Loan	3.39	-	-	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
Kabushiki Kaisha Kiroro Associates Co., Ltd. (KA) Relationship : - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Kiroro Hotel Co., Ltd (KH) Relationship: - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100 % - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	KA pay advance for administration cost to KH	Debtor	7.31	27.31	-	KA pay advance for administration cost to KH Audit Committee's comment 1) The transaction was actual, 2) The transaction was at cost.
		KH pay advance for administration cost to KA	Creditor	8.96	31.26	-	
Kiroro Hotel Co., Ltd (KH) Relationship: - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100 % - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Kiroro Resort Development CO., Ltd. (KRD) Relationship: - KRH holds 100% - PPI holds KRH 97.27% - PF holds PPI 100 %	Service Revenue	Service Revenue Debtor	0.06	-	-	KRD used KA's ski services. Audit Committee's comment 1) The transaction was to support KRD's operations. 2) Service fee was jointly determined.
		KH pay advance for administration cost to KRD	Debtor	0.18	-	-	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
U & I construction Bangkok Co., Ltd. (U&I)	Centrepont Shopping Mall Co., Ltd. (Centre point)	Center Point contracted U&I to construct sale office	Value of Contract Advance Payment Contractor	11.50	-	-	U&I, established to provide house and condominium construction services to the Company and subsidiaries, was contracted to build a sale office for Centrepont's shopping mall.
Relationship : - The company holds 100%. - The company's employees (Mr. Kritpas Pongpakawat ,Mr.Prakit Rerkpreedapong) are directors. - Estate 's employee (Mr.Pipat Nitayakosol) is a director.	Relationship : - WR holds 100%. - The company holds WR 94.97% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - Director and the company's executives (Mr.Wongsakorn Prasitvipat and Mr Pornswat Katechlasriroi) are directors. - The company's executive (Mr.Pramote Remyinde and Ms.Wilawun Leongnarktongdee) are directors.			1.15	-	-	Audit Committee's comment 1) The transaction was to support Centrepont's operations. 2) The service fee is jointly specified, based on the management cost and profit.

1.4 Transactions between subsidiaries and connected individuals/entities

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2016	2015	2014	
Related Person (Mr. Wicharn Siriwetwarawut) (Mr. Wicharn) Relationship : - Director and the company's executive	Bright Development Bangkok Company Limited (BD) Relationship : - The company holds 100%. - Director and The company's executives (Mr. Wicharn Siriwetwarawut, Mr. Pornswat Katechalaritroj and Ms. Sirirat Wongwattana) are directors.	Buy unit of condominium of BD	-	-	4.78	Reservation of 1 unit of Metroluxe Ratchada condominium project.
		Sale Cost Down Payment	-	-	0.01	Audit Committee's comment The discount was in line with welfare benefits for the Company's employees.
Mr. Pornswat Katechalaritroj (Mr. Pornswat) Relationship : - Director and the company's executive	Bright Development Bangkok Company Limited (BD) Relationship : - The company holds 100%. - Director and the company's executives (Mr. Wicharn Siriwetwarawut, Mr. Pornswat Katechalaritroj and Ms. Sirirat Wongwattana) are directors.	Buy unit of condominium of BD	-	-	1.83	Reservation of 1 unit in iCondo Phetkasem 39 condominium.
		Transfer cost	-	-		Audit Committee's comment The discount was in line with welfare benefits for the Company's employees.

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
Dr.Bunthiwa Ngowsirimanee (Dr.Bunthiwa)	Bright Development Bangkok Company Limited (BD)	Space Leasing	Revenue from Leasing	0.07	0.23	0.27	Dr.Bunthiwa leased her condominium in iCondo Sukhaphiban 2 project to BD, serving as its sale office.
Relationship : Dr.Tawatchai Nakata's sister, Chairman of the company and The company's employees.		Relationship : - The company holds 100%. - Director and the company's executives (Mr.Wicharn Siriwetwarawut, Mr.Pornswat Katechalarasiroj and Ms.Sirirat Wongwattana) are directors.					Audit Committee's comment 1) The transaction is in line with normal business practices. BD and Dr. Bunthiwa jointly set the price and entered into a written agreement. 2) The rent and condition is reasonable and comparative to market rate.
Mr.Jesd Jesdpiyawong, (Mr.Jesd)	We Retail Public Company Limited (WR)	Financial Consultant	Consultant revenue	1.2	1.2	1.2	WR hired Mr.Jesd for financial advisor of WR
Relationship : Chief Executive Officer of TU and Former director of KRH*		Relationship : - The company holds 94.97% - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Officer or of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Mr.Pramote Remyindee) is a director. - Sub-Committee* of the company (Mr.Chersak Kookiatnunt) is a director.					Audit Committee's comment 1) The transaction was to support Centrepoint's operations. 2) The service fee is jointly specified, based on the management cost and profit.

*Resigned on February 2015

Note:

* Risk Management committee

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy	
Related Person			2016	2015	2014		
Estate Perfect Company Limited (EP)	Center of Standard Precast Co., Ltd. (CSP)	EP contracted CSP for the production and installation of	Value of Contract	8.57	7.01	11.11	EP hired CSP to produce, assemble and install construction materials for EP's housing projects. Audit Committee's comment 1) The transaction was to support EP's operations. 2) The transaction price and condition was reasonable and comparative to market price.
Relationship : - The company holds 100%. - Director and the company's executives (Mr. Wicharn Siriwetwarawut, Mr. Pornswat Katechalariraj, Ms. Sirirat Wongwattana) are directors. - The company's employees (Mr. Kritpas Pongpakawat) is a director.	Relationship : - CSP holds P-PREFAB 49% - PF holds P-PREFAB 51% - No individual with conflict of interest holds shares or sits in the board of directors.	prefab	Construction Cost	8.36	9.96	6.13	
			Advance Payment Contractor	0.01	-	0.02	
			Trade Creditor	0.18	1.74	3.53	
Residence Number Nine Company Limited (R9)	Center of Standard Precast Co., Ltd. (CSP)	R9 contracted CSP for the production and installation of	Value of Contract	6.36	-	-	R9 hired CSP to produce, assemble and install construction materials for R9's housing projects. Audit Committee's comment 1) The transaction was to support R9's operations. 2) The transaction price and condition was reasonable and comparative to market price.
Relationship : - The company holds 100%. - Director and The company's executives (Mr. Pornswat Katechalariraj and Ms. Sirirat Wongwattana) are directors. - The company's employees (Mr. Pornchai Keilek and Mr. Sanpetch Sukkasem) are directors.	Relationship : - CSP holds P-PREFAB 49% - PF holds P-PREFAB 51% - No individual with conflict of interest holds shares or sits in the board of directors.	prefab	Construction Cost	5.98	-	-	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2016	2015	2014	
U&I construction Bangkok Co., Ltd. (U&I)	Queen frozen Fruit Co., Ltd. (Queen Frozen)	frozen contracted U&I to construct cold storage	Value of Contract Construction Revenue Advance Payment Debtor	15.30 87.63 4.70 90.63	114.32 7.93 16.03 25.12	- - - -	Frozen contracted U&I to construct cold storage. Audit Committee's comment The service fee was jointly set, taking into considering the cost and targeted profits.
Relationship : - The company holds 100%. - The company's employees (Mr. Kritpas Pongpakawat and Mr.Prakit Rerkpreedapong) are directors. - Estate 's employee (Mr.Pipat Nitayakosol) is a director.		Relationship : - Legal Entity, Miss Kannika Adhayanasakul, Mr.Chainid Adhayanasakul's wife, Chief Executive officer, is a director and major Shareholder.					

1.5 Information on other subsidiaries and joint ventures which made no connected transactions with the Company and subsidiaries during 2014 -2016

Legal Entity	Relationship	Transaction
<u>The subsidiaries</u>		
Uniloft Service (Thailand) Co., Ltd. (UNILOFT)	<ul style="list-style-type: none"> - The company holds 100 - The company's employees (Mr.Saranyu Adhayanasakul, Mr.Natthaphon Sueb-Am and Mr.James Stevenson Worboys) are directors. - Sub committee* of the company (Mr.Cherdsak Kukiattunt) is a director - EP's employee (Mr.Prathompob Intr-Bumrong) is a director. <p><i>Note: Risk management committee</i></p>	None
<u>Joint Venture</u>		
Dara Harbour Co., Ltd.	<ul style="list-style-type: none"> - PF holds 65% - Chief Executive Director of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Mr. Pramote Rermyindee) is a director. - Director and the company's Directors and executive (Mr.Pornswat Katechalaroj and Ms.Sirirat Wongwattana) are directors. 	None
T Utilities Co., Ltd. (TU)	<ul style="list-style-type: none"> - PF holds 40% - Chief Executive Executive of the company (Mr.Chainid Adhayanasakul) is a director. - The company's consultant (Dr.Bhichit Rattakul) is a director. 	None
<u>The Affiliates</u>		
Real Service Co., Ltd. (RS)	<ul style="list-style-type: none"> - PF holds 19% - The company's employees (Mr.Sanphet Sukkasem and Mr.Chainarng Ngernsopa) are directors. 	None

2 Connected transactions concerning TPROP

During the year, the Company and subsidiaries struck significant transactions with connected individuals and enterprises. The transactions were in line with the conditions set by the Company's subsidiaries and connected enterprises, considered a normal business practice. They are as follows:

(Unit: Million Baht)

	Consolidated		Non-consolidated		Pricing
	2016	2015	2016	2015	
Transactions with subsidiaries					
(Excluded from consolidated statements)					
Interest receivables	-	-	18	25	9% per year and 12-month fixed deposit rate
Transactions with connected parties					
Service fee	43	25	-	-	Specified in contract

The outstanding value of transactions between the Company, subsidiaries and connected parties at the end of 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated		Non-consolidated	
	2016	2015	2016	2015
Trade and other debt - connected parties	-	-	555	120,417
Trade credit and other trade creditors - connected parties	2,781	4,574	-	-

Loans to subsidiaries

The outstanding loans to subsidiaries as of 31 December in 2016 and 2015, as well as changes in short-term loans and interest receivables, are as follows:

(Unit: Thousand Baht)

	Outstanding as of 31 Dec 2015	During the year		Outstanding as of 31 Dec 2016
		Increase	Decrease	
Short-term loans and accrued interest receivable from subsidiaries				
Metro Premier Holding Co., Ltd. ¹⁾	701,667	7,574	-	709,241
Grande Asset Hotels and Property Plc. ²⁾	172,002	9,887	(140,972)	40,917
Total	873,669	17,461	(140,972)	750,158
Long-term loans and accrued interest receivable from subsidiaries				
Scenery Peak Limited ³⁾	74,568	879	-	75,447

¹⁾ Due date is on 1 December 2017, subjected to 12-month fixed interest rate and uncollateralized.

²⁾ Due date is on 31 March 2017, subjected to 9% interest rate per annum and uncollateralized.

³⁾ Monthly instalments as specified in contract, starting from January 2011, subjected to 3% interest rate per annum or as agreed by the Company and the subsidiaries and uncollateralized.

Directors and executives remuneration

During 2016 and 2015, the Company and subsidiaries paid out the following sums to directors and executives:

(Unit: Million Baht)

	Consolidated		Non-consolidated	
	2016	2015	2016	2015
Short-term benefits	52	53	11	11
End-of-contract payment	1	1	-	-
Total	53	54	11	11

3 Connected transactions concerning GRAND

During the years, the company and subsidiaries struck significant transactions with connected parties. The transactions followed business conditions and agreements jointly agreed by the Company and subsidiaries or connected parties, in line with a normal business practice. They are as follows:

(Unit: Million Baht)

	Consolidated		Non-consolidated		Pricing
	2016	2015	2016	2015	
Connected transactions with subsidiaries (Excluded from consolidated statements)					
Administrative fee	-	-	8	7	Specified in contract
Interest receivables	-	-	70	105	5.12 - 9.25% per annum
Interest expenses	-	-	4	5	0.25% above 12-month fixed deposit rate
Transactions with connected parties					
Interest expenses	10	14	10	14	9% per annum

The company and subsidiaries' outstanding debt as of 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated		Non-consolidated	
	2016	2015	2016	2015
Trade creditor and others - Subsidiaries	-	-	1,161	8
Trade creditor and others - Subsidiaries	-	-	1,502	-

Loans to related businesses and borrowings from related businesses

The outstanding loans and borrowings between the company and related businesses as of 31 December of 2016 and 2015 as well as changes in the period are as follows:

(Unit: Thousand Baht)

	Outstanding as of 31 Dec 2015	During the year		Outstanding as of 31 Dec 2016
		Increase	Increase	
Consolidated				
Short-term loans to connected parties and interest receivables				
Thai Property Plc. ³	172,002	9,887	(140,972)	40,917
Non-consolidated				
Short-term loans to subsidiaries and interest receivables				
Honor Business Ltd ¹	1,287,955	70,053	(17,744)	1,340,264
Short-term loans to connected parties and interest receivables				
Grand Equity Development Ltd ²	269,758	3,861	(2,365)	271,254
Thai Property Plc. ³	172,002	9,887	(140,972)	40,917
Total	441,760	13,748	(143,337)	312,171

^{1.} Repayment due when asked, subjected to the interest rate based on the Company's average financial cost, uncollateralized.

^{2.} Repayment due when asked, subjected to the 12-month fixed rate plus 25 basis points per annum, uncollateralized.

^{3.} Monthly instalments as specified in contract, starting from January 2011, subjected to 3% interest rate per annum or as agreed by the Company and the subsidiaries and uncollateralized.

Directors and executives remuneration

During 2016 and 2015, the Company paid out the following sums to directors and executives:

(Unit: Million Baht)

	Consolidated and non-consolidated	
	2016	2015
Short-term benefits	41	42
End-of-contract payment	1	1
Total	42	43

Connected transactions approval measures or process

Connected transactions are considered a service, in line with the Company and subsidiaries' nature of business. They follow normal trade practices and are struck to maximize the Company's interests. The transactions require approval from the Board of Directors or the management or authorized personnel, accordingly to their authorized power, the Securities and Exchange Act, and the Stock Exchange of Thailand's rules and regulations and orders. In approving the connected transactions that involve directors or others with possible conflict of interests or the transactions that could lead to conflict of interests with the Company, the said persons will be barred from voting on the transactions. The Company's charter also specifies rules concerning connected transactions as well as the acquisition and disposal of the Company's assets.

Policy or connected transactions trend

The Company expects the continuation of some of the connected transactions above, as connected transactions are the Company's normal business practice.

Moreover, the Company's Audit Committee is bound to review if the connected transactions or transactions that may lead to conflict of interests comply with laws and the stock exchange's regulations, to ensure that the transactions are reasonable and supportive to the Company's operations.

4 Connected transactions concerning WR

During the year, the Company and subsidiaries struck business deals with connected individuals or enterprises. The deals followed business and jointly-agreed conditions, in line with normal business practices. They are as follows:

(Unit: Million Baht)

	Consolidated		Non-consolidated		Pricing
	2016	2015	2016	2015	
Transactions with the Company					
Interest expenses	-	40,268	-	40,268	5.02 - 5.84 % per year
Transactions with subsidiaries (Excluded from consolidated statements)					
Interest receivables	-	-	60,018	57,745	5.02 — 5.84% per year
Connected transactions					
Building management fee	42,189	21,997	42,189	21,997	Specified in contract
Interest receivables	1,192	-	1,192	-	6.25 % per year
Rents	4,873	4,873	4,873	4,873	Specified in contract

The outstanding value of connected transactions of the Company and connected parties as of 31 December 2016 and 2015 are as follows;

(Unit: Million Baht)

	Consolidated		Non-consolidated	
	2016	2015	2016	2015
Trade credit and others — connected parties				
The Company	94	198	94	198
Subsidiaries	-	-	195,648	135,629
Connected parties (joint ownership)	4,106	4,574	4,106	4,574
Total trade creditor and others — connected parties	4,200	4,772	199,848	140,401
Other credits —connected parties				
The Company	334	307	334	307
Total other credits — connected parties	334	307	334	307

Short-term loans to connected parties

The outstanding value of short-term loans between the Company and subsidiaries at the end of 2016 and 2015 as well as movement during the year is as follows:

(Unit: Thousand Baht)

Loans	Relationships	Non-consolidated			
		Outstanding as of 31 Dec 2015	Increase	Decrease	Outstanding as of 31 Dec 2015
All Discount Co., Ltd.	Connected parties	-	60,000	-	60,000
Total		-	60,000	-	60,000

(Unit: Thousand Baht)

Loans	Relationships	Non-consolidated			
		Outstanding as of 31 Dec 2016	Increase	Decrease	Outstanding as of 31 Dec 2016
Centrepont Shopping Mall Co., Ltd.	Subsidiaries	1,056,492	40,000	-	1,096,492
All Discount Co., Ltd.	Connected parties	-	60,000	-	60,000
Total		1,056,492	100,000	-	1,156,492

Directors and executives remuneration

During the year, the Company paid out short-term remunerations to directors and executives totaled Bt.1.8 million. (2015: Bt.1.2 million)

RISK FACTORS

1. Business risks

Risks from fiercer competition in residential market

The residential market has remained under the influence of large-sized developers, who have been able to adjust themselves to high market volatility. Large-sized developers also own greater potential in the business, with access to various sources of fund thanks to confidence from investors and financial institutions. With the realisation in this risk, the Company has put its focus on research and development to enhance the competitiveness. Detailed study of target customers is emphasised, as well as surveys of market demands. The Company places emphasis on locations, project layout, architectural designs, usable space, value for money and clear categorization of target customers. The Company also works out with financial institutions to increase consumers' purchasing power and reduce their financial burden. This has been the Company's leverage in competing against other major developers.

Risk from construction cost and project financing

The company's policy to sell only complete houses and townhouses, no payments are received prior to the sale and advance funding for the construction grows accordingly. There are also uncertainties that may affect target customers' purchasing power and decision. For example, (1) Consumer confidence and purchasing power which move in line with domestic and global economic conditions. (2) mortgage rates and commercial banks' lending policy, (3) government supports, and etc. This produces a risk that the Company may be unable to sell houses. Inventory would also rise, which will affect the Company's liquidity and profitability.

The Company has defined the following measures to cope with the risk.

1. Consumer behavior survey: All visitors at project sites are asked about their spending budget, preferable designs, land area, and etc. Combined with historical data, the Company can analyze consumer demands. As a large-sized developer which has stayed in the business for nearly 30 years, the Company has an advantage in terms of market data, experience and understanding of target customers' preferences.
2. The Company carries out the construction of single detached houses and/or townhouses in each project phase by phase. Contractors are hired accordingly to the construction plan. The average inventory is maintained accordingly to the grand plan, to balance the number of complete and under-construction houses. When sale activities do not meet targets, the Company can speedily adjust the construction work. Or when customers' preferences significantly change, the Company can adjust the size accordingly. On a change in purchasing power, the Company can adjust the property size so that the unit price is lowered to meet their purchasing power.

3. On condominium development, though the Company can partly finance the construction with down payments, the Company still requires a huge sum of money. This requires attention in cost management. The Company's condominium projects are put into two categories: low-rise which is no higher than 8 storeys and high-rise of which height. The construction period of the two types is 12-14 months for low-rises and 18-24 months for high-rises. Low-rise and high-rise development ratio is maintained at an appropriate level, to facilitate construction management and respond to sale activities, revenue realization and financial supports from financial institutions.
4. The Company has clear financing plans for each project. Positive sale activities of the old projects have allowed the Company and subsidiaries to win long-term loans from financial institutions, which were confident in the projects' potential. Meanwhile, though demand for working capital increases in line with the launch of new projects, the Company has shown no difficulty in financing the debt as revenue from other projects can also be used as working capital. (More in Item: Risk from access to funding, ability to pay)

Risk from political and economic uncertainties

Political uncertainties and economic slowdown pull down the purchasing power. Coupled with commercial banks' more stringent rules on mortgage loan approval, this affects residential property demand. It directly hits sales activities and the transfers of complete units.

The Company adjusted business strategies in line with the political and economic situation. For instance, attention was placed on the launch of new projects, the purchase of new land plots, construction and cash flow management. Project development was adjusted accordingly. The construction volume was in line with sale revenue, to limit inventory. New project launch and land purchases were put off, to achieve effective cash flow management and lower risks from political and economic uncertainties.

Risk from deterioration or outdated designs of houses, townhouses and condominium in stock

The Company and subsidiaries pre-determined sell prices and selling period of each project, in line with construction plans. If the Company cannot meet sale target, the Company and subsidiaries would end up with some left-over single houses, townhouses and condominium units. The deterioration and outdated designs of the property could pose a risk, as it demands expenses for the maintenance. The units could also end up being sold at the below-cost prices.

Nevertheless, the Company is confident that the Company and subsidiaries' single house, townhouse and condominium projects will win positive response thanks to attractive selling points and the marketing plans tailored for each target group. The projects are located in potential areas and priced appropriately. Our business group's sale target and revenue has been close to targets. When the Company has a plan to boost sales at a particular project, PR strategies would be adjusted while new marketing promotion would be introduced. For example, discount for the last unit, promotion through sale officers, or other offers.

2. Construction-related risks

Risk from construction cost volatility

Construction materials are main raw materials of property development. A significant change in construction material prices could affect the construction cost and create a business risk. To mitigate the construction cost volatility of low-rise development projects, single detached houses and townhouses, the Company has sourced some construction materials directly from the manufacturers. The manufacturers will be invited to a bid which allows the Company to compare prices and quality. This also broadens the choices of materials which could replace old ones. While the direct sourcing reduce the construction cost volatility, the Company also benefits from the economy-of-scale purchases. A similar approach is applied with condominium projects. Sanitaryware and air-conditioners are bought in bulk, resulting in greater bargaining power over the manufacturers.

Moreover, a business unit is directly in charge of monitoring price movement, to effectively keep updated on the prices and control the construction cost.

Risk from contractor and labor shortage

Contractors play a significant part in the Company's operations. The Company has put in place the efficient guidelines for contractor selection and evaluation. Contractors with track records are included in the database, waiting to be selected for the construction works for the Company and subsidiaries' projects. The Company has also adopted the supply chain management system, to help contractors' construction materials sourcing and training. The contractors are categorized accordingly to the quality of their work. The construction cost is also adjusted accordingly to market rates and the cost of construction materials, driven by an increase in the minimum wage. The evaluation process is fair and accountable. The allocation of work is transparently carried out while payments are kept on time. The Company is open wide for new contractors, considering the capacity and qualification of the contractors, to cope with business expansion. These practices have resulted in positive relationship between the Company and the contractors.

The Company and subsidiaries have awarded contracts to over 100 medium and small-sized contractors. Their qualification and construction cost will be determined before the contracts are signed. The delivery date is also clearly defined in the contracts.

To prevent labor shortage, the Company has introduced the prefabrication or precast construction technology, which allows the installation of finished walls and other items. The ratio of precast houses has been raised to reduce the construction period and allows the Company to reduce its dependence on skilled labor. The Company established Perfect Prefab Co.,Ltd. in 2011, to manufacture finished construction parts for single houses and townhouse, wall panels of projects' fences, as well as parts for condominium projects. The subsidiary is able to supply materials for 500 houses per annum. Siam Cement Public Company Limited and Italian-Thai Development Public Company Limited are also contracted to manufacture and install prefab parts.

The Company also established U & I Construction Bangkok Co.,Ltd. as a wholly-owned subsidiary. It involves in the construction business, able to handle the construction of single houses, twin houses, townhouses and low-rise condominium buildings for the group. Flexibility in construction management increases as the Company focuses on the supply chain management and the selection of qualified contractors. This also allows the Company to control the construction cost and construction period. The construction volume and quality can be maintained, while risk of qualified contractor shortage is reduced.

3. Administrative and management risks

Risk from guarantee to subsidiaries

The Company's outstanding loan guarantee to subsidiaries stood at Bt6,393 million, as of 31 December 2016.

The guarantee could pose a risk if the subsidiaries cannot repay the principal and interest to their creditors. However, these subsidiaries borrowed the sum to finance development projects, which are their main business purpose. The Company has a policy in place to closely monitor the subsidiaries' operations, which should guarantee that they can meet debt obligations with their own profits and cash flow. The risk from the loan guarantee to subsidiaries thus remains low.

4. Financial risks

Risk from access to funding and debt repayment ability.

The property development business requires huge capital. The company's policy to boost liquidity is through establishing relationship with several commercial banks. All the projects under development have won supports from financial institutions. Their offers will be considered so that the company wins the most appropriate cost of fund. The company has also issued unsubordinated and unsecured debentures, with short and long-term maturity depending on requirements, to finance the property development and grow business. (Details in "Securities and Holders") The debentures have been warmly welcomed by investors, thanks to the company's reputation and business track record.

As of 31 December 2016, the Company's current liabilities stood at Bt13,356.06 million. Key items are debentures with less than 1 year in maturity, worth totally Bt5,002.72 million; bill payable Bt. 3,727.03 million and trade and other credits worth Bt2,863.65 million.

The Company repays term loans from financial institutions accordingly to the transfer of properties. As of 31 September 2016, the combined value of the Company and subsidiaries' under-development projects was Bt43,646.43 million. (Details of the Company and subsidiaries' projects are included in Section: Nature of Business (Type of Products) In December 2016, the Company and subsidiaries had access to outstanding overdraft credit worth Bt11,175 million, which could support the operations.

Interest rate volatility risk

The Company finances project development and operations with borrowings. As such, interest rates carry a significant influence on the funding cost. However, though the applicable rates are floating, the rates are equivalent to minimum loan rates or below. The Company also copes with rate volatility through the issuance of long-term fixed-rate debentures, to partially retire bank loans which are subjected to the higher, floating rates. Short-term bills of exchange are also issued to enjoy low money-market rates. This helps keep the interest expense at an appropriate level.

Interest rates constitute a small impact on buyers' purchasing power, as mortgage loans usually carry long maturity and changes in interest rates slightly affect the monthly payments. Buyers have also paid a part of the price as down payment. In collaboration with commercial banks, the Company also offers special packages for customers. Meanwhile, the Company has a variety of products, at different price levels, to match real buyers' purchasing power. This helps reduced the impacts from interest rate volatility on buyers.

As of 31 December 2016, the Company's interest-bearing liabilities stood at Bt29,867.08 million. Most of them are debentures and short-term bills of exchange that carry fixed rates. An increase in the interest rates would negatively affect project financing worth Bt4,489.25 million. In this part, an increase of 1 percentage point in interest rate would raise the interest expense by approximately Bt44 million.

Risk from obligation to maintain the debt to equity ratio at 2.0:1

The Company has maintained the obligation to maintain the debt to equity ratio below 2.0:1. As of 31 December 2016, the ratio stood at 1.96:1. The risk that the ratio may exceed the threshold results from business expansion by the Company and subsidiaries, which required a large amount of investment. However, the Company plans to raise equity through the offering of no more than 1,300 million shares at Bt1 par value in private placements as well as the issuance of perpetual subordinated bonds worth no more than US\$100 million. The offering was approved by shareholders at the extraordinary meeting on 23 December 2016. The Company will issue the new shares and the bonds in 2017, which will significantly reduce the debt to equity ratio.

* Total net liabilities are total liabilities audited and shown in the consolidated account. The liabilities carry interest burden or discounting, including financial obligations and future debt possibly arising from loan guarantees or similar obligations extended to individuals or juristic entities which are not the Company's subsidiaries.

Risk from UNIPF's lease of Uniloft Salaya project (UNIPF)

The Company is the operator and leaser of Uniloft Salaya from Uniloft Property Fund. The project is leased with fixed rent at Bt43.50 million per annum in the first three years (November 2013 to November 2016). The fund owns the right to extend the lease contract by another one year - October 2017. This could pose a risk if the revenue is below the specified rent. The Company's management has estimated the loss amount and set aside provisions worth Bt45.30 million in 2013.

In 2016, the Company ably improved the project management, in comparison to the performance in 2014 and 2015. As such, there was no need for additional provisions. The project is expected to show continued improvement.

5. Acquisition-related business risk

Risks stemming from the difference in nature of business of the Company and Thai Property and Grande Asset

The Company's main business concerns low-rise and high-rise residential property development while Thai Property and Grande Asset's business concerns rental office buildings and hotel management which carries different risks. As such, the post-acquisition performance depends on economic conditions, various residential demands, and competitiveness of the Company and other developers specialized in the respective areas.

After the acquisition was completed, the Group carried out business restructuring, having the Company oversee low-rise and high-rise real estate development projects, We Retail oversee rental shopping mall and office building development and Grand Asset take charge of the development of hotels and high-end property projects specifically the projects in locations adjacent to its hotels of which services and facilities can be used as the projects' selling points. The restructuring does not lead to a significant change in the Group's business as it was designed to highlight each unit's expertise, to maximise each unit's strengths. The Company appointed its representatives as the directors of Thai Property and Grand Asset accordingly to its stakes in the companies. In addition, the Company completed the delisting of Thai Property from the stock market on 9 December 2016.

Risk from increasing hotel portfolio

After the acquisition, included in the group is a business unit dealing with hotels with 4-5 stars. This may lead to hotel-related risks. The hotels' revenue and profits could be affected by fierce competition in the industry as well as external, unforeseeable risks such as natural disasters, terrorism or political violence. These external risks, if happening, will significantly reduce the number of visitor arrivals and directly hit the hotel business's revenue and profits.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors reviewed the company's internal control system, basing the review on the Securities and Exchange Commission's revised rules on sufficiency (revision under the COSO Internal Control - Integrated Framework 2013). The rules cover 5 areas of internal control - internal control, risk management, operational control, information and communication system, and the monitoring system. The Board of Directors resolved that the company's internal control is sufficient and appropriate. The responsible workforce is sufficient and the monitoring system of the operational system of the company and subsidiaries is efficient and able to prevent fraudulent uses of resources. Detail of the view is as follows;

1) Internal control

The Company's environment and organizational structure is supportive to internal control, with the Board of Directors guiding the Company towards a clear business path and appointing individuals to take charge of internal control.

2) Risk assessment

The organization-level risk assessment is in place, whereby the Risk Management Committee is established to review and recommend risk management policies to the Board of Directors as well as oversee the overall risk environment. The Committee constantly assesses risks that may derail the Company's path towards its goals, proposes risk-management measures, monitors the implementation and reports to the Board of Directors.

3) Operation-level control

The Company's control measures are appropriate for the organizational risks. Written measures exist to appropriately cover operations: for example, the policy and guidelines on financial transactions, procurement and management in general; and concise specification of role and authority of executives in each level. To prevent corruption, the authority over project approval, accounting and treasury is segregated, to allow cross evaluation. System assessment is conducted by the Internal Control unit, assigned directly by the Board of Directors to review the internal-control performance. Compliance to recommendations from the Internal Control unit, auditors and independent evaluator is monitored. There is also a policy to ensure that transactions by major shareholders, directors, executives and individuals related to them follow the prescribed process, for the Company's maximum benefits.

4) Information and communication system

The Company ensures the Board of Directors has sufficient information for their decision-making process: the Board can access information necessary for their task. It also ensures efficient internal communications system, supportive to internal control. The Investor Relations department is established to communicate with external stakeholders.

5) Monitoring system

The Company monitors and appraises the internal control, to ensure complete and appropriate control. Control flaws are timely reported to responsible individuals, high-ranking executives, the Board of Directors and the Risk Management Committee, for timely corrections.

Notably, no significant internal control flaw, which may cause damage to the Company, was mentioned in the auditor's note.

High-level executives and the Board of Directors

The internal control unit, supervised by Ms. Duangporn Rermyindee, Assistant Chief Operation Officer of Internal Audit, reports directly to the Audit Committee. The committee views that she is knowledgeable and capable to lead the unit efficiently and effectively. The Audit Committee's approval is necessary to appoint, dismiss or transfer the unit's chief.

CORPORATE

SOCIAL RESPONSIBILITY (CSR)

1. Overall Policy

Policy and Good Governance

Property Perfect Public Company Limited operates the property development business, focusing on properties for sale and rent. The emphasis is placed on good governance practices, which take into account stakeholders ranging from consumers, shareholders, employees and suppliers to communities, society and the environment. To ensure that its businesses properly follow the standard of practices and to avoid the impact on community and environment, the Company has strictly adhered to the 3 business principles which include:

1. Integrity and accountability based on professionalism of its employees at every level.
2. Transparency in business operation and Good Internal Control System.
3. Creation of long-term value to all stakeholders and Fiduciary Duties towards Stakeholders.

The Roles of the Board of Directors

Every member of the Board of Directors must have strong leadership and be able to control the management team effectively, ensuring that they can deliver the fair return to the shareholders and all stakeholders. The Board of Directors will work with the management team to define the Company's vision, mission, and corporate value for everyone to follow. The Board of Directors has the responsibilities to comply by the Company's ethics and laws as well as the stakeholders; and they should perform their duties with integrity and express their opinions freely. Their roles also include the improvement of the Company's business guidelines making sure they are in line with the new Code of Conduct principles as defined by the Stock Exchange of Thailand for the listed companies in the Real Estate and Construction sector, taking into account to incorporate CSR Best Practices in the implementation of Social and Environmental Responsibility of the Company.

Business Vision

The Company's vision is to become a leading property development enterprise which ceaselessly strives to satisfy customers in all stages of life, community, partners, shareholders and employees through emphasis on quality of life in perfect environment.

Mission

1. Develop modern products and services in potential locations for timely and continually response to new living concepts.
2. Strengthen financial position to ensure sustainable development for the organization and stakeholders
3. Foster management excellence through a team of professionals and standard operating system.
4. Enhance satisfaction on products and services through better environment, quality of life and ability to address needs in different stages of life.
5. Promote reputation and pride with responsible and ethical business principles, taking into account the benefits and impacts of relevant parts of society.

The Roles of Stakeholders

In doing the property development business, the projects would affect several stakeholders especially the surrounding communities. In this regard, the Company would conduct studies and analysis, as well as prepare the Environmental Impact Report for the projects that are likely to affect the community, with regards to the environmental quality, natural resources and health hazards as required by the Ministry of Environment and Natural Resources. The Company recognizes the importance of all stakeholder groups whether they are internal stakeholders such as shareholders and employees; or external stakeholders such as customers, competitors, creditors (financial institutes, bondholders), business partners (product distributors, contractors and business partners), the government and other relevant agencies including those involved with communities, society and environment. The Company has tried to pursue the fair policies that are appropriate to each of the stakeholder groups as follow:

Shareholders

The Company is committed to delivering reasonable and fair compensation to the shareholders, while also focusing on the improvement and development of the business operations to achieve sustainable growth. The Company recognizes the importance of transparency in the disclosure of information to shareholders, keeping in mind that it must always be accurate, complete and timely and can be available through various channels including through electronic media of the Stock Exchange of Thailand, the Company's website, the announcement on the newspaper, press releases and in written newsletters.

Employees

The Company realizes the importance of employees, which is the major driving force of a business organization. Therefore, the Company is committed to strengthening the relationships between the Company and the employees as to create unity among each other. This is achieved through various activities such as developing human resources training policy and ensuring that employees get fair compensation and welfare concretely and continuously. Orientation for new employees are organized on a monthly basis as to equip them with the proper knowledge, skills, and understandings about the corporate culture so that they are able to adjust themselves to the working environment quickly. The new employees will be provided with the clear job description, on-the-job training (OJT) and the opportunity to attend the workshops of both within and outside the business units which are the platform for them to share and exchange knowledge, experience, and other information such as economic and social issues or other and relevant innovation.

The Company focuses on fostering relationships among employees through the team building activities so that they get to know colleagues from other departments and be able to work together smoothly and efficiently. The activities will be held every year and there are also other events such as New Year Staff Party to establish good relationships between the management and employees.

The compensation plan is justified by the Remuneration Committee in order to provide fair compensation for the employees. They also have the duty to consider appropriate staff promotion considering the ability of each individual, making sure that it is in accordance with the career path.

Employees' welfare and rights are clearly emphasized to keep employees happy, both physically and mentally, so that they feel motivated to work at full capacity. Welfare include the public holidays, social security, compensation fund, the right for annual leave, sick leave, vacation leave, maternity leave, ordination leave, leave for sterilization, military training leave, leave for training, health and life insurance, health insurance for OPD, provident fund, and scholarships. For employees who want to buy a residential house or unit managed by the Company, they will also get special discount as an employee. They are also allowed to use the Sport Club of each project for exercise to keep their health fit and strong.

The Company provides the opportunity to both executives and employees to share their opinion through various internal communication channels such as the Intranet and newsletter to create a better understanding among every employee. There are also workshops where staff can offer and exchange ideas directly with management on organizational development issues. The workshop is quite an effective two-way communication which has received satisfactory response from the employees. During the workshops, the primary information will be communicated directly and accurately to create better understandings among employees.

In the near future, the Company plans to provide more communication channels for employees to share their ideas and opinion, especially those who are working at the project sites who may not easily access to the existing channels. The attempt is to keep them informed of the changing business situation amidst the high competition. For instance:

- People media: Those who are involved with the business plans will be required to visit sites on a monthly basis as to get comments and opinion and also to update the information for staff in each project such as updates on the Company's new rules, news updates, updates on economic, social or legal trends so that they are able to keep abreast of the changing situation.
- Create communication channel via Social Network through which Human Resources Department will have to propose the Company's year-plan activities and then communicate to employees via these channels.
- Communicate through social activities. In the future, the Company has set the plans to encourage employees to do more social activities. It will be a good opportunity for employees to meet and share ideas or information for future development of the organization.
- Provide educational opportunities for employees to study further in the field related to the Company's business, so that they can apply new knowledge, experience and skills for future use in the business development.
- Provide more learning tools for human resources development, apart from classroom or in-house training within the organization. Open opportunities for employees to further studies as to acquire new experience, learn of new technology, innovation, or new techniques and integrate them in the jobs under their responsibility.
- Keep on improving the compensation management plans in accordance with the changing economic situation, cost of living and the inflation rates so that employees have sufficient income for living.
- Keep on improving the welfare scheme in accordance with the changing economic and social situation to ensure of the work-life balance of the employees.

Customers

The Company focuses on producing quality products and services with the standards that meet customer satisfaction. We also place an emphasis on ethics in practice by servicing customers with good care, great responsibility, quality standard of services as well as providing solutions, and handling customer complaints or suggestions as quickly as possible. Products and services information will be accurately provided to customers. Customers will be well informed about the contact information in case of they want to file a complaint or contact the Company about the quality of the product and service. Customers are categorized as follows:

- **Customers Visiting at Site** The Company put emphasis on the customers visiting the project by providing up-to-date information about the project's progress, innovation, or new movement about the project for customers. We also follow up with customers, providing them with updated information, inviting them to revisit the sites any time when the Company organize any activities or launching new products. We keep in touch with customers using communication channels that does not interfere with customers such as SMS or E-mail and so on.

- **Customers who are residents of the project** The Company places emphasis on customer care. For those who buy residential units in any of the Company's projects, they will get consultation in every process starting from the process of buying to getting bank loans, and product delivery processes. The Company will keep customers informed of the project's progress as well as provide consultation on the ownership transfer for a house / a condominium / or a property. In case, the Company cannot meet the agreement, the customers will be informed and the terms will be jointly resettled. In case customers have any particular needs that would benefit to the general public, the Company will provide the solutions that meet the utmost satisfaction of customers and the public.

The Company also takes into account the customer's care in every project and tries to build good relationships between each other. Therefore, the Company has come up with idea to create the quality society under the 'Happy Living' concept through which the Company will organize activities continuously throughout the year. This is to emphasize the creation of livable communities, for the better quality of living. The priority is to provide useful information for customers. We have the well-trained staff team who would collaborate with other property projects to get useful information regarding the living and services that would benefit residential members. Activities are considered an essential part which provide the opportunities for the project owner and customers to interact with each other and join to create good activities together.

The Company considers it essential to provide complete and accurate information to customers so that they can get updated of any movement. We also have the policy to provide the channel through which customers can express and share their opinion or tell about their needs so we can develop the management system according to their preferences. This is to create the better understandings among each other and develop the services further for sustainable growth in the future.

Competitors

The Company strictly complies by the rules and regulations of the business competition, by adhering to the fairness and transparency in doing business, supporting the ideas of free and fair competition, avoid entering into any contract agreement that would lead to unfair competition or trade monopoly, base the business on the reaping mutual benefits of both parties, avoid searching for or interfering into the trade secrets of the competitors and will not destroy reputation by using any form of accusations towards business competitors.

Creditors

The Company would strictly follow the conditions and contract agreements made with the creditors and bond holders. The financial report of the Company will be updated to creditors accurately and timely with transparency, without concealing any information that will cause any damages to the creditors. The Company has issued the bond according to the requirements of the Securities and Exchange Commission and strictly complied with the policies and resolutions of the shareholders' meetings. If the Company cannot fulfill its obligations in the contract, it will immediately inform or disclose the information to seek out solutions and measures to prevent any damages that may occur. Creditors are categorized as follows:

- **Partners:** The Company would inquire about the product information and prices from the partners prior to making any purchasing or hiring orders, and will always join them in doing activities. At present, the business relationships has been smooth and we will continue using their products and services in the future.
- **Contract Partners:** The Company would follow up the projects' progress, site development as well as inquire about the problems and obstacles every time after issuing the hiring contract and after receiving complaints from customers. At present, the business relationships has been smooth and we will continue using their products and services in the future.

Distributors

In sourcing suppliers, the Company will inform the rules, opportunity, timing, information and accurate and complete data to all the suppliers entering the bidding process fairly and equally. This is to ensure that the sourcing process will be treated with transparency, fairness and honesty without any intervention from any influential body. Meanwhile, information obtained from bidding suppliers will be kept confidential without disclosing any figures or technical information of one supplier to another for any short-term benefits. Careful action will be placed on anyone who act as a broker for information or sourcing suppliers. The operations of this process complies with the ISO 9001: 2008 as follows.

- **Vendor Selection Process:** The Company has appointed a working group to consider the procurement and suppliers sourcing processes. The working group also holds responsibility in gathering of information for further consideration such as the legal entity registration documents, the certificate of product quality, the certificate of product standards, products details, and the payment conditions and so on.
- **Price Checking System:** The procurement working group would ask to check the items being purchased. The purchased items must already be listed in the suppliers' pricing system. In case, the items are not listed in the system to make the price comparison, the procurement will examine the materials, ensuring that they conform to the guidelines of material standards. The pricing comparison will be made among at least three vendors.
- **Special Method:** The procurement working committee will examine the completeness and accuracy of the documents or inform to the vendors to get requirements and conditions for bidding proposal. After the vendors has proposed the price, the procurement working committee will then bargain or consider the proposed prices with the budget. After the consideration process is finalized, then comes the process to ask for hiring approval and purchasing orders approval according to the process set forth by the Company.
- **Vendor Assessment:** The Company will have the construction administration and controllers to monitor and assess the suppliers. The evaluation process will be conducted after the project delivery and the assessment will be made once every six months.

Aside from that, the Company also hold the meetings or make phone discussion with the suppliers every 3 months on matters related to construction, such as new technology, new materials, or new techniques and also problems in the workplace and solutions to solve the problems.

Contractors

The Company will consider selecting suppliers which has proven track records that meet the Company's standard and whose performance is generally accepted. Suppliers are also required to have strong financial status. The procurement process will be operated with transparency, fairness and honesty, without any intervention from any influential body. Every contractor must be approved by the Company's Board of Directors. The Company will hire the contractors at the fair price under the requirements as specified by the ISO 9001: 2008 as follows:

- **Subcontractor Selection Process:** The Company has a working group for sourcing out contractors and gather information for consideration such as registered capital or loans given from the banks, the number of personnel, 2-year performance, financial limitation and capacity in handling the project. The profile will then be kept in the database of the Company

- **Bidding Process:** The working group will send the invitation letters or make announcement inviting contractors to enter the bidding process. In the selection process, there must be three contractors join in the bidding. In case of the contractor has proposed the prices but not wanting to join the bidding process which resulted in less than three contractors, the next step of decision whether to call for more contractors to join the bidding process or to continue the selection process will be upto the Company's consideration.
- **Setting of Standard Prices:** The working group would calculate the overall value of construction work by multiplying the unit price of the materials and labor. After the standard price is set and approved by the procurement sub-committee, the approved standard prices will be reviewed twice a year.
- **Contractors Evaluation:** The Company has a working group to evaluate the contractor's performance. The evaluation would be conducted after the project delivery and would be summarized once every 6 month.

Aside from that, the Company also has a meeting or make phone calls for discussions with the contractors every 3 months on matters related to construction such as new technology, new materials, migrant workers, techniques or working procedures, problems and solutions during the construction work and so on.

2. CSR in Process

The Company has set a clear vision and mission, taking into account the Corporate Social Responsibility in the process of doing business (CSR in Process). CSR concepts will be applied in the overall business processes. All stakeholders are also engaged in the Company's activities in various business aspects.

2.1 Fair Business Practices

- **Fair Competition:** The Company strictly follows the rules and regulations of business competition, based on fairness and transparency under legal frameworks. This include the support of free trade, avoid entering in the contracts that would lead to unfair competition or trade monopoly but would base on the mutual benefits of both parties, avoid searching for or interfering with trade secrets of business competitors by any tactical methods, and will not engage in any activities that would destroy the reputation of the competitors. The Company's business practices are based on the following principles:
 1. Avoid any engagement into activities that are likely to cause business conflicts. If there are any conflicts happen, there will be the process to resolve the problems based on fairness, transparency and accuracy in information disclosure.
 2. Support the fair and free trade and avoid the any behaviors that lead to conspiracy.
 3. Do not support any activities that would violate the intellectual property rights.
 4. Do not make any propaganda or release out false information that would lead to misunderstandings and cause damages to consumers.
- **CSR promotion in the supply chain:** The Company realizes the importance of all stakeholders — internal ones like shareholders and employees and external ones like customers, competitors, creditors (suppliers and contractors), the government sector and other relevant agencies, as well as society and environment. The Company has attempted to be fair and reasonable to all stakeholders.

2.2 Anti-Corruption

- **Anti-corruption policy** The Company has policies to run business with transparency, morality, business ethics, under law enforcement, and with anti-corruption measures as following
 1. The Company has clear practices indicating that all staff should treat all subcontractors equally. The practices care for balanced benefits of both based on contract. Act or omit to act which benefits subcontractor is considered a severe offense and severe punishment is expected.
 2. The Company communicates throughout directors, executives, and operation staff levels and requires them to work with honesty, under Company's ethics and law enforcement.
 3. Human Resources Department, the office of the Secretary, and Internal Audit are assigned to provide staff consultancy to avoid unintentional offense.
 4. The Company provides channels to report about behavior which may relate to internal corruption.

Moreover, the Company's internal audit body takes full responsibility to monitor operation, purchase, bidding and price checking process. A subcommittee is assigned to look after purchase and hiring.

2.3 Defence of Human Rights

- **Policy and practices** The Company's operation depends on human resources from various areas namely
 1. Company's staff namely permanent staff, probationary employees, contract employees and full-time workers.
 2. Subcontractor.
 3. Business partners/builders as well as business partners/builders' employees

The Company realizes importance of all people concerned. Business is based on human right defence and humanity. Company's employees, subcontractors and business partners are well treated respectably, equally, fairly, and with humanity without discrimination on sex, religion, race, culture, disability. The Company respects uniqueness, rights and duty, different opinion regarding politic, society, belief, religion and tradition of each people.

The Company does not support Human rights violation, child labour, illegal labour, human trafficking, illegal alien labour, in all methods. The Company strictly considers law restriction as its standard practices. Nevertheless, staff in all departments lends their hands in monitoring human rights violation. This practices get very good support recently.

Asean Economic Community will lead to flow of foreign labour into Thailand, particularly in real estate business. For better understanding and appropriate practices for full compliance with the laws, the Company is preparing for the change and educates its employees and all people related about regulation, proper practices and law enforcement and amendments such as;

- Act/ Ministerial regulations/ all regulations related to alien labour.
 - Act/ Ministerial regulations/ all regulations about job descriptions and professions reserved for Thai nationalities.
- To ensure compliance to the laws.

- **Importance measures about labour's rights** The Company provides safe workplace for all employee and encourage workable, hygienic environ for workers remains healthy, safe and work happily. The policy is as following.

- Set accurate working hours according to labor laws.
- Set appropriate Overtime, shift, public holiday shift work and wage according to Labour Law.
- Employee has right to take leave according to Labor Law.
- Set a welfare committee to sit as as organization among triple entente to set policy, guideline, and measures about labor welfare.
- Provide safety equipments and tools for construction workers such as safety shoes, helmet at work.
- Provide safety course at workplace to educate workers and raise their safety skill.

2.4 Fair labor treatment

Employment and labor relations

The Company has policy on fair employment, by determining wage structure in accordance with positions/ work types/ responsibilities, as well as each employee's professional background. In addition, the Company has designated the remuneration committee to identify appropriate payment which should be paid to employees and set out criteria for promotion decision on the fair basis for all.

In terms of labor relations, the Company has designated the business welfare committee to take part in setting out policies, guidance, and measures regarding labor welfare. In this regard, appropriate welfares for all employees have been clearly set out, such as traditional holidays/social security/ compensation fund/ sick leave - errand leave - maternity leave - ordination leave — sterilization leave —military leave — training leave/ health insurance / medical fees for OPD patient / provident fund. When a newly recruited employee commences his/her employment, orientation will be arranged to create correct understanding on rights and welfares which he/she will receive, as well as to introduce information for a new employee to adapt him/herself to the organization as fast as possible. For employees working in each sector, the Company always provides training to enhance their knowledge, skills, and experiences based on their work and duty requirements so they can perform their work with efficiency and effectiveness to achieve the desired goals. In addition, during business performance, the Company also communicates information, news, and activities within the organization through intranet and open opportunities to hear from employees. The Company opens to employees' suggestion in order to improve wage payment, welfare, and working conditions to enhance employees' quality of life.

2.5 Responsibility to Consumers

The Company attempts to develop real estates to meet quality standard by focusing on standardization of design and construction monitoring to meet with customers' satisfaction. This is considered as guidance for determining ISO 9001:2008 standard which covers business performance of real estate development typed land and household construction, emphasizing on the housing and condominium development in Bangkok Metropolis and its suburb areas, including from construction design, construction monitoring, contractor monitoring, machineries, sales processes, procurement, quality control, to products delivery to customers and after-sales services. This is to ensure the customers with quality standard products and services.

The Company's works under the set policy determine responsibilities for each department under the ISO 9001:2015 standard as follows:-

- Human Resource Department: To provide training to employees subject to the determined annual work plan.
- Construction Management Department: To enhance the efficiency of procurement and contractor/ hired people hiring, as well as to control costs and time of construction.
- Sales Management Department: To enhance works related to sales.
- Design Department: To enhance efficiency in controlling and allocating construction layout, and to reduce errors of layout.
- Project Administration Department: To deliver house within the timeline, to reduce errors of construction, and to maximize customers' satisfaction.
- Site Office Department: To provide infrastructures and public assistance on site.
- PF Service Department: To provide repairing services and to deliver repaired works with quality to customers.

The Company received ISO 9001:2008 for horizontal housing development project on 9 Dec 2013, for the period of 3 years, which requires surveillance audit annually. In the future, there is a plan to expand ISO 9001:2008 to other sectors of the Company. The Company is also prepared for the change of ISO 9001:2008 to ISO 9001: 2015.

The emphasis on continual product and service improvement is maintained, as specified in Section — Nature of Business (Quality of Product and Service).

During the great flood in 2011, Construction Management Department assisted employees and residents encountering flood by providing temporary accommodations, assisting in properties relocation, supporting utilities and foods required for survival during the flooding crisis, as well as fixing the conditions of houses in the project affected by flood with full efforts.

In 2014, Construction Management Department had a plan to organize an event by inviting suppliers who are trading partners of the Company to educate residents of Property Perfect PLC.'s projects on products and to sell products at the lower prices than market prices. This could help reduce residents' expenses during the high-cost of living period. There was also the demonstration on D.I.Y. house repair for all residents to further apply it themselves.

In addition, the Company recognizes the importance on the Code of Conduct, by providing care and responsibility to all residents through quality and standard after-sales services to satisfy the residents. The Company also opens channels for residents to share their comments, thoughts, and to report their wishes and problems of the project for better management. This is also to create good understanding and to develop the organization further.

2.6 Environmental conservation

Extreme concerns are placed for the environment, reflected the environment management inside development projects and surrounding communities. This results in the quality of life of the projects' dwellers and those living in surrounding communities as well as the general public. Environmental Impact Assessment is conducted for the projects which may cause impacts on community, aside from studies and researches on environmental and health impacts, as required by the Natural Resources and Environment Ministry. The Company also focuses on energy conservation, as reflecting through the designing process, the use of appropriate and environmental-friendly construction materials. Aside from enhancing the quality of life, this will also reduce energy consumption. Aside from energy-saving home designs, the Company also partners with SCG introducing some of energy-saving materials in development projects such as cooling roof tiles.

These practices allowed the Company to win awards as specified in Section — Nature of Business (Environment Impact Assessment).

As the Company celebrated its 30th anniversary in 2015, the emphasis on environment was strengthened. The “Eco Cool” innovation was launched, to offer energy-saving and environmental-friendly benefits achieved by the Eco Design and the use of heat-insulating as well as artificial materials. In collaboration with SCG, the Active AIRflow technology was introduced to increase air ventilation, resulting in cooler air and 16-20% cut in annual air-conditioning bills. Central areas of the development projects were also designed to incorporate the Green Bike Lane. A bike parking lot was provided to ensure safety.. From one end to the other of the bike lane, safety signage was installed.

2.7 Community and Social Development

The Company has a policy on continuous social contribution, in particular the Company's recognition on the quality of life improvement of nearby communities on regular and continuous basis. The Company's community and social development projects are as follows:

Environmental conservation such as inspection of water treatment pond on monthly basis and outsource a company for inspecting water quality every 6 months whether it is polluted, before draining out.

Infrastructure construction and maintenance including the road pavement for greater transport convenience of Project residents and dwellers in nearby community.

Community health projects including the quarterly “Waste Recycle” at Perfect Place Ramkhamhaeng-Suvarnabhumi Project, aimed at turning waste into money and reducing household waste volume.

Digital network installation in line with growing demand for Internet usage among Thais. Internet service becomes a basic part of housing-estate infrastructure and can be a means to enhance daily convenience. In 2015, the Company joined hand with AIS in introducing “Perfect Digital Village”, turning Property Perfect into the first Thai developer that offers high-speed fibre optic linkage to houses and condominium units. Free Super WiFi or WiFi services were also available at central areas.

2.8 Distribution of CSR innovations

The Company has applied CSR concept in the process and experiences gained in the process have been improved and turned into innovations which could benefit both the operations and society as a whole. Such innovations include the project planning, development and management which takes into consideration social and environmental impacts. Business innovations cultivated through experience and technology are also applied to mitigate and cope with possible problems. The innovations to benefit society and environment are as following examples.

- Start to use alternative energy innovation, such as solar energy from solar cells, to reduce energy consumption in central area and sales office, by having Perfect Place Chaeng Wattana as a pilot project whereas alternative energy will be applied to other projects later.
- Energy conservation under Green Environment (Happy with Friendly Environment) concept, which is happiness from living in a house close to nature, surrounded by good environment, with more central spaces, including resting park and wide lake providing chilling breeze and fresh air, covering the selection of energy-saving and environmental-friendly materials, such as cool innovation roof by SCG, CPAC Monier tiles with air ventilation system under roof, heat-reduction eaves, light-filtered green mirror, gypsum sheets with anti-heating foil, and the use of alternative materials to help maintain good environment, such as Laminate wood floor which is strength but beautiful like real wood, and aluminum frames which are endure and neat.

3. CSR after Process

The Company well recognizes our social duties and responsibilities relating to core processes of our business, in particular supporting social projects and activities on continuous basis with an aim to contribute or development and payback to the society with social activities. These works have been performed continuously throughout the entire year.

The Company supports Sirindhorn Special Task Unit's disaster training project in honor of HRH Princess Maha Chakri Sirindhorn in commemoration of her 60th birthday. The project provides training to children, students and teachers residing in disaster-prone areas, equipping them with knowledge to cope with disasters. Meanwhile, the Company proceeds with its "Perfect Happy Giving" project, calling for blood donation in support to the Thai Red Cross Society. The blood donation events are organized throughout the year. At clubhouses of the Company's projects, residents and the Company's staff can donate their blood. Residents of Perfect Place Ramkhamhaeng-Suvarnabhumi and Perfect Place Park Rama V-Bang Yai projects were also invited to give alms to Pra Alongkot from Wat Phra Baht Nam Phu as well as donated dried food, clothes, medicine and medical supplies to the Lop Buri temple. Activities were launched under the campaign urging residents to grow trees and create new career opportunities to commemorate King Rama IX's good deeds.

Property Perfect also joins the private sector in supporting the government's strategy to drive digital startups as the new economic vehicles. Under this strategy, the government is building up a network with the private sector, to ensure concrete success of digital startups. Under this collaboration, a memorandum of understanding on the Digital Startup Incubation Network was signed with the Information Technology and Communication Ministry on the sideline of the Digital Thailand 2016 event at Queen Sirikit National Convention Center. The Company also plans to forge collaboration with King Mongkut Institute of Technology Latkrabang, to pass the organization's marketing and business expertise to digital startups related to construction technology, property development, as well as hotel and tourism.

4. Corruption Prevention Measures

The Company set out policy to work with transparency, morality, under laws and the Company's code of conduct. As for the Company's set business ethics, all employees are prohibited from asking for any property or benefit from trading partners, contractors, or any relevant person, and are prohibited from using the Company's properties or name or position for personal benefits. All executives and employees should avoid receiving gifts from trading partners or contractors unless such gift is given in accordance with tradition and with reasonable value which should not higher than normal. The Company considers corruption probabilities and evaluates risks. To achieve the corporate goals, the Company thoroughly reviews business objectives to ensure the possibility and reasonable returns. Employees are encouraged to avoid inappropriate acts. Executives are scrutinized by the Independent Committee on corruption probabilities and preventive measures.

Practices under the Policy on the Prevention of Corruption Involvement

The Company set out practices for all employees to comply with against all contractors on the basis of fairness, based on mutual and fair interests of both sides, under trading agreement made. In addition, the Company does not allow any action or inaction which can provide benefits to the contractor. In case of breaching, the Company will consider as serious commit which will result in high level of punishment. There are activities conducted to prevent corruption involvement as follows:-

- The Company communicates policies throughout the Company, including directors, executives, and employees, requesting operations with honesty, strictly under laws, and following the Company's ethics.
- Assign HR Department, the Company's Secretariat, and Internal Audit Department to provide consultation for employees to prevent unintentional wrongdoings.
- The Company provides reporting channels regarding the suspected occurrence of corruption matters within the Company.
- Provision of cooperation to internal auditors and third party auditors: Personnel at all levels is required to provide fully support and complete information to Internal Audit Department and the Company's auditor in charge of auditing and assessing processes, procedures, and system of internal control whether they are sufficient, effective, and able to completely satisfy the desired targets.

Follow up and evaluation of the Policy on the Prevention of Corruption Involvement

The Company follows and assesses the Policy on the Prevention of Corruption Involvement whereas there are several units providing business monitoring on regular basis, including the auditing committee, Internal Audit Department, HR Department, and the Company's Secretariat. The Company expects everyone to report faithfully on any performance which breaches or may breach the desired principles, directly to the supervisor. In case that it is impossible to report to the supervisor, you may receive advice from the Company's Secretariat, Internal Audit Department, or HR Department. All information reported will be treated confidentially. The supervisor also has a duty to monitor and provide suggestions to his/her subordinates on the basis of hierarchy to comply with the Company's policy and code of conduct within the desired principles on regular basis.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall group business

The Group of Companies' business and revenue is grouped in 3 main categories as follows:

(1) Property development business

Property development is the primary business of the Group of Companies. A variety of projects are developed under various brands. By type, they can be categorized into 3 groups.

- **Single Detached house, Duplex house and townhouse (low-rise)** : The group has developed single detached house and townhouse projects under various brands like Perfect Masterpiece, Perfect Place, Perfect Park, Modi Villa, The Metro, Modi Villa (Townhome).
- **Condominium (low-rise and high-rise)** : The group has developed low-rise condominiums (with height no more than 8 floors) and high-rise condominiums, with focus on high-potential locations near electric train routes, communities and transport networks. The brands include The Sky, Metro Sky, Metroluxe, The Lake, Metro Park, iCONDO, Bella Costa and Uniloft.
- **Land bank** : The company's policy is to buy land for project development, not for re-selling profits in the short or long term. However, the Company may consider selling some land plots that show no development potential or land plots near existing projects which do not match the group's future development plans, contains inappropriate shapes or shows no commercial value.

(2) Hotel and resort business

In the fourth quarter of 2012, the Group acquired Kiroro Resort, a ski resort in Akaigawa Village, Hokkaido, Japan. Snow at this location is one of the best in Japan. The resort is located in a beautiful scenery, making it perfect for tourism in all seasons. Akaigawa Village is renowned as the second most beautiful village in Japan.

In the second quarter of 2015, the Company launched the tender offer for all shares of Thai Property Public Company Limited, starting on 28 April. After the tender offer period ended on 5 June, the Company was offered a number of 2,863,274,022 shares or 89.67% of total issued shares. At Bt0.57 apiece, the shares were valued at Bt1,632.1 million in total. Thai Property and its subsidiary operate hotels and rental office buildings and develop two condominium projects for sale.

(3) Retail business

The Group is developing several shopping malls, office buildings and commercial properties. They are developed in two phases: focus is first on developing open community malls in the first phase (1-2 years) and they will be later turned to closed shopping malls and office buildings. At present, We Retail Public Company Limited developed Metro West Town community mall on Kanlapaphruek Road in 2015 and plans to open a giant shopping mall on Ratchadapisek Road.

2. Analysis of consolidated performance and financial position

2.1 Analysis of consolidated performance

Overall performance

In the past 4 years, the Company and subsidiaries continuously launched development projects in line with growing demand. In 2013, the consolidated revenue stood at Bt11,228.77 million, or an increase of 21.13% from 2012. Of total, property development business generated Bt9,992.42 million. Though the Company and subsidiaries launched new phases in existing projects and launched new low-rise projects, house sales generated only Bt6,836.7 million or an decrease of Bt.653.02 million or 8.72% from 2012. Though the revenue in the first nine months of the year rose by Bt72.01 million from the previous year, political demonstration hampered the business in the fourth quarter. The Company had to delay construction works and transfers of finished houses, causing the revenue in the fourth quarter to fall below the same period last year by Bt725.03 million. During the year, subsidiaries' condominium projects started to transfer complete units, allowing the realization of revenue from 4 more condominium projects. In the year, the Company reaped revenue from altogether 6 condominium projects. The sale of UniloftSalaya to Uniloft Property Fund raised revenue from high-rise development business to Bt1,445.80 million. Proceeds Bt.381.64 million from land plot sale also helped push property development business revenue Bt1,174.42 million above the 2012 level. Condominium revenue also rose to 23.39% of total revenue, while the revenue from low-rise projects shrunk to 60.88% and the revenue from land sale rose to 4.72%. In 2013, the Company earned Bt1,018.43 million in revenue from hotel business and Bt217.92 million from other sources. The consolidated sale and administrative expenses for the property development business stood at Bt6,728.99million, while hotel operating cost was Bt636.21 million. The gross profit margins were 32.66% and 37.53%, respectively. In the year, the consolidated administrative cost totaled Bt1,875.63 million, mostly due to an increase in salary and employee benefits in line with plan to accommodate future expansion and an increase in the operating cost of the hotel in Japan. Plus sale cost of Bt1,183.59 million and financial expenses of Bt706.36 million, the consolidated net profit in 2013 was Bt41.42 million, representing the net profit margin of 0.37%.

In 2014, the consolidated revenue stood at Bt12,785.35 million, consisting of Bt11,571.39 million from property development business. Though the property market witnessed an impact from political uncertainties in the first half of 2014, the Group managed to generate more revenue from the business than in 2013. The consolidated revenue from house sale decreased by Bt560.91 million from 2013, but the consolidated revenue from condominium projects and the sale of land plots increased by Bt1,040.68 million and Bt1,099.20 million. This helped increase the total revenue from property development business by Bt1,578.97 million from 2013. The Company also generated Bt844.71 million from hotel business and Bt369.25 million from other activities. The consolidated property development cost stood at Bt7,833.77 million while the hotel operating cost was at Bt650.59 million, representing gross profit margin of 32.30% and 22.98%, respectively. The consolidated sale and administrative expenses totaled Bt3,069.22 million while financial expenses stood at Bt611.25 million. The net profit was Bt402.26 million, pushing the net profit margin to 3.15%.

In 2015, the consolidated revenue reached Bt12,905.29 million: Bt10,285.39 million generated by property development business; Bt1,523.62 million by hotel business; Bt224.70 million by rental business; Bt.15.05 million from construction business; Bt529.96 million in one-time gain from business acquisition; and Bt326.57million by others. In the year, the property development cost stood at Bt7,105.76 million, while the hotel business operating cost was at Bt1,067.85 million. The rental and service cost was Bt204.75 million and construction cost was Bt13.51million. This translated into 30.91%, 29.91%, 8.88% and 10.26% in gross profit margin, respectively. The consolidated net profit in the year was Bt267.01 million or 2.07% in net profit margin.

In 2016, the consolidated revenue totaled Bt15,552.52 million: Bt12,465.30 million from property development business; Bt2,193.95 million from hotel business; Bt361.29 million from rental and service fees; Bt88.87 million from construction service business; Bt118.72 million from Gain from sale of land-purchase rights; Bt324.39 million from other businesses. The consolidated property development cost stood at Bt8,145.14 million, while the hotel business operating cost was at Bt1,573.63 million. The rental and service cost was Bt368.00 million and construction cost was Bt.69.30 million. This translated into 34.66%, 28.27%, 1.86% and 22.02% in gross profit margin, respectively. The consolidated net profit in the year was Bt332.29 million or 2.14% in net profit margin.

Property sale to property funds

In the fourth quarter of 2013, Bright Development Bangkok Company Limited sold Uniloft Salaya, located in Tambon Salaya, Buddhamondhol district, Nakhon Pathom to Uniloft Property Fund for Bt514 million. Bright transferred the ownership of the property to the fund and the Company/subsidiary has no policy or the right to buy back the property. The Company thus fully booked the revenue and development cost in the statement of comprehensive income, as revenue and cost of condominium sale. However, the Company entered into a 3-year leasing contract with the fund, promising to pay the fixed rent of Bt43.50 million per annum and to allow the fund's leasing contract extension by another year. The Company consequently set aside Bt45.31 million as provisions against possible loss from the guaranteed rents in 2013. Additional provisions of Bt24.03 million were set aside in 2014.

Revenue

During 2014 and 2016, the Company and subsidiaries earned revenue primarily from the property development business, which covered the sale of housing units, condominium units and proceeds from land bank sale. However, the Company and subsidiaries started to generate revenue from hotel business through the investment in Kiroro Resort in the fourth quarter of 2012. In June 2015, following the acquisition of Thai Property, the group diversified into hotel business with three properties under management - Westin Grand Sukhumvit, Sheraton Hua Hin Resort and Spa, and Sheraton Hua Hin Pranburi Villas - on top of one hotel under construction - Hyatt Regency Bangkok Sukhumvit. The consolidated revenue also included other revenue like interest receivables, confiscation of down payments, profits on price bargain, revenue from utilities services, revenue from infrastructure and others.

Consolidated financial statements						
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of land and houses	6,614.0	42.5%	6,624.4	51.3%	6,275.6	49.1%
Revenue from sales of condominium units	4,987.6	32.1%	3,159.6	24.5%	3,667.1	28.7%
Revenue from sale of land	863.7	5.6%	501.4	3.9%	1,628.7	12.7%
Revenue from hotel operations	2,193.9	14.1%	1,523.6	11.8%	844.7	6.6%
Revenue from rental and service	361.3	2.3%	224.7	1.7%	28.4	0.2%
Revenue from construction	88.9	0.6%	15.1	0.0%	-	0.0%
Other Incomes						
One-time acquisition gain	-	0.0%	530.0	4.1%	-	0.0%
Gain from sale of land-purchase rights	118.7	0.8%	-	0.0%	-	0.0%
Received	29.1	0.2%	83.0	0.6%	26.7	0.2%
Dividends	7.4	0.0%	7.6	0.1%	6.6	0.1%
Gain from sale of investment in associated companies	-	0.0%	-	0.0%	77.3	0.6%
Others	287.9	1.9%	236.0	1.8%	230.2	1.8%
Total revenue	15,552.5	100.0%	12,905.3	100.0%	12,785.3	100.0%

Revenue from property sales

The Company and subsidiaries book revenue from the sales of land and houses and condominium units in the statement of comprehensive income after unit transfers to buyers.

- Revenue from land and house sales**

In 2014, the consolidated revenue from land and house sales totaled Bt6,275.56 million or 49.08% of total revenue. The lingering impact from political instability during the fourth quarter of 2013 to the second quarter of 2014 as well as greater emphasis on condominium development reduced the land and house sale revenue in 2014 by Bt560.91 million or 8.20% from 2013.

In 2015, the consolidated revenue from low-rise development business totaled Bt6,624.37 million or 51.33% of total. This increased by Bt348.81 million or 5.56% from the previous year.

In 2016, the consolidated revenue from land and house sale totaled Bt6,614.02 million or 42.53% of total, a decrease by Bt10.35 million or 0.16% from the previous year. The decrease was partly attributable to the property industry slowdown from late third quarter throughout the end of the year.

- Revenue from condominium sales**

In 2014, the consolidated revenue from condominium sales totaled Bt3,667.12 million, up by Bt1,040.68 million or 39.62% from 2013, as the number of iCondo projects that generated revenue increased from 4 in 2013 to 7 in 2014. In 2014, 9 condominium projects generated revenue, against 7 in 2013.

In 2015, the consolidated revenue from condominium sales stood at Bt3,159.60 million or 24.48% of total, a decrease by Bt507.52 million or 13.84% from the previous year due to economic slowdown and concerns about household debt.

In 2016, the consolidated revenue from condominium sales reached Bt4,987.60 million or 32.07% of total, up by Bt1,828.01 million or 57.86% from the previous year. The increase was partly attributable to 9 ongoing projects, on top of 6 new projects which were completed and started generating revenue since late first quarter.

- **Revenue from land sales**

In 2014, the consolidated revenue from land sales totaled Bt1,628.71 million, an increase by Bt1,099.2 million or 207.59% from 2013. In the year, a land plot in Sukhumvit Soi 103 was sold to a developer for the development of a shopping mall.

In 2015, the consolidated revenue from land sale stood at Bt501.42 million or 3.38% of total, a decrease by Bt1,127.29 million from 2014 when a land plot in Soi Sukhumvit 103 was sold to a retail property developer at the price of Bt1,700 million.

In 2016, the consolidated land sales revenue reached Bt863.07 million or 5.55% of total, up by Bt362.25 million from the previous year.

Revenue from hotel business

In the fourth quarter of 2012, a subsidiary invested in a company registered in Japan, to start a property development and hotel business in Japan. The company's balance sheet was thus consolidated as of 31 December 2012 and the investment was booked in the statement of comprehensive income since the transaction date (5 October 2012) until 31 December 2012.

The revenue worth Bt275.66 million from the hotel business was booked in the fourth quarter of 2012 and Bt1,018.43 million in 2013 (full-year). In 2014, the consolidated revenue from the hotel business totaled Bt844.71 million, a decrease by Bt173.72 million or 17.06%, as the subsidiary closed parts of a building for renovation during May and December, which was the low season.

In 2015, the overseas hotel business generated Bt919.25 million in revenue, up by Bt74.54 million or 8.82% from the previous year. In June 2015, following the acquisition of Thai Property which operates 3 hotels - Westin Grand Sukhumvit, Sheraton Hua Hin Resort and Spa, and Sheraton Hua Hin Pranburi Villa, some Bt604.36 million from these properties was included in the consolidated account. At the end of the year, the consolidated revenue from hotel business reached Bt1,523.62 million, an increase by Bt678.91 million from the previous year.

In 2016, the overseas hotel business generated Bt1,114.95 million in revenue, up by Bt195.69 million or 21.29% from the previous year. The domestic hotel business generated additional Bt1,079.00 million, thanks to the acquisition of Thai Property Public Company Limited in June 2015. Thai Property owns 3 hotels - The Westin Grand Sukhumvit, Sheraton Hua Hin Resort and Spa and Sheraton Hua Hin Pranburi Villa. In the combined account, the consolidated hotel business generated a total of Bt2,193.95 million in revenue, an increase of Bt670.33 million from the previous year.

Rental and service revenue

After the acquisition of Thai Property in June 2015, office rents from Pacific Place One and Pacific Place Two buildings were included in the consolidated account. In 2015, an amount of Bt162.01 million was realized. Meanwhile, additional rental income worth Bt62.69 million was generated by projects - UniloftSalaya and Metro West Town.

In 2016, the consolidated rental and service fees totaled Bt361.29 million or 2.32% of total, up by Bt136.59 million from the previous year.

Cost, expenses and profit

Sale cost (property development business)

The sale cost of house and condominium units, which is the primary cost of the Company and subsidiaries, derives from the rationing of estimated development cost (also taking into account actual cost) to the sold units. The cost of the units will be booked in the statement of comprehensive income once revenue from the sales is realized.

During 2014-2016, the consolidated cost from the property development business totaled Bt.6,728.99 million, Bt7,833.77 million, Bt7,105.75 million and Bt8,145.14 million, respectively.

	Consolidated financial statements					
	2016		2015		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of land and house sales	4,280.66	52.56	4,409.30	62.05	4,085.59	52.15
Cost of condominium sales	3,166.08	38.87	2,361.81	33.24	2,659.90	33.95
Cost of land sale	698.39	8.57	334.65	4.71	1,088.28	13.90
Total	8,145.13	100.00	7,105.76	100.00	7,833.77	100.00

- Cost of land and house sales**

The cost of land and house sales reflects the net cost, after provisions against the falling project value. It consists of the value of land; the cost for land development, design, infrastructure and construction; borrowing cost; and others.

In 2014, the consolidated cost of land and house sales totaled Bt4,085.59 million, down by Bt471.56 million or 10.35% from 2013, in line with the lower revenue from land and house sales. The amount accounted for 65.10% of sale revenue, a slight decrease from 2013.

In 2015, the consolidated cost of low-rise residential projects stood at Bt4,409.30 million, showing an increase of Bt323.71 million or 7.92% from the previous year. This is in line with an increase in sale revenue in the same period.

In 2016, the consolidated cost of housing development totaled Bt4,280.66 million, down by Bt128.64 million or 2.92% on year. The decrease rate was higher than the decrease rate of land and house sale revenue in the period, thanks to a higher adjustment in profit margin.

- **Cost of condominium sales**

In 2014, the consolidated cost of condominium sales totaled Bt2,659.90 million, an increase of Bt744.63 million or 38.88% from 2013, corresponding with higher sale revenue in the period. The sale cost to revenue ratio rose to 72.53% due the upward adjustment of production factors like land, wage, construction materials, and etc.

In 2015 the consolidated condominium sale cost reached Bt2,316.81 million, down by Bt298.09 million or 11.21% from the previous year in line with decreasing sale revenue from condominium business in the period.

In 2016, the consolidated condominium sale cost totaled Bt3,166.08 million, up by Bt804.28 million or 34.05% from the previous year. The increase rate was lower than the increase in condominium sale revenue in the period, thanks to a higher adjustment in profit margin.

- **Cost of land sale**

In 2014, the consolidated land sale cost totaled Bt1,088.28 million, an increase of Bt831.71 million or 324.17% from 2013, due to the sale of a land plot in Soi Sukhumvit 103 in August to a developer for the development of a shopping mall.

In 2015, the consolidated cost of land sale stood at Bt334.65 million, down by Bt753.63 million from the previous year in line with lower land sale.

In 2016, the consolidated cost totaled Bt698.39 million, up by Bt363.75 million from the previous year.

Gross profit and gross profit margin of property development business

Single Detached houses and Townhouses	2016	2015	2014
Profit (Million Baht)	2,333.36	2,215.07	2,189.97
Gross profit margin (%)	35.28	33.44	34.90

In 2014, the consolidated gross profit margin from land and house sale was at 34.90%, slightly increase from 2013. However, the continued increase in the development cost since 2013 remained a challenge, requiring the Company and subsidiaries to launch marketing activities to maintain the gross profit margin in the long term. Driving up the Company and subsidiaries' property development cost is mainly land prices, wage, construction material prices and an increase in energy prices.

In 2015, the consolidated gross profit margin from land and house sales was at 33.44%, slightly lower than 34.90% in 2014.

In 2016, the consolidated gross profit margin increased to 35.28% from 33.44% in 2015.

Condominium	2016	2015	2014
Profit (Million Baht)	1,821.52	797.79	1,007.22
Gross profit margin (%)	36.52	25.25	27.47
No. of revenue-generating projects	15 projects	11 projects	9 projects

In 2014, the Company and subsidiaries' margin was 27.47%, slightly increasing from 2013. However, competition in the market following the launch of many new high-rise projects by large developers and a continued increase in development cost were major challenges for the Company and subsidiaries, requiring marketing strategies for the segment. New technology was introduced to increase the efficiency and reduce the construction cost, to allow the Company and subsidiaries to maintain the margin at the competitive level in the long term.

The gross profit margin in 2015 of the company and subsidiaries was 25.25%, down from 27.47% in 2014.

In 2016, the consolidated gross profit margin rose to 36.52% from 25.25% in 2015, partly due to the completion of 6 new projects which allowed the delivery of completed units.

Land bank	2016	2015	2014
Profit (Million Baht)	165.28	166.77	540.43
Gross profit margin (%)	19.14	33.26	33.18

In 2014, the Company and subsidiaries' margin was 33.18%. In 2015, the Company and subsidiaries' margin was 33.26%. and in 2016, the Company and subsidiaries' margin was 19.14%.

Selling expenses

The Company and subsidiaries' main selling expenses contain the expenses on advertising, public relations, and marketing as well as the transfer fee, special business tax and other expenses as follows.

In 2014, the consolidated selling expenses totaled Bt1,216.59 million, an increase of Bt32.99 million from 2013 mostly because of the Bt76.12 million increase in transfer fee in line with rising revenue. In the year, the advertising, PR and marketing expenses dropped by Bt32.25 million, while the selling expenses of the hotel business declined by Bt15.41 million. The selling expenses in the year (excluding other revenue) accounted for 9.78% of revenue from property development and hotel businesses, against 10.75% in 2013.

The consolidated sale cost was at Bt1,302.19 million in 2015 or 10.82% of total revenue (excluding other revenue). The amount showed an increase of Bt85.60 million from 2014, as advertising fee increased by Bt42.77 million and sale cost of Thai Property — acquired by the Company in June 2015, went up by Bt130.05 million. In 2015, the special business tax and transfer fees declined by Bt95.60 million from 2014 as a result of lower transfers.

In 2016, the consolidated sale cost totaled Bt1,306.59 million or 8.65% of revenue(excluding other revenue), an increase of Bt4.40 million from 2015, partly due to an increase in sale revenue which boosted the special business tax. However, the property market slowdown in late third quarter through the end of 2016 lowered sale cost compared to the same period last year.

Administrative expenses

Administrative expenses cover salary, utilities expenses, fees, depreciation cost, and other relevant expenses.

In 2014, the consolidated administrative expenses totaled Bt1,852.64 million, a decrease of Bt22.99 million from 2013. The amount accounted for 14.92% of total revenue (excluding other revenue) from property development and hotel businesses. The administrative expenses of the property development business rose by Bt50.68 million from Bt1,475.53 million in 2013 to Bt1,526.21 million in 2014. However, the administrative cost of the hotel business dropped by Bt73.66 million as a part of the hotel was closed for renovation during May and December 2014.

In 2015, the consolidated administrative cost stood at Bt2,294.49 million or 19.04% of total revenue (excluding other revenue). This showed an increase of Bt464.06 million from 2014 due partly to the higher number of projects under development, which pushed up the administrative cost by Bt61.28 million. It also included the Bt55.23 million foreign exchange loss as well as the Bt312.84 million increase in the administrative cost for the properties managed by Thai Property.

In 2016, the consolidated administrative cost totaled Bt 2,583.49 million or 17.10% of revenue (excluding other revenue), an increase by Bt 289.00 million from 2015, partly due to the Bt 219.26 million administrative cost of Thai Property Public Company Limited. (In 2015, Thai Property's administrative cost from June through December was included in the consolidated amount, against full-year inclusion in 2016.)

Other expenses

- **Loss from minimum revenue guarantee and loss from rent guarantee**

The company in 2008 sold 64 units of land and houses with a combined value of Bt510 million to Property Perfect Fund. Under the agreement, the Company agrees to guarantee the minimum revenue of the fund (rental and service revenues before deducting expenses) at Bt55 million for a period of five years, ending 31 December 2012. In 2012, the Company booked Bt32.76 million as loss from the minimum revenue guarantee, as the fund's revenue was below estimates. The minimum guarantee clause (based on rents and service fees before expenses).

On 30 October 2013, Bright Development Bangkok Co., Ltd. sold a dormitory building to the Uniloft Property Fund (the Fund) for Bt514 million, as approved by the Board of Directors who convened on 8 August 2013. The company invested Bt100.5 million in the Fund, accounting for 19.52% of the fund's value, and struck a 3-year leasing contract with the Fund which requires the fixed annual rental fee of Bt43.5 million. The Fund can extend the leasing period by another 1 year, under the same condition specified in the original 3-year contract. The company and the subsidiary have no plan or right to buy back the property. Thus, the revenue and cost of the transaction was booked in statement of comprehensive income in 2013. However, as the 4-year contract is tantamount to the company's burden to guarantee the Fund the rents, the management applied a different approach to determine the current value of the expenses compared to the approach applied to individual tenants. The 4-year leasing fee as agreed with the Fund was based on the current circumstances and the dormitory's current operating condition. The company thus set aside a provision on possible loss from the guarantee at Bt45.31 million. The provision is booked in Item "Loss from rent guarantee" in the statement of comprehensive income in 2013.

In 2014, the Company adjusted the estimated debt to derive from the rent guarantee, by adjusting the assumptions that validated the debt estimate - rents, occupancy rate and discount rate. Additional provision of Bt24.03 million was set aside thereafter.

No loss provision for the rent guarantee was booked in 2015 and 2016.

- **Financial expenses**

During 2013-2015, the consolidated financial expenses totaled Bt706.36 million, Bt611.25 million and Bt 635.28 million, respectively. It comprises interest expenses and financial charges.

Interest expenses during 2013-2015 amounted to Bt637.60 million, Bt545.97 million and Bt611.06 million, respectively. The interest expenses increased in 2013 as the Company and subsidiaries increased borrowing to finance the purchases and rent of land for future residential development projects. In 2014, the interest expenses also derived from loans borrowed to finance business expansion.

Financial fees during 2013-2015 stood at Bt 68.76million, Bt65.28million and Bt24.22 million, respectively. Financial fees in 2013, the Company issued four series of debentures; in April, May, June and November. Relevant financial fees accordingly increased by Bt5.58 million from 2012 to Bt68.76 million. In 2014, the Company issued three series of debentures; in July, September and December. The financial fees in 2014 dropped by Bt3.48 million from 2013. In 2015, the Company offered 5 series of debentures, in March, May, August, October and November. The financial fees in 2015 decreased by Bt41.06million from 2014 because the debentures issued in 2015 were unsecured, while the debentures issued in 2014 were partially secured. As such, no fee was required for bank guarantee.

In 2016, the financial expenses totaled Bt866.99 million, an increase by Bt231.71 million from 2015. Of total, interest expenses accounted for Bt842.55 million while financial fees totaled Bt24.44 million. The interest expenses increased by Bt231.49 million on year due partly to the completion of 6 condominium projects, forcing the Company to book interest as expenses. On top of that, interest expenses increased due to continued business expansion by the Company and subsidiaries.

- **Income tax**

Corporate income tax consists of 1) tax on profits and 2) adjustments; for example, adjustments in tax expenses in the previous year and some expenses which are non-deductible. The net amount is shown as income tax in the statement of comprehensive income in the particular year.

Income tax during 2014-2016 was Bt57.56 million, Bt254.32 million, Bt12.64 million and Bt285.31 million, respectively.

Hotel business

In the fourth quarter of 2012, the Company invested in a hotel business in Japan, holding 69.01% in the business. The venture generated Bt275.66million revenue and Bt46.08million as other venue, The gross profit margin hit Bt84.31 million, against operating expense of Bt168.94million and foreign exchange loss of Bt94.69million. This resulted in a loss of Bt133.35million, Bt80.92million footed by the company. However, foreign exchange losses derived from the yen-denominated investment in a hotel in Japan, as the Japanese yen weakened significantly in the fourth quarter of 2012. The involved subsidiary bought a hedging contract with a commercial bank late 2012, to cushion the risk.

In 2013, the hotel business generated Bt1,018.43 million in revenue and Bt4.74 million in other revenue. The gross profit margin hit Bt382.22 million. However, it generated Bt508.07million in operating expenses and Bt37.90million in interest expense. As such, it showed a loss due to the Bt152.89million tax expense, Bt112.33 million placed by the company.

In 2014, the consolidated revenue from the hotel business totaled Bt844.71 million, with the profit margin of 194.12 million while the net loss totaled Bt212.49 million. In the first quarter, the business generated a net profit of Bt65.23 million. It showed net losses of Bt50.48 million, Bt116.7 million and Bt110.54 million, respectively in the three subsequent quarters as the hotel was partially closed during the low season in May through December for renovation. For the net loss of Bt212.49 million, Bt223.24 million was realized in 2014 as the Company's shareholding was raised from 69.01% to 95.61% in March 2014.

In 2015, revenue from the overseas hotel business - Kiroro Ski Resort, Japan - amounted to Bt919.25 million, showing the gross profit margin of Bt260 million. In June 2015, the Company also acquired Thai Property which operates 3 hotels - Westin Grand Sukhumvit, Sheraton HuaHin Resort and Spa, and Sheraton HuaHin Pranburi Villa. Thai Property's revenue was consolidated from June 2015 onwards, totaling Bt604.36 million in the year or Bt195.77 million in gross profit margin.

In 2016, revenue from the overseas hotel business (Kiroro ski resort in Japan) totaled Bt1,114.95 million, showing Bt248.88 million in profit margin. Revenue from the domestic hotel business (The Westin Grand Sukhumvit, Sheraton Hua Hin Resort and Spa and Sheraton Hua Hin Pranburi Villa) totaled Bt1,079.00 million, generating Bt371.43 million in profit margin.

Earning before expenses, tax, depreciation and amortization (EBITDA)

Earning before expenses, tax, depreciation and amortization (EBITDA) is calculated from the earnings before expenses, tax, depreciation and amortization.

During 2013-2016, EBITDA of the Company and subsidiaries totaled Bt956.66million, Bt1,414.52million Bt1,349.78 million and Bt 2,231.78 million, respectively, representing the profit margin of 8.52 %, 11.06%, 10.46 % and 14.35% respectively.

In 2015, the consolidated EBITDA totaled Bt1,349.78 million, a decrease by Bt64.74 million from 2014. Despite the Bt529.96 million one-time gain in below-fair value acquisition of Thai Property shares. In 2014, land sale revenue reached Bt1,628.71 million. The gross profit in 2015 totaled Bt540.43 million.

In 2016, the consolidated EBITDA totaled Bt2,231.78 million, generating the profit margin of 14.35% of total revenue. The EBITDA increased by Bt882.00 million from 2015, partly due to the Bt3,060.64 million increase in sale revenue and revenues from the hotel business as well as rental and service activities. The gross profit increased by Bt1,296.43 million.

Net profits (Net Profit Margin)

The consolidated net profits during 2014-2016 are as follows:

Unit: Million Baht	2016	2015	2014
Net profit	332.29	267.01	402.73
Shareholders' equity	399.50	360.74	399.27
Subsidiaries' non-controlling shareholders' equity	(67.21)	(93.73)	3.46
Gross profit margin (%)	2.14	2.07	3.15

In 2014, the consolidated earnings before financial expenses and tax totaled Bt1,268.31million while net profit stood at Bt402.73 million, which rose by Bt361.31 million or 871.17% from 2013.

The consolidated net profit in 2015 stood at Bt267.01 million, a decrease by Bt135.73 million or 33.70% from 2014, due mainly to a plunge in condominium sales which pulled down the gross profit margin by Bt209.43 million. Meanwhile, the revenue from land sale also dropped, slashing the gross profit margin by Bt373.65 million. However, the Company's revenue from hotel business increased from Bt678.91 million in 2014 to Bt1,523.62 million in 2015, which boosted the gross profit margin by Bt261.65 million. The Company also booked one-time gain worth Bt529.96 million from acquisition, as the price paid for shares in Thai Property was below fair value. In the year, the sale and administrative cost increased by Bt563.16 million.

In 2016, the consolidated net profit reached Bt332.29 million, an increase by Bt65.28 million or 24.45% from 2015, mainly due to an improvement in cost management as well as an increase in revenue. In the year, 9 condominium projects completed in 2015 continued to generate revenue, aside from 6 new projects completed in 2016. Combined with revenue from the hotel business as well as rental and service activities, the revenue increased to Bt3,060.64 million while the gross profit rose to Bt1,296.43 million. The 2015 amount, meanwhile, included the Bt505.71 million one-time gain from below-fair value acquisition of Thai Property Public Company Limited.

Return on earnings

In 2014- 2016, the Company and subsidiaries' return on earnings (ROE) stood at 4.58%, 2.36% and 2.41%, respectively. ROE moves in line with net profits in the years, as well as the number of paid-up shares following the exercise of warrants and the Company's capital increase during the 3-year period.

Consolidated financial statements (Unit: Million Baht)	2016	2015	2014
Net Profit	332.29	267.01	402.73
Paid-up capital	7,667.83	7,667.83	5,782.95
Shareholders' equity	13,936.78	13,663.50	8,971.60
ROE (%)	2.41	2.36	4.58

2.2 Analysis on consolidated financial position

Table presented consolidated financial status

Unit : Million Baht	Assets	Liabilities	Shareholders' equity
As of 31 December 2014 (Revised)	31,406.16	22,434.57	8,971.60
As of 31 December 2015	43,277.02	29,613.52	13,663.50
As of 31 December 2016	48,790.22	34,853.44	13,936.78

Assets

The consolidated assets during 2013 and 2015 stood at Bt30,671.62 million, Bt31,406.16 million and Bt43,277.02 million, respectively. During 2012-2013, assets increased Bt4,492.48 million, showing an increase of 17.16%. Assets also rose by Bt734.54 million during 2013-2014, or 2.39%. The asset size expanded in the past three years because of the launch of numerous projects — covering single detached house, townhouse and condominium projects. Meanwhile, the land bank was expanded to support future expansion, particularly in the condominium and townhouse segments. The Company and subsidiaries also developed rental apartment buildings under “Uniloft” brand and struck a land lease contract for the development of a shopping mall and commercial space for rent. The Group also invested in a hotel business in Japan in the fourth quarter of 2012.

As of 31 December 2015, the consolidated assets equaled to Bt43,277.02 million, an increase by Bt11,870.86 million from end-2014 level. Boosting it was the increase in property development cost following the launch of new projects as well as the acquisition of Thai Property and its subsidiary. (Details are in Note No.12) By value, property development accounted for the biggest part of assets, at Bt21,659.51 million or 50.05% of total assets. Following were the value of land, building and equipment worth Bt5,436.05 million or 12.56% of total; land bank worth Bt5,895.88 million and advance payment for land purchase worth Bt677.99 million, which collectively constituted 15.19% of total assets; cash and cash equivalents worth Bt3,040.54 million or 7.03%; property investment, Bt2,286.87 million or 5.28%; and lease rights worth Bt2,150.60 million or 4.97%.

As of 31 December 2016, the consolidated assets were valued at Bt48,790.22 million, an increase by Bt5,513.20 million from the previous year. The assets grew mostly from the increasing cost of low-rise and high-rise development projects. At the end of 2016, the value of property development projects, Bt25,323.61 million, accounted for 51.90% of total assets. The value of land, Bt6,621.25 million, and the value of land-purchase advance payments, Bt921.25 million, accounted for 15.46% of total. The value of buildings and equipment was tuned at Bt6,417.34 million or 13.15% of total; cash and cash equivalents, Bt2,448.83 million or 5.02%; property for investment purposes, Bt2,222.08 million or 4.55%; and lease rights, Bt2,024.61 million or 4.15%.

Project development cost

The property development cost is booked as the development cost in the financial statements. It will be realized as the selling cost in the statement of comprehensive income once the sold units are transferred.

The consolidated property development cost in 2014-2016 stood at Bt17,524.61 million, Bt21,659.51 million and Bt25,323.61 million, respectively. The cost in 2014 rose by Bt597.82 million from 2013 while the cost in 2014 increased by Bt4,134.90 million on year. The value of property development cost during 2013 and 2015 accounted for 55.19%, 55.80% and 50.05% of total assets, respectively. The amount increased, particularly in 2015, because of the launch of new projects by the Company and subsidiaries to achieve sale and revenue target. The value also rose in June 2015 due to the acquisition of Thai Property. As of 31 December 2015, the value stood at Bt1,650.11 million.

As of 31 December 2016, the consolidated property development cost totaled Bt25,323.61 million, an increase by Bt3,664.10 million from the previous year. The value accounted for 51.90% of total assets. (Details of projects are available in the part on assets for business operations: Item Assets for sale)

Net land bank

The net land for development consists of the cost of land, the land development cost, the construction cost, and the interest minus the cost which are booked as selling cost, land transferred for debt restructuring purpose and debt repayment as stated in the rehabilitation plan, and provisions against possible decreases in land value.

The company's and subsidiaries' net land held for development at the end of 2014-2016 had value of Bt4,453.05 million, Bt5,895.88 million and Bt6,621.25 million, respectively. The value of land bank in 2014 decreased by Bt1,609.19 million from the previous year, but in 2015 it increased by Bt1,442.83 million from 2014. The value during 2013 and 2015 accounted for 19.76%, 14.18% and 13.62% of total assets, respectively. The ratio had been falling because in 2013 the group sold land worth Bt529.50 million and allocated land worth Bt2,149.66 million for project development. In 2014, land worth Bt1,700 million was sold. In 2015, the Company had expanded business to cover various locations. The value of the land would be booked as project development cost only when some activities took place, such as land clearing or development zoning. Since 2014, the group had acquired new land plots to support both low-rise and high-rise development projects.

As of 31 December 2016, the value of land bank totaled Bt6,621.25 million, up by Bt725.37 million from end-2015, accounting for 13.57% of total assets. (Details of net land bank are included in Item: Net land bank.)

Advance payment for land purchase

Advance payment for land purchase is the deposit given to landlords or agents commissioned to accumulate land for the company. Once the land purchase was completed the deposit will be booked as the project development cost or in land bank category.

The consolidated advance payment in 2014, 2015, and 2016 totaled Bt444.64 million, Bt677.99 million and Bt921.25 million, respectively. The value in 2014 increased by Bt215.49 million from the previous year. In 2015, the value rose by Bt233.36 million on year. The ratio of advance payment to total assets was at 2.15%, 1.42% and 1.57% in 2013, 2014, and 2015, respectively.

At the end of 2016, the advance payment of Bt921.25 million increased by Bt243.25 million from 2015. The amount accounted for 1.89% of total assets.

As of 31 December 2016, the payments contained the following details.

- Advance payment to landlords, worth Bt796.26 million, in accordance with sale/purchase agreements, signed by the Company and subsidiaries and landlords.
- Advance payment to agents, worth Bt124.99 million, for the land of which sale/purchase agreements were in the signing process.

Net land, building and equipment

Net land, building and equipment stood at Bt963.20 million, Bt5,463.05million and Bt6,417.34 million at the end of 2014, 2015 and 2016, respectively. The 2013 value decreased by Bt85.30 million from 2012. The value increased from 2014 to Bt4,472.85 million in 2015, largely because of the acquisition of Thai Property in June 2015. As of 31 December 2015, the consolidated value of land, building and equipment stood at Bt4,163.08 million. The ratio increased from 3.42%, 3.07 and 12.56 % in 2013- 2015, respectively.

As of 31 December 2016, the net value of land, buildings and equipment totaled Bt6,417.34 million, up by Bt981.29 million at the end of 2015, or 13.15% of total assets. (Details of net land, building and equipment are included in Item: Net land, building and equipment.)

Cash and cash equivalents

Cash and cash equivalents stood at Bt2,490.53million, Bt3,040.54million and Bt2,448.83 million at the end of 2014, 2015 and 2016, respectively. The 2014 amount rose by Bt1,255.31 million from 2013 due to an increase in cash flow from investing activities in the year. In 2015, the amount rose by Bt550.01 million from 2014 due to financing activities. The ratio of cash and cash equivalents to total assets stood at 4.03%, 7.935%, and 7.03% during 2013-2015, respectively.

As of 31 December 2016, cash and cash equivalents totaled Bt2,448.83 million, down by Bt591.72 million from the previous year, or 5.02% of total assets. (Details of cash and cash equivalents are included in Item 16.2.4: Analysis on consolidated cash flow)

Investment properties

In 2013, subsidiaries formulated a clear policy to invest in shopping malls and commercial development. Some land plots in the land bank are reserved for such development. Such development by the Company and subsidiaries at the end of 2014- 2016 was valued at Bt1,540.39 million and Bt2,286.87million and Bt2,222.08 respectively. The 2014 amount represented an increase of Bt573.25 million from 2013. The value in 2015 also rose by Bt746.47 million from 2014. The investment properties accounted for 3.15%, 4.90% and 5.28% of total assets in 2013-2015, respectively.

At the end of 2016, the investment properties were valued at Bt2,222.08 million, down by Bt64.79 million from the previous year, or 4.55% of total assets. (Details of the investment properties are included in Item: Investment Properties.)

Leasing rights

The consolidated leasing rights were valued at Bt1,313.11 million, Bt2,150.60million and Bt2,024.61million at the end of 2014, 2015and 2016, respectively. The leasing rights value in 2014 rose by Bt23.71million from 2013, while the 2015 amount increased by Bt837.50million on year. The values in the three-year period accounted for 4.20%, 4.18% and 4.97% of total assets, respectively. The value showed an increase in the three years because subsidiaries entered into several leasing rights contracts, prepared for the development of shopping malls and commercial properties. In June 2015, the Company took over Thai Property. Leasing rights at the end of 2015 were valued at Bt884.04 million.

As of 31 December 2016, the consolidated lease rights were valued at Bt2,024.61 million, down by Bt125.99 million from the previous year, or 4.15% of total assets. (Details of the leasing rights are included in Item: Leasing Rights)

Investments in associated companies

The consolidated investment in associated companies was the investment in Krungthep Land, a property development company which was 20.22% owned by the Company. The Company's Board of Directors on 6 November 2014 resolved to divest all shares in Krungthep Land to Golden Land Property Development Public Company Limited. On 12 December 2014, the Company sold the shares to Golden Land with a capital gain of Bt77.30 million. At the end of 2012 and 2013, investment in associated companies under the equity method was valued at Bt522.93 million and Bt582.72 million, respectively. In 2013, the investment increased by Bt59.79 million from 2012. The investment accounted for 2.00% and 1.90% of total assets in 2012 and 2013, respectively.

Trade and other receivables

- **Property development business**

The Company and subsidiaries realized the revenue from the sales of land and houses, condominium units and land after transfers to buyers. Down payments or advance installments are booked as liabilities and advanced received from costumers. Customers having been transferred the properties but having yet paid in full would be booked as trade receivables.

The consolidated trade receivables at the end of 2014-2106 stood at Bt6.77 million, Bt4.06 million, and Bt4.06 million, respectively. Property-related trade receivables in 2014 dropped by Bt5.27 million from the previous year, while the 2015 level dropped by Bt2.71 million from 2014. The ratio of property-related trade receivables to total assets at the end of 2013-2015 stood at 0.02%, 0.01% and 0.01%, respectively. As of 31 December 2015 and 2016, provisions worth Bt4.06 million were set aside against property-related trade receivables, automatically writing off the amount.

- **Construction service business**

The trade receivables of a subsidiary concerning construction service and related activities stood at Bt85.93 million at the end of 2016. The receivables accounted for 0.25% of total assets.

- **Overseas hotel business**

Trade receivables in the hotel business stood at Bt120.09 million, Bt108.38 million and Bt156.22 million at the end of 2014, 2015 and 2016, respectively. The 2014 amount showed decrease of Bt2.34 million from 2013 and the 2015 level showed a decrease of Bt11.71 million on a year. In 2016, the amount increased by Bt47.84 million from 2015. The amounts accounted for 0.38%, 0.25% and 0.45% of total assets at the end of the three years.

As of 31 December 2015, consolidated trade receivables in the business overdue for over three months totaled Bt38.44 million. The rest was less than 3 months overdue.

At the end of 2016, a subsidiary's trade receivables in the overseas hotel business amounted to Bt39.69 million. The amount of loans less than 3 months overdue totaled Bt114.50 million, while the amount of loans 3-6 months overdue stood at Bt2.02 million. It set aside Bt0.16 million as loan-loss provision. The combined trade receivables in the overseas hotel business totaled Bt156.16 million.

- **Domestic hotel, rental office and retail business**

At the end of 2015, trade receivables in the domestic hotel, rental office and retail business stood at Bt130.95 million or 0.30% of total assets. Of total, debtors owing Bt73.43 million delayed payments for more than six months. The rest was unpaid for fewer than six months. Provisions worth Bt74.75 million was set aside against the total sum, leaving the net credit amount to Bt56.20 million.

As of 31 December 2016, a subsidiary's trade receivables in the domestic hotel, rental office and shopping mall business amounted to Bt125.61 million, or 0.36% of total assets. The amount of loans more than 3 months overdue totaled Bt79.80 million, while the rest was loans less than 3 months overdue. It set aside Bt78.31 million as loan-loss provision. The combined trade receivables were thus valued at Bt47.30 million.

Other debtors

Other debtors of the Company and subsidiaries at the end of 2014-2016 owed Bt66.75 million, Bt84.09 million and B50.46 million, respectively. The 2014 level showed an increase of Bt1.94 million from 2013 and the 2015 level rose by B17.34 million on year. The amount decreased by Bt33.63 million in 2016 from a year earlier. The amounts accounted for 0.21%, 0.19% and 0.15% of total assets at the end of the years, respectively.

Land receivables (promissory notes - land)

At the end of 2013 and 2014, the consolidated land receivables totaled Bt200.66 million and Bt955.74 million, accounting for 0.65% and 3.05% of total assets respectively. In 2014, the amount jumped by Bt755.08 million from the previous year, chiefly because of the Company and subsidiaries' disposal of land in the period.

As of 31 December 2014, the Company and subsidiaries' land receivables are as follows:

- 1) Promissory notes—land worth Bt15.00 million. In 2014, the Company was paid Bt12.55 million from a buyer. In February 2015, the buyer fully paid the rest.
- 2) Promissory notes - land (with bank guarantee) worth Bt1,000 million, maturing in December 2015. The promissory notes were booked at a discount from the average interest rate the indebted company shoulders, to show the exact interest receivables which were worth Bt940.74 million. In December, the Company was fully paid Bt1,000 million.

At the end of 2015, the outstanding land receivables was zero.

As of 31 December 2016, the consolidated land receivables were valued at Bt531.42 million. Details are as follows:

A subsidiary struck a land-sale contract with a non-related company worth Bt731.7 million. The land plot was transferred and the subsidiary was paid Bt182.9 million in cash and another Bt548.8 million in promissory notes and bills of exchange which will be due in September 2017.

The subsidiary booked the promissory notes and bills of exchange in Item "Land Debtor" in the financial statement at the net value of Bt531.4 million, based on a discount by the interest rate based on its average funding cost.

Liabilities

The consolidated liabilities at the end of 2013-2015 stood at Bt22,039.33million, Bt22,434.57million and Bt29,613.52 million, respectively. The 2013 level showed an increase of Bt4,476.73 million from 2012 or 25.52%, the 2014 level rose Bt395.24million from 2013 or 1.79%. and the 2015 level rose Bt7,178.95million from 2014 or 32.00%. The liabilities to assets ratio at the end of 2013-2015 was 71.86 %,71.43 %and 68.43%, respectively. During 2015, the liabilities showed the following significant changes.

- Liabilities increased due to the Bt2,013.37 million long-term loan, debentures worth Bt1,991.28 million, bills of exchange worth Bt1,820.17 million, Bt682.70 million in trade receivables and other loans, Bt482.20 million in downpayment and advance payment from customers, and pending tax payments worth Bt342.07 million
- Liabilities dropped due to a decrease in bills of exchange worth Bt352.38 million and a decrease in leasing rights fee worth Bt10 million.

The consolidated liabilities stood at Bt34,853.44 million at the end of 2016, showing an increase by Bt5,239.92 million from the end of 2015. Total liabilities accounted for 71.44% of total assets. Key changes in liabilities are as follows:

- An increase in the value of debentures by Bt5,334.18 million, promissory notes by Bt1,270.63 million, advance down payments from customers by Bt58.46 million and trade receivables/other loans by Bt35.51 million.
- A decrease in the value of long-term loans by Bt1,091.11 million and short-term loans by Bt352.02 million.

The consolidated liabilities as of 31 December 2016 consisted of debentures, 59.98 % of total; term loans, 14.97 % bill of exchange, 10.69 %; trade payables and others, Bt8.22%; promissory notes, 0.06 %; customers' deposits and advance payment, 2.17%; pending tax payment, 1.16%; provisions of long-term employee benefits, 0.74%; other current liabilities, 0.74%, and other non-current liabilities, 1.28%. Details are as follows;

Consolidated financial statements

(Unit : Million Baht)	As of 31 December 2016	Total liabilities %	As of 31 December 2015	Total liabilities %	As of 31 December 2014 (Revised)	Total liabilities %
Debentures	20,904.18	59.98	15,570.00	52.58	13,578.72	60.53
Long-term loans	5,215.87	14.97	6,306.98	21.30	4,293.61	19.14
Bills of exchange payable	3,727.03	10.69	2,456.40	8.29	636.24	2.84
Trade and other payables	2,863.65	8.20	2,828.14	9.55	2,289.35	10.20
Short-term loans from financial institutions	20.00	0.06	372.02	1.26	724.40	3.23
Deposits and cash received in advance	757.68	2.17	699.21	2.36	217.01	0.97
Provisions of long-term employee benefits	257.74	0.74	240.54	0.81	169.86	0.76
Pending tax payments	403.05	1.16	450.90	1.52	108.83	0.49
Other current liabilities	258.36	0.74	267.66	0.90	358.35	1.59
Other non-current liabilities	445.88	1.28	421.66	1.42	58.20	0.26
Total liabilities	34,853.44	100.00	29,613.51	100.00	22,434.57	100.00

Debentures

At the end of 2013-2015, the Company and subsidiaries' existing debentures were valued at Bt11,248.07million, Bt13,578.72million and Bt15,570.00million, respectively. The amount in 2013 showed an increase of Bt1,547.22 million from 2012 while the 2014 level showed an increase by Bt2,330.64million from 2013. And the 2015 level showed an increase by Bt1,991.29million from 2014. The value accounted for 51.04 %, 60.53 % and 52.58 % of total liabilities at the end of 2013-2015, respectively. The increases in the past three years resulted from a large number of new low-rise and condominium projects which needed new funds. Proceeds from the debentures were entirely used for project development in the future, as working capital or repay existing debts.

As of 31 December 2016, the consolidated value of debentures was tuned at Bt20,904.18 million, up by Bt5,334.184 million from the previous year. The value accounted for 59.98% of total liabilities. The debentures were issued to raise funds for land development purposes, working capital and debt repayments.

Details of existing debentures as of 31 December 2016:

	Value (Million Baht)	Issue Date	Maturity Date	Condition
Unsecured debentures No. 1/2015 Bt2,400 million, interest 5.50% per annum, payable every 3 months	2,396.93	12 March 2015	12 September 2017	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 2/2015 Bt2,500 million, interest 5.20% per annum, payable every 3 months	2,495.95	21 May 2015	21 November 2017	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 3/2015 Bt3,000 million, interest 5.15% per annum, payable every 3 months	2,992.58	20 August 2015	20 August 2018	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 4/2015 Bt110million, interest 4.25% per annum, payable every 3 months	109.85	22 October 2015	5 November 2017	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 5/2015 Bt3,000 million, interest 5.50% per annum, payable every 3 months	2,991.14	5 November 2015	5 May 2019	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 1/2016 Bt3,000 million, interest 5.60% per annum, payable every 3 months	2,989.88	28 January 2016	28 January 2020	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 2/2559 #1 Bt 1,550 million, interest 4.70% , payable every 3 months	1,546.13	2 June 2016	2 December 2018	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 2/2559 #2 Bt 1,450 million, interest 5.50% , payable every 3 months	1,444.62	2 June 2016	2 June 2020	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 3/2559 #1 Bt 1,200 million, interest 4.85%, payable every 3 months	1,196.48	22 September 2016	22 September 2019	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 3/2559 #2 Bt 1,200 million, interest 5.30%, payable every 3 months	1,195.19	22 September 2016	22 September 2020	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Unsecured debentures No. 4/2559 Bt 200 million, interest 4.30%, payable every 3 months	199.55	1 September 2016	30 August 2018	The ratio of total loans ¹ to shareholders' equity must not exceed 2:1
Total	19,558.30			

	Value (Million Baht)	Issue Date	Maturity Date	Condition
Unsecured debentures No 1/2559				
Bt. 700 million, interest 5.70% per annum, payable every 3 months	697.27	17 February 2016	14 February 2019	The ratio of total loans ¹ to shareholders' equity must not exceed 3:1
Unsecured debentures No 2/2559				
Bt. 150 million, interest 5.20% per annum, payable every 3 months	149.65	16 March 2016	19 March 2018	The ratio of total loans ¹ to shareholders' equity must not exceed 3:1
Unsecured debentures No 3/2559				
Bt. 200 million, interest 5.35% per annum, payable every 3 months	199.47	27 May 2016	20 May 2019	The ratio of total loans ¹ to shareholders' equity must not exceed 3:1
Unsecured debentures No 4/2559				
Bt. 300 million, interest 5.20% per annum, payable every 3 months	299.49	14 July 2016	14 December 2018	The ratio of total loans ¹ to shareholders' equity must not exceed 3:1
Total- Debenture of subsidiaries [Grande Asset Hotels and Property Plc.]	1,345.88			
Total	20,904.18			

Note :

¹“Total loans” refer to all interest-bearing or discounted liabilities appearing in the consolidated statement. This include financial obligations to be incurred by the issuer's guarantee and similar obligations to individuals or juristic entities which do not appear in the consolidated financial statements but appear in the Note. This excludes obligations related to the obtaining of financial institutions' letter of guarantee for land or infrastructure development or related activities. “Total loans” are minus cash and equivalents as shown in the consolidated financial statements, including deposits placed as collaterals with any party. For clarity on this, the “total loans” exclude trade receivables, advance income or loans which bear no interest cost.

Long-term loans

At the end of 2013-2015, long-term loans of the Companies and subsidiaries stood at Bt6,611.88million, Bt4,293.61 million and Bt6,306.98million, respectively. The value of term loans in 2013 showed an increase of Bt1,454.85 million from 2012, the amount in 2014 decreased by Bt2,318.26 million from 2013, while the amount in 2014-2015 decreased by Bt2,013.36 million on year. The amounts accounted for 30.02%, 19.14% and 21.30% in the years 2013-2015, respectively. The loans were used to finance property development projects.

At the end of 2016, the loans with maturity of less than 1 year were worth Bt726.62 million and long-term net of current portion were worth Bt 4,489.25 million. The details are as follow:

Consolidated financial statements			
(Unit : Million Baht)	31 December 2016	31 December 2015	31 December 2014 (Revised)
Long - term loans	5,215.87	6,306.98	4,293.61
Minus - amount due within 1 year	(726.62)	(597.48)	(747.14)
Long - term loans (Net)	4,489.25	5,709.50	3,546.47

Bills of exchange

The Company and subsidiaries did not have any bill of exchange at the end of 2012 and 2013. At the end of the 2014 and 2015, existing bills of exchange were worth Bt636.24 million and Bt2,456.40 million, respectively, accounting for 2.84% and 8.29% of total liabilities. The bills of exchange are due in the first and second quarters of 2016.

As of 31 December 2016, the value of bills of exchange stood at Bt3,727.03 million, up by Bt1,270.63 million from the end of 2015. The amount accounted for 10.69% of total liabilities. The bills are due in the first and second quarters of 2017.

Trade payables and others

The Company and subsidiaries' trade payables and others stood at Bt2,664.60million, Bt2,289.35million and Bt2,972.05 million at the end of 2013, 2014 and 2015, respectively. The 2013 amount showed an increase of Bt1,127.63million from 2012, The 2014 amount showed and decrease of Bt375.25million from 2013, while during 2014- 2015 level increased by Bt682.70million. Trade payables and others accounted for 12.10 %, 10.20 % and 10.04% in the years 2013-2015, respectively.

As of 31 December 2016, the consolidated trade payables and others were valued at Bt2,863.65 million, up by Bt35.51 million from the previous year. The amount accounted for 8.22% of total liabilities.

Promissory notes

At the end of 2013-2015, the Company and subsidiaries' existing promissory notes were valued at Bt512.49 million, Bt724.40million and Bt372.02 million, respectively. In 2013, the amount decreased by Bt36.57million from 2012, in 2014, the amount increased by Bt211.91million from 2013, while during 2014- 2015 amount dropped by Bt352.38 million. The promissory notes accounted for 2.33%, 3.23% and 1.26% in the years 2013-2015, respectively. The promissory notes are due during March and May 2016.

As of 31 December 2016, promissory notes in the consolidated account stood at Bt20 million, down by Bt352.02 million from the end of 2015.

Leasing rights

The Company and subsidiaries shouldered a burden of Bt285.37 million in leasing rights in 2013, Bt20.00million in 2014 and Bt10.00 million in 2015. The burden in 2013 rose by Bt245.37 million from 2012, the amount in 2014 decreased by Bt265.37million from 2013, while the 2015 amount dropped by Bt10.0million from the previous year. During the years, a subsidiary struck a deal for additional leasing rights, issuing bank-guaranteed promissory notes worth Bt255.37 million. The notes, due in July 2014, were used to pay for the transfer of the leasing rights. The leasing rights accounted for 1.29%, 0.09% and 0.03% of total liabilities in the years, respectively.

As of 31 December 2016, the burden was valued at zero baht.

Shareholders' equity

The consolidated shareholders' equity at the end of 2013-2015 stood at Bt8,646.39 million, Bt8,971.60million, and Bt13,663.50 million, respectively. The shareholders' equity in 2013 rose by Bt15.75 million from 2012, in 2014 decreased by Bt325.21millionfrom 2013, while in 2015 it increased by Bt4,691.90millionfrom the previous year. The shareholders' equity to asset ratio in 31 December 2013-31 December 2015 were 28.19%, 28.57% and 31.57%, respectively.

The following is details of the annual changes in the shareholders' equity.

As of 31 December 2013

The consolidated shareholders' equity as of 31 December 2013 totaled Bt8,646.39million, an increase of Bt15.75million from the adjusted statement as of 31 December 2012(revised), or a 0.18% increase. This resulted mainly from the conversion of warrants (PF-W3) for 141.88 million shares at the price of Bt1 apiece of a total of Bt141.88 million; the 2013 net profit of Bt41.42 million; and additional investment of Bt14.65 million in subsidiaries by non-controlling interests; minus the dividend payment worth Bt187.52 million.

31 December 2014 (Adjusted)

The revised consolidated shareholders' equity as of 31 December 2014 totaled Bt8,917.60 million, down by Bt38.73 million from the previously-stated. This is a result of the Accounting Standard No 19 (2014 Revision) on employees' benefits. The new standard demands the actuarial gain and loss realization in the comprehensive income statement. The old one allowed enterprises to fully or gradually realize gain/loss in the financial statement or the comprehensive income statement.

The Company and subsidiaries have applied the new accounting standard in the current operating year, which led to the immediate realization of gains and losses in the comprehensive income statement. The accounting of the previous years was adjusted for a comparative reason. Due to the accounting change, the unallocated accumulated earnings decreased by Bt38.73 million.

31 December 2015

The consolidated shareholders' equity amounted to Bt13,663.50 million, an increase of Bt4,691.91 million from 31 December 2014 following the recapitalization by Bt1,806.50 million, the exercise of PF-W3 warrants worth Bt78.38 million, the Bt2,654.72 million increase in the equity of subsidiaries' uncontrolled shareholders, the realization of annual net profit and other income worth Bt360.74 million, and the realization of other comprehensive income worth Bt49.17million minus dividend payment worth Bt254.48 million.

As of 31 December 2016

The consolidated shareholders' equity as of 31 December 2016 totaled Bt13,936.78 million, up by Bt273.28 million from the previous year due to the Bt300 million advance payment for new shares (issued in a private placement), the realization of annual net profit worth Bt399.50 million, the realization of other comprehensive income worth Bt3.33 million, the Bt22.88 million share loss on a shareholding change in a subsidiary (Thai Property), a Bt12.11 million drop in gain from Kiroro Resort Holding Company Limited due to a shareholding change, a Bt164.54 million decrease in the investment in subsidiaries by non-controlling interests, and a Bt230.03 million decrease in dividends.

Shareholders' equity structure

(Unit : Million Baht)	Consolidated financial statements		
	31 December 2016	31 December 2015	31 December 2014 (Revised)
Paid-up capital	7,667.82	7,667.82	5,782.95
Share loss	(73.52)	(73.52)	(73.52)
Cash received in advance, the stock value.	300.00	-	-
Retained earnings appropriated as legal reserve	300.60	274.60	260.60
Unappropriated retained earnings	3,298.72	3,155.25	3,062.81
Revaluation surplus (deficit) from investments	(0.06)	(6.88)	(5.96)
Revaluation surplus (deficit) from investments	(46.09)	(46.09)	(46.09)
Differential on subsidiaries' share swap	(87.85)	(52.87)	(49.76)
Share loss from adjustment in subsidiaries' investment	29.04	32.54	(17.37)
Currency conversion differential	2,548.12	2,712.65	57.94
Consolidated shareholders' equity	13,936.78	13,663.50	8,971.60

Warrants (PF-W3)

In July 2012, the Company issued free warrants (PF-W3) to existing shareholders who subscribed for capital-increase shares, at the ratio of 1 warrant for two new shares. Total 393,865,295 warrants were issued with the 1:1 exercise ratio at the price of Bt1 per share. The warrants can be exercised on the last day of every quarter throughout the 3-year period. Details of the exercises are as follows;

Timing	Exercised (units)	Outstanding (units)
September 2012	73,932,601	319,932,694
December 2012	-	319,932,694
March 2013	41,750,492	278,182,202
June 2013	100,132,200	178,050,002
September 2013	-	178,050,002
December 2013	-	178,050,002
March 2014	-	178,050,002
June 2014	-	178,050,002

Timing	Exercised (units)	Outstanding (units)
September 2014	21,000	178,029,002
December 2014	-	178,029,002
March 2015	1,143,000	176,886,002
June 2015	-	176,886,002
July 2015	77,236,700	99,649,302

On 17 July 2015 which was the last exercise date, holders exercised 77,236,700 (PF-W3) warrants. On 18 July 2015, a number of 99,649,302 warrants were expired.

Appropriateness of capital structure

- Debt to equity ratio**

The consolidated debt to equity ratio was on the rise in the past four years. At the end of 2013, the ratio was 2.55:1, before rising to 2.50:1 in 2014, 2.17:1 in 2015 and 2.50:1 in 2016.. The decrease stemmed in 2014 from the company and subsidiaries repaid partial long-term loans while the equity increased thanks to the annual net profits. The debt to equity ratio thus improved. As of 31 December 2015, the consolidated debt to equity ratio fell to 2.17:1, due to recapitalization and the acquisition of shares in Thai Property.

As of 31 December 2016, the consolidated debt to equity ratio increased to 2.50:1, due to business expansion through the development of new projects and diversification. Debts rose faster than the increase in shareholders' equity.

2.3 Analysis of consolidated cash flow

Statements of cash flow between 2014 and 2016 were as follows:

Consolidated financial statements (Unit : Million Baht)	2016	2015	2014 (Revised)
Cash flow from operating activities	(1,891.48)	(635.58)	(425.14)
Cash flow from investment activities	(3,629.66)	(3,912.66)	1,115.10
Cash flow from financing activities	4,934.55	5,104.33	564.53
Lower difference on financial statement translation	(5.13)	(6.08)	0.82
Net cash flow increase (decrease)	(591.72)	550.01	1,255.31

- Cash flow from operating activities**

In 2014, the consolidated cash flow from operating activities was minus Bt425.14 million. The main item was the promissory notes for the purchase of land from the Group increased by Bt755.08 million, while interest expenses topped Bt1,150.15 million and payments to trade creditors reached Bt278.67 million.

In 2015, the Company and subsidiaries' operating cash flow was minus Bt635.58 million, due partly to the launch of new projects which pushed up project development cost.

In 2016, the consolidated operating cash flow was minus Bt1,891.48 million, partly due to the development of several projects in both low-rise and high-rise segments.

- **Cash flow from investing activities**

In 2014, the consolidated cash flow from investment activities returned to the positive territory, at Bt1,115.10million, as the Company received Bt720 million from the sale of its investment in an associated company, Krungthep Land and earned Bt1,035.36 million from the sale of some land plots.

In 2015, the Company and subsidiaries' cash flow from investing activities was minus Bt3,912.66 million, mostly because of the acquisition of Thai Property's 2,863,274,022 shares or 89.67% of total issued shares. At Bt0.57 apiece, the shares were worth totally Bt1,632.1 million. Net payment was valued at Bt1,306.37 million. The cash flow was negative also because of the acquisition of 49,099,819 shares in Grande Asset Hotels and Property. At Bt1.29 apiece, the shares were valued at Bt63.34 million. The negative status was also because of Bt130 million investment in a joint venture, Bt1,807.16 million payment and advance payment for land plots, Bt184.84 million purchases of investment property, Bt652.28 million purchases of buildings and equipment, and a Bt239.34 million decrease in bank deposits used to guarantee loans.

In 2016, the cash flow from investing activities were minus Bt3,629.66 million, mostly due to the purchase of land plots for the Company and subsidiaries' future development projects. The value of advance land payments and actual payments totaled Bt2,183.24million. Meanwhile, an amount of Bt117.26 million was paid as a down payment for the construction of a hotel building. The Company also loaned Bt60.00 million to a connected company, invested Bt24.50 million in a joint venture, and witnessed an increase in the value of buildings and equipment by Bt1,383.69 million.

- **Cash flow from financing activities**

Cash flow from financing activities in 2014-2016. In 2014, the consolidated cash flow from financing activities was Bt564.54 million. In the year, long-term loans worth Bt2,318.26 million were repaid, while it received net proceeds of Bt2,300 million from the issuance of debentures. The net cash flow from promissory notes and bill of exchange also increased by Bt582.78 million.

In 2015, the consolidated cash flow from financing activities amounted to Bt5,104.33 million, due to the Bt1,806.50 million recapitalization, the exercise of 78.38 million (PF-W3) warrants, Bt58.17 million investment in subsidiaries by non-controlling interests, net increase in debentures by Bt1,962.15million, net borrowing by Bt937.80 million, net increase in promissory notes and bills of exchange worth Bt1,004.21 million, the repayment of Bt500 million short-term loans and Bt252.88 million dividend payment.

In 2016, the consolidated cash flow from financing activities totaled Bt4,934.55 million, due to the net increase in debenture value by Bt5,310.25 million, the net increase in promissory notes and bills of exchange by Bt794.28 million, the net loan repayment worth Bt1,094.63 million, the Bt300 million payment for new shares (issued in a private placement), and the Bt231.01 million dividend payment.

Dividend payments since 2009

Accounting year	Dividend per share(Baht)	Total (Million Baht)	Payment date
2009	0.250	196.90	27 May 2010
2010	0.330	259.92	27 May 2011
2011	0.040	189.05	25 May 2012
2012	0.033	187.53	23 May 2013
2013		Omission	
2014	0.044	254.48	19 May 2015
2015	0.030	231.01	28 May 2016

On 23 February 2016, the Board of Directors approved the dividend payment of Bt0.04 per share, payable on 26 May 2016.

2.4 Obligations and contingent liabilities

As of 31 December 2016, the Group's future obligations and liabilities are as follows:

- Obligations on capital expenditure**
 - The Company and subsidiaries are obligated to honor contracts that involve the construction, designing and advisory services for low-rise and high-rise projects as well as hotel buildings, office building renovation as well as condominium and equipment purchases. The contracts are valued at Bt3,310 million and 530 million yen.
 - The Group is committed to buy land worth about Bt2,441.94 million.
 - A subsidiary is committed to a land lease for property development worth approximately Bt13 million.
- Obligations on operating and service lease agreements**

The Company and subsidiaries struck rental and service contracts for a period of 1 to 5 years. The contracts were non-cancellable and demand minimum payments as follows:

Payments due within	2016	2015
1 year	Bt168 million and 3 million yen	Bt170 million and 3 million yen
2-5 years	Bt457 million and 2 million yen	Bt349 million and 4 million yen
5 years up	Bt4,651 million	Bt2,348 million

- Obligations on long-term service contracts**

Under a service contract, a subsidiary is obliged to shoulder minimum payments as follows:

Payments due within	2016	2015
1 year	Bt30 million	Bt19 million
2-5 years	Bt20 million	-

- **Other loan guarantees**

A) The Company's combined loan guarantee to subsidiaries was valued at Bt6,393.2 million. The subsidiaries are Estate Perfect, Bt3,735.6 million; Bright Development Bangkok, Bt1,800.6 million and Residence Number Nine Bt857.00million. The Company is not required to take responsibility as the subsidiaries have not defaulted on loan repayments.

B) The Company and subsidiaries were issued bank guarantees as follows:

(Unit : Million baht)

	Consolidated		Non-consolidated	
	2016	2015	2016	2015
Infrastructure	1,084	929	699	564

- **Operating contract with Uniloft Property Fund**

The Company struck an operating contract with Uniloft Property Fund, agreeing to pay the fixed annual rent of Bt43.50 million for three years and allow the fund to extend the rental period by another year with the same fee in the first three years. The management estimated the expenses based on the current value of revenue from the renting out of units in UniloftSalaya project and the fixed fees in four years. The calculation is based on the current situation and revenue generated by the project. The provisions against losses from the fixed rents worth Bt45.31 million is already booked as expenses and liabilities in the financial statements in 2013.

As of 31 December 2014, the Company revised loss estimate from the contract. Assumptions - rents, occupancy rate and discount rate - used to calculate the liability were adjusted. The management believed that the new assumptions are in line with the current situation. Additional liability of Bt24.03 million was booked as "loss from rent guarantee" in 2014. However, if UniloftSalaya's actual revenue in the future differs significantly from the estimate, the Company may need to set aside additional provisions.

In 2015 and 2016, UniloftSalaya's revenue was well above target. Hence, no additional provision against the rent guarantee is necessary.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PROPERTY PERFECT PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of Property Perfect Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Property Perfect Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Property Perfect Public Company Limited and its subsidiaries and of Property Perfect Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to Note 37.5 g) to the financial statements, regarding the lawsuit between a subsidiary and the land-owners on which a hotel of the subsidiary is located. On 21 September 2016, the Supreme Court ordered the dismissal of the plaintiff's claim. Therefore, the case was finalised. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Recognition of revenues from sales of real estate

In 2016, revenues from sales of real estate, which comprise revenues from sales of land and houses, condominiums and land, amounting to Baht 12,465 million (Separate financial statements: Baht 7,521 million) were recognised by the Group in the consolidated statement of comprehensive income. Since these transactions were significant, I attached importance to the correctness of recognition of revenues from sales of real estate in accordance with the Group's policy, as stated in Note 4.1 to the financial statements.

I have worked with the auditor of subsidiaries to assess and test the Group's internal controls with respect to the revenues from sales of real estate, by making enquiry of responsible executives, gaining an understanding of the related controls and selecting representative samples to test the operation of the designed controls. In addition, particular importance was attached to the examination of sample supporting documents for sales transactions occurring during the year, including the conditions stipulated in the sale and purchase agreements (if any) in order to assess whether revenue recognition corresponded with the transfer of the significant risk and rewards of ownership to the buyers, in compliance with the Group's policy. We also performed analytical procedures on revenue by project and by quarter to detect possible irregularities in sales transactions throughout the period.

Recognition of revenues from hotel operations

In 2016, revenues of subsidiaries from hotel operations, which comprise room revenues, food and beverage revenues and other revenues amounting to Baht 2,194 million, were recognised in the consolidated statement of comprehensive income. Since these were significant transactions, I attached importance to regarding to the correctness of the recognition of revenues from hotel operations in accordance with the Group's policy, as stated in Note 4.1 to the financial statements.

I have worked with the auditors of subsidiaries to examine the recognition of revenues from hotel operations by the subsidiaries, by assessing and testing the internal controls and information technology systems relevant to these revenues, through enquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. We also applied sampling methods to select actual revenue transactions occurring during the year and near the end of the accounting period, and examined supporting documents for these transactions. In addition, we have reviewed credit notes that subsidiaries issued after the period-end, and performed analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

Compliance with covenants stipulated in borrowing agreements

As at 31 December 2016, the Group had bills of exchange, loans from financial institutions and debentures totaling Baht 29,867 million (86% of total liabilities) (Separate financial statements: Baht 24,787 million (92% of total liabilities)), as discussed in Notes 22, 24, 25 and 26 to the financial statements. Under the borrowing agreements, the Group needs to comply with certain financial covenants (if any) and if it is unable to do so, this may cause the lenders to call the loans those covenants, these may have impact on call of loans and result in the reclassification of the liabilities from non-current liabilities to current liabilities, which could affect the going concern of the Group.

I have worked with the auditor of subsidiaries to assess the management's monitoring of compliance with the monitoring covenants stipulated in the borrowing agreements, by gaining an understanding of the process of monitoring compliance with the various covenants and testing for compliance with both non-financial and financial covenants, including whether financial ratios are in line with those stipulated in the borrowing agreements. In addition, we have assessed the disclosures made with respect to covenants in the notes to the financial statements.

Other Matter

The consolidated financial statements of Property Perfect Public Company Limited and its subsidiaries and the separate financial statements of Property Perfect Public Company Limited for the year ended 31 December 2015 were audited by another auditor of our office who, under his report dated 25 February 2016, expressed an unqualified opinion on those financial statements and drew attention to the acquisition of investment in a subsidiary and the recognition of gain from a bargain purchase, and the lawsuit between a subsidiary and landowners.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

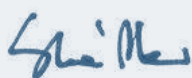
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Supachai Phanyawattano.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 23 February 2017

STATEMENT OF FINANCIAL POSITION

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT 31 DECEMBER 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents		2,448,825,209	3,040,543,409	1,048,558,564	1,878,554,977
Trade and other receivables	7	339,750,970	257,810,392	201,924,825	596,732,266
Receivable from the Revenue Department		101,260,539	62,001,268	-	-
Receivable from sales of land	8	531,416,448	-	-	-
Inventories	9	34,903,565	42,033,699	-	-
Project development costs	10	25,323,613,613	21,659,508,681	14,923,194,633	13,187,854,571
Short-term loan to related party	6	60,000,000	-	-	-
Advances to contractors		231,911,222	378,856,419	73,973,675	234,050,084
Other current assets		157,483,058	130,296,647	50,623,333	32,373,347
Total current assets		29,229,164,624	25,571,050,515	16,298,275,030	15,929,565,245
Non-current assets					
Pledged and restricted withdrawal bank deposits		101,605,399	85,035,740	53,353,877	42,568,088
Loans to related parties	6	-	-	7,497,739,578	4,144,663,670
Deposits for acquisition of shares and assets in other companies	11	40,000,000	50,000,000	-	-
Investments in subsidiaries	12	-	-	7,377,742,173	7,245,436,171
Investments in joint ventures	13	133,851,579	128,184,460	142,000,000	130,000,000
Other long-term investments	14	109,408,380	101,119,472	109,408,380	101,119,472
Land held for development	15	6,621,249,088	5,895,883,003	5,168,130,883	4,330,710,228
Advances for purchases of land	16	921,248,550	677,993,811	464,748,550	537,800,000
Investment properties	17	2,222,077,091	2,286,868,667	-	-
Property, plant and equipment	18	6,417,338,488	5,436,046,175	94,598,636	89,523,925
Intangible assets	19	51,836,653	56,223,939	12,451,595	7,719,512
Leasehold rights	20	2,024,613,449	2,150,604,606	45,386,594	33,606,487
Compensation guarantee	21	19,000,000	34,000,000	-	-
Deposits for hotel construction		177,323,685	60,066,985	-	-
Deferred tax assets	32	353,931,068	406,108,536	155,303,788	184,202,559
Other non-current assets		367,569,101	337,835,395	286,459,983	222,046,695

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT 31 DECEMBER 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Total non-current assets		19,561,052,531	17,705,970,789	21,407,324,037	17,069,396,807
Total assets		48,790,217,155	43,277,021,304	37,705,599,067	32,998,962,052
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	22	20,000,000	372,022,000	20,000,000	189,745,000
Trade and other payables	23	2,863,648,980	2,828,140,725	1,423,143,851	1,620,930,214
Bills of exchange payable	24	3,727,030,894	2,456,401,330	2,794,356,383	1,307,408,035
Short-term loans from related party	6	-	-	285,000,000	170,000,000
Current portion of debentures	25	5,002,722,105	4,600,000,000	5,002,722,105	4,600,000,000
Current portion of long-term loans	26	726,617,581	597,481,323	77,590,043	504,183,014
Deposits and cash received in advance		757,677,315	699,213,129	159,718,947	246,175,845
Income tax payable		40,366,098	8,757,781	-	-
Other current liabilities		217,995,090	258,901,749	75,947,535	84,114,454
Total current liabilities		13,356,058,063	11,820,918,037	9,838,478,864	8,722,556,562
Non-current liabilities					
Debentures, net of current portion	25	15,901,454,655	10,970,001,297	14,555,572,684	10,970,001,297
Long-term loans, net of current portion	26	4,489,254,076	5,709,497,038	2,336,594,561	2,908,587,506
Provision for long-term employee benefits	27	257,742,557	240,540,768	154,033,804	151,203,736
Provisions	28	147,693,604	143,913,969	117,996,779	117,272,032
Provision for transaction under equity method of investment					
in joint venture	13	2,936,390	-	-	-
Unearned lease rights		80,920,500	93,739,293	38,678,680	41,234,881
Deferred tax liabilities	32	403,046,118	450,899,764	-	-

STATEMENT OF FINANCIAL POSITION (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT 31 DECEMBER 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other non-current liabilities		214,329,725	184,007,465	-	12,176,467
Total non-current liabilities		21,497,377,625	17,792,599,594	17,202,876,508	14,200,475,919
Total liabilities		34,853,435,688	29,613,517,631	27,041,355,372	22,923,032,481
Shareholders' equity					
Share capital	29				
Registered					
9,000,000,000 ordinary shares					
(2015: 7,900,000,000 ordinary shares)					
of Baht 1 each		9,000,000,000	7,900,000,000	9,000,000,000	7,900,000,000
Issued and fully paid					
7,667,826,432 ordinary shares					
of Baht 1 each		7,667,826,432	7,667,826,432	7,667,826,432	7,667,826,432
Share discount		(73,524,495)	(73,524,495)	(73,524,495)	(73,524,495)
Share subscription received in advance	29	300,000,000	-	300,000,000	-
Retained earnings					
Appropriated - statutory reserve	30	300,600,000	274,600,000	300,600,000	274,600,000
Unappropriated		3,298,722,624	3,155,252,421	2,469,400,953	2,213,912,715
Other components of shareholders' equity		(104,960,768)	(73,304,627)	(59,195)	(6,885,081)
Equity attributable to owners of the Company		11,388,663,793	10,950,849,731	10,664,243,695	10,075,929,571
Non-controlling interests of the subsidiaries		2,548,117,674	2,712,653,942	-	-
Total shareholders' equity		13,936,781,467	13,663,503,673	10,664,243,695	10,075,929,571
Total liabilities and shareholders' equity		48,790,217,155	43,277,021,304	37,705,599,067	32,998,962,052

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

STATEMENT OF COMPREHENSIVE INCOME

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenues from sales of land and houses		6,614,021,620	6,624,373,034	4,402,114,835	4,512,460,580
Revenues from sales of residential condominium units		4,987,604,766	3,159,597,336	3,003,215,326	1,261,066,747
Revenues from sales of land		863,671,495	501,420,200	115,832,649	501,420,200
Revenues from hotel operations		2,193,947,244	1,523,618,553	-	-
Rental and service income		361,287,877	224,700,719	47,401,413	35,621,672
Revenues from construction		88,870,789	15,051,584	-	-
Other income					
Management income	6	-	-	94,443,000	106,236,000
Gain from a bargain purchase		-	529,954,652	-	-
Gains on sales of rights in land purchases	16	118,723,397	-	118,723,397	-
Interest income		29,093,135	82,989,764	300,660,582	301,741,141
Dividend income		7,386,408	7,630,422	7,386,408	407,630,422
Others		287,911,188	235,954,249	127,532,875	111,223,082
Total revenues		15,552,517,919	12,905,290,513	8,217,310,485	7,237,399,844
Expenses					
Cost of sales of land and houses		4,280,664,748	4,409,302,956	2,846,396,024	3,015,548,149
Cost of sales of residential condominium units		3,166,083,605	2,361,807,826	1,975,913,003	1,099,300,392
Cost of sale of land		698,391,841	334,645,734	74,476,803	334,645,734
Cost of hotel operations		1,573,634,890	1,067,850,064	-	-
Cost of rental and related services		368,001,155	204,752,841	45,215,867	42,032,450
Cost of construction		69,304,084	13,506,922	-	-
Selling expenses		1,306,590,127	1,302,187,487	733,694,386	685,180,076
Administrative expenses		2,583,493,654	2,294,493,202	1,011,552,036	1,085,946,031

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Total expenses		14,046,164,104	11,988,547,032	6,687,248,119	6,262,652,832
Profit before share of loss from investments in joint ventures,					
finance cost and income tax expenses		1,506,353,815	916,743,481	1,530,062,366	974,747,012
Share of loss from investment in joint venture	13	(21,769,271)	(1,815,540)	-	-
Profit before finance cost and income tax expenses		1,484,584,544	914,927,941	1,530,062,366	974,747,012
Finance cost		(866,986,679)	(635,278,155)	(862,114,391)	(689,185,639)
Profit before income tax expenses		617,597,865	279,649,786	667,947,975	285,561,373
Income tax expenses	32	(285,310,439)	(12,640,918)	(156,428,305)	(9,013,191)
Profit for the year		332,287,426	267,008,868	511,519,670	276,548,182
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency		(3,498,083)	51,058,317	-	-
Gain (loss) on changes in value of available-for-sale investments - net of income tax		6,825,886	(926,790)	6,825,886	(926,790)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		3,327,803	50,131,527	6,825,886	(926,790)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial gain - net of income tax		-	183,902	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	183,902	-	-

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

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) PROPERTY

PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income for the year		3,327,803	50,315,429	6,825,886	(926,790)
Total comprehensive income for the year		335,615,229	317,324,297	518,345,556	275,621,392
Profit (loss) attributable to:					
Equity holders of the Company		399,501,635	360,741,652	511,519,670	276,548,182
Non-controlling interests of the subsidiaries		(67,214,209)	(93,732,784)		
		<u>332,287,426</u>	<u>267,008,868</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		402,829,438	409,911,186	518,345,556	275,621,392
Non-controlling interests of the subsidiaries		(67,214,209)	(92,586,889)		
		<u>335,615,229</u>	<u>317,324,297</u>		
Earnings per share	33				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.05208	0.06159	0.06668	0.04752
Diluted earnings per share					
Profit attributable to equity holders of the Company			0.06185		0.04742

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

CASH FLOW STATEMENT

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	617,597,865	279,649,786	667,947,975	285,561,373
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of loss from investments in joint ventures	21,769,271	1,815,540	-	-
Depreciation and amortisation	747,197,564	434,854,742	29,990,748	32,549,052
Allowance for doubtful accounts	3,709,749	8,580,539	-	1,910,000
Amortisation of prepaid expenses	46,175,486	54,629,660	46,175,486	36,218,693
Withholding tax deducted at source and receivable from the Revenue Department written-off	10,324,171	4,905,054	-	-
Amortisation of debenture issuing cost	23,923,276	29,136,468	21,837,992	29,136,468
Rental received in advance recognition	(20,929,047)	(15,199,977)	(2,936,670)	(3,428,646)
Changes in fair value of current investments in trading securities	(86,564)	72,141	(86,564)	72,141
Allowance for impairment loss on investment	-	2,550,000	-	2,550,000
Reduction of cost to net realisable value (reversal)	(7,934,094)	11,941,225	(7,934,094)	10,098,470
Allowance for impairment of land held for development (reversal)	8,704,175	(5,091,566)	-	(5,256,566)
Allowance for impairment of investment properties	11,500,000	-	-	-
Allowance for impairment of property, plant and equipment	-	36,047,101	-	36,047,101
Loss on disposal of property, plant and equipment	15,985,255	22,274,296	1,645,591	19,370,657
Gains on sales of rights in land purchases	(118,723,397)	-	(118,723,397)	-
Gain from a bargain purchase	-	(529,954,652)	-	-
Dividend income	(7,386,408)	(7,630,422)	(7,386,408)	(407,630,422)
Reversal of provision for loss arising from rental guarantee	-	(4,142,038)	-	(4,142,038)
Warranty provision for real estate projects (reversal)	(29,601,005)	973,215	1,894,225	-
Provision for long-term employee benefits	39,473,379	39,476,172	15,307,178	25,845,980
Change in fair value of forward exchange contracts	-	(5,923,257)	-	-
Interest income	(29,093,134)	(82,989,764)	(300,660,582)	(301,741,141)
Interest expenses	842,547,246	611,065,642	839,731,548	654,695,125

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

CASH FLOW STATEMENT (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit from operating activities before changes				
in operating assets and liabilities	2,175,153,788	887,039,905	1,186,803,028	411,856,247
Decrease (increase) in operating assets				
Trade and other receivables	(77,785,175)	18,590,501	36,958,829	(25,581,818)
Receivable from the Revenue Department	(46,782,370)	(23,377,734)	-	-
Receivable from sales of land	(531,416,448)	1,015,000,000	-	1,015,000,000
Inventories	7,130,134	(214,628)	-	-
Project development costs	(1,820,969,018)	(1,267,955,773)	(371,769,857)	(1,346,952,024)
Advances to contractors	146,945,197	44,859,264	160,076,409	79,079,406
Other current assets	(49,737,888)	(34,732,834)	(64,338,908)	25,084,295
Other non-current assets	(42,351,272)	(49,641,968)	(44,519,907)	(71,038,101)
Increase (decrease) in operating liabilities				
Trade and other payables	(100,610,433)	(67,237,988)	(311,886,048)	98,898,298
Deposits and cash received in advance	58,464,186	263,214,441	(86,456,898)	93,661,020
Other current liabilities	(55,236,434)	(205,450,005)	(10,061,143)	(12,469,066)
Other non-current liabilities	19,939,627	133,305,036	(23,548,362)	(6,297,164)
Net cash from (used in) operating activities	(317,256,106)	713,398,217	471,257,143	261,241,093
Cash paid for interest expenses	(1,355,076,766)	(1,208,529,437)	(1,125,567,843)	(1,034,525,974)
Cash paid for corporate income tax	(256,109,317)	(164,180,101)	(149,129,386)	(97,787,538)
Cash received from interest income	21,227,981	23,729,984	14,341,492	19,208,473
Cash received from corporate income tax	15,729,963	-	-	-
Net cash used in operating activities	(1,891,484,245)	(635,581,337)	(789,098,594)	(851,863,946)

CASH FLOW STATEMENT (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Decrease (increase) in pledged and restricted withdrawal bank deposits	(16,569,659)	239,345,508	(10,785,789)	208,128,542
Increase in loans to related companies	(60,000,000)	-	(3,541,208,020)	(1,782,481,821)
Decrease in loans to related companies	-	-	299,812,685	1,533,066,175
Cash received from interest income	-	-	132,487,129	196,703,088
Cash received from dividend income	7,386,408	7,630,422	407,386,408	7,630,422
Decrease in deposits for acquisition of assets in other companies	10,000,000	-	-	-
Net cash paid for purchases of investments in subsidiaries	-	(1,369,712,147)	(132,306,002)	(3,021,390,445)
Cash paid for purchases of investments in joint ventures	(24,500,000)	(130,000,000)	(12,000,000)	(130,000,000)
Increase in other long-term investments	-	(16,931,283)	-	(16,931,283)
Decrease in other long-term investments	243,450	18,600,000	243,450	18,600,000
Increase in land held for development	(1,603,605,055)	(1,365,349,971)	(1,544,201,229)	(872,292,080)
Increase in investment properties	(9,683,200)	(184,843,882)	-	-
Increase in advances for purchases of land	(579,636,050)	(441,810,623)	(171,993,050)	(342,128,812)
Net cash received from sales of rights in land purchases	182,709,171	-	182,709,171	-
Increase in leasehold rights	(27,500,000)	-	(500,000)	-
Increase in property, plant and equipment	(1,383,691,397)	(652,279,021)	(31,889,618)	(27,483,587)
Increase in intangible assets	(11,792,361)	(28,122,487)	(7,922,409)	(5,239,307)
Increase in deposits for hotel construction	(117,256,700)	-	-	-
Cash received from sales of assets	4,235,821	10,815,333	1,588,785	-
Net cash used in investing activities	(3,629,659,572)	(3,912,658,151)	(4,428,578,489)	(4,233,819,108)
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	20,000,000	778,892,529	20,000,000	319,658,752
Cash paid for short-term loans from financial institutions	(372,022,000)	(1,331,271,771)	(189,745,000)	(510,461,360)
Cash received from bills of exchange payable	6,866,279,570	4,806,591,735	5,095,562,335	3,647,860,074
Cash paid for bills of exchange payable	(5,720,000,000)	(3,240,000,000)	(3,690,000,000)	(3,040,000,000)
Cash received from long-term loans	2,836,398,644	4,719,732,241	1,866,782,674	3,506,876,151
Cash paid for long-term loans	(3,931,026,422)	(3,781,934,230)	(2,865,368,590)	(2,627,363,360)
Cash received from debentures	9,910,252,187	10,962,149,600	8,566,455,500	10,962,149,600
Cash paid for debentures	(4,600,000,000)	(9,000,000,000)	(4,600,000,000)	(9,000,000,000)
Cash received from short-term loans from related party	-	-	490,000,000	197,000,000
Cash paid for short-term loans from related party	-	-	(375,000,000)	(202,000,000)

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

CASH FLOW STATEMENT (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash paid for short-term loans from unrelated party	-	(500,000,000)	-	-
Cash received from issuance of new ordinary shares	300,000,000	1,806,495,077	300,000,000	1,806,495,077
Cash received from non-controlling interests for issuance of ordinary shares of subsidiaries	-	58,174,550	-	-
Cash received from exercised warrants	-	78,379,700	-	78,379,700
Cash paid to non-controlling interests for purchases of ordinary shares of subsidiary	(132,306,003)	-	-	-
Cash paid for liabilities under hire purchase and finance lease agreements	(12,011,156)	-	-	-
Dividend paid	(231,006,249)	(252,877,543)	(231,006,249)	(252,877,543)
Net cash from financing activities	4,934,558,571	5,104,331,888	4,387,680,670	4,885,717,091
Decrease in translation adjustment	(5,132,954)	(6,082,907)	-	-
Net increase (decrease) in cash and cash equivalents	(591,718,200)	550,009,493	(829,996,413)	(199,965,963)
Cash and cash equivalents at beginning of year	3,040,543,409	2,490,533,916	1,878,554,977	2,078,520,940
Cash and cash equivalents at end of year	2,448,825,209	3,040,543,409	1,048,558,564	1,878,554,977
Supplemental cash flow information				
Non-cash transactions				
Transfer of advances for purchases of land to project development costs and land held for development	336,381,311	208,454,126	245,044,500	174,386,201
Transfer of land held for development to project development costs	1,114,579,296	429,391,527	951,825,074	478,932,318
Transfer of property, plant and equipment to project development costs		53,394,050	-	50,504,396
Transfer of property, plant and equipment to investment properties	4,243,444	-	-	-
Amortisation of leasehold rights as cost of investment properties	12,162,857	27,029,644	-	-
Increase in investment properties as a result of accrued land rental expenses	28,259,261	59,778,115	-	-
Payable of acquisition of equipment	29,202,196	26,888,815	-	-

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company													Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity	
	Other components of equity															
	Other comprehensive income					Deficit from the ownership changes in interests in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company								
	Issued and fully paid share capital	Share discount	Share subscription received in advance	Retained earnings												
Statutory reserve				Unappropriated	Deficit on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Difference resulting from share swap between the subsidiaries	Deficit from the ownership changes in interests in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company						
Balance as at 1 January 2015	5,782,951,655	(73,524,495)	-	260,600,000	3,062,810,930	(5,958,291)	(17,371,516)	(46,091,945)	(49,755,400)	(119,177,152)	8,913,660,938	57,935,163	8,971,596,101			
Profit for the year	-	-	-	-	360,741,652	-	-	-	-	-	360,741,652	(93,732,784)	267,008,868			
Other comprehensive income for the year	-	-	-	-	183,902	(926,790)	49,912,422	-	-	48,985,632	49,169,534	1,145,895	50,315,429			
Total comprehensive income for the year	-	-	-	-	360,925,554	(926,790)	49,912,422	-	-	48,985,632	409,911,186	(92,586,889)	317,324,297			
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,686,018,011	2,686,018,011			
from subsidiary acquisition (Note 12.1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-			
Effect of change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-			
in subsidiary (Note 12.1.2)	-	-	-	-	-	-	-	-	(3,113,107)	(3,113,107)	(3,113,107)	47,481,928	44,368,821			
Issuance of new ordinary shares of subsidiary (Note 12.2.1)	-	-	-	-	-	-	-	-	-	-	-	13,805,729	13,805,729			
Issuance of new ordinary shares (Note 29)	1,806,495,077	-	-	-	-	-	-	-	-	-	1,806,495,077	-	1,806,495,077			
Increase in ordinary shares as a result	-	-	-	-	-	-	-	-	-	-	-	-	-			
of warrant exercised (Note 29)	78,379,700	-	-	-	-	-	-	-	-	-	78,379,700	-	78,379,700			
Unappropriated retained earnings transferred	-	-	-	-	14,000,000	(14,000,000)	-	-	-	-	-	-	-			
to statutory reserve (Note 30)	-	-	-	-	-	-	-	-	-	-	-	-	-			
Dividend paid (Note 36)	-	-	-	-	(254,484,063)	-	-	-	-	-	(254,484,063)	-	(254,484,063)			

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

Consolidated financial statements													(Unit: Baht)
Equity attributable to owners of the Company													
					Other components of equity							Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Retained earnings		Other comprehensive income			Total other components of shareholders' equity	Total equity attributable to owners of the Company		
Issued and fully paid share capital	Share discount	Share subscription received in advance	Statutory reserve	Unappropriated	Deficit on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency	Difference resulting from share swap between the subsidiaries	Deficit from the changes in the ownership interests in subsidiaries					
Balance as at 31 December 2015	7,667,826,432	(73,524,495)	-	274,600,000	3,155,252,421	(6,885,081)	32,540,906	(46,091,945)	(52,868,507)	(73,304,627)	10,950,849,731	2,712,653,942	13,663,503,673
Balance as at 1 January 2016	7,667,826,432	(73,524,495)	-	274,600,000	3,155,252,421	(6,885,081)	32,540,906	(46,091,945)	(52,868,507)	(73,304,627)	10,950,849,731	2,712,653,942	13,663,503,673
Profit for the year	-	-	-	-	399,501,635	-	-	-	-	-	399,501,635	(67,214,209)	332,287,426
Other comprehensive income for the year	-	-	-	-	-	6,825,886	(3,498,083)	-	-	3,327,803	3,327,803	-	3,327,803
Total comprehensive income for the year	-	-	-	-	399,501,635	6,825,886	(3,498,083)	-	-	3,327,803	402,829,438	(67,214,209)	335,615,229
Purchases of investment in subsidiary (Note 12.1.1)	-	-	-	-	-	-	-	-	(22,876,753)	(22,876,753)	(22,876,753)	(109,429,250)	(132,306,003)
Effect of change in ownership interests													
in subsidiary (Note 12.2.1)	-	-	-	-	-	-	-	-	(12,107,191)	(12,107,191)	(12,107,191)	12,107,191	-
Issuance of new ordinary shares (Note 29)	-	-	300,000,000	-	-	-	-	-	-	-	300,000,000	-	300,000,000
Unappropriated retained earnings transferred													
to statutory reserve (Note 30)	-	-	-	26,000,000	(26,000,000)	-	-	-	-	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	(230,031,432)	-	-	-	-	-	(230,031,432)	-	(230,031,432)
Balance as at 31 December 2016	7,667,826,432	(73,524,495)	300,000,000	3,298,722,624	(59,195)	29,042,823	(46,091,945)	(87,852,451)	(104,960,768)	(11,388,663,793)	2,548,117,674	13,936,781,467	

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

Separate financial statements								
	Issued and fully paid share capital	Share discount	Share subscription received in advance	Retained earnings		Other components of equity		
				Statutory reserve	Unappropriated	Other comprehensive income	Deficit on changes in value of available-for-sale investments	Total other components of shareholders' equity
Balance as at 1 January 2015	5,782,951,655	(73,524,495)	-	260,600,000	2,205,848,596	(5,958,291)	(5,958,291)	8,169,917,465
Profit for the year	-	-	-	-	276,548,182	-	-	276,548,182
Other comprehensive income for the year	-	-	-	-	-	(926,790)	(926,790)	(926,790)
Total comprehensive income for the year	-	-	-	-	276,548,182	(926,790)	(926,790)	275,621,392
Issuance of new ordinary shares (Note 29)	1,806,495,077	-	-	-	-	-	-	1,806,495,077
Increase in ordinary shares as a result of warrant exercised (Note 29)	78,379,700	-	-	-	-	-	-	78,379,700
Unappropriated retained earnings transferred to statutory reserve (Note 30)	-	-	-	14,000,000	(14,000,000)	-	-	-
Dividend paid (Note 36)	-	-	-	-	(254,484,063)	-	-	(254,484,063)
Balance as at 31 December 2015	7,667,826,432	(73,524,495)	-	274,600,000	2,213,912,715	(6,885,081)	(6,885,081)	10,075,929,571

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

Separate financial statements								
					Other components of equity			Total shareholders' equity
	Issued and fully paid share capital	Share discount	Share subscription received in advance	Retained earnings		Other comprehensive income	Total other components of shareholders' equity	
				Statutory reserve	Unappropriated			
Balance as at 1 January 2016	7,667,826,432	(73,524,495)	-	274,600,000	2,213,912,715	(6,885,081)	(6,885,081)	10,075,929,571
Profit for the year	-	-	-	-	511,519,670	-	-	511,519,670
Other comprehensive income for the year	-	-	-	-	-	6,825,886	6,825,886	6,825,886
Total comprehensive income for the year	-	-	-	-	511,519,670	6,825,886	6,825,886	518,345,556
Issuance of new ordinary shares (Note 29)	-	-	300,000,000	-	-	-	-	300,000,000
Unappropriated retained earnings transferred								
to statutory reserve (Note 30)	-	-	-	26,000,000	(26,000,000)	-	-	-
Dividend paid (Note 36)	-	-	-	-	(230,031,432)	-	-	(230,031,432)
Balance as at 31 December 2016	7,667,826,432	(73,524,495)	300,000,000	300,600,000	2,469,400,953	(59,195)	(59,195)	10,664,243,695

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Property Perfect Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the property development. The registered office of the Company is at 100/1 Vorasombat Building, 17th Floor, Rama 9 Road, Huaykwang, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
			%	%
Subsidiaries directly owned by the Company				
Thai Property Public Company Limited	Property development	Thailand	94.60	89.67
We Retail Public Company Limited	Property development, shopping mall and commercial areas	Thailand	94.97	94.97
Estate Perfect Company Limited	Property development	Thailand	100.00	100.00
Perfect Sport Club Company Limited	Clubhouse management	Thailand	100.00	100.00
Bright Development Bangkok Company Limited	Property development	Thailand	100.00	100.00
Residence Number Nine Limited	Property development	Thailand	100.00	100.00
U&I Construction Bangkok Company Limited	Construction service	Thailand	100.00	100.00
Perfect Prefab Company Limited	Producing and assembling prefabricated building system	Thailand	51.00	51.00
Uniloft Service (Thailand) Company Limited	Apartment service	Thailand	100.00	100.00
Property Perfect International Pte. Ltd.	Investment in overseas projects	Singapore	100.00	100.00
Chiangmai Development Company Limited	Property development	Thailand	100.00	100.00
Ramintra Mall Company Limited	Property development	Thailand	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
			%	%
Subsidiaries which the Company owns through				
Thai Property Public Company Limited ("TPROP")				
Bangkok Centerpoint Company Limited	Management of space for sale and/or lease	Thailand	100.00	100.00
Pacific Estate Development Limited	Office building rental and provision for related services	Thailand	100.00	100.00
Scenery Peak Limited	Investment in other companies	British Virgin Islands	100.00	100.00
Metro Premier Holding Company Limited	Investment in other companies	Thailand	100.00	100.00
Subsidiary which the Company owns through				
TPROP and Metro Premier Holding Company Limited				
Grande Asset Hotels and Property Public Company Limited (1.70% held by the Company)	Hotel business, rental of shopping plaza and property development	Thailand	40.62	40.62
Subsidiaries which the Company owns through				
Grande Asset Hotels and Property Public Company Limited				
Honor Business Company Limited	Hotel	Thailand	100.00	100.00
Grande Equity Development Company Limited	Temporarily ceased operations	Thailand	100.00	100.00
Subsidiary which the Company owns through				
Honor Business Company Limited				
Owendelle Company Limited	Sublease of hotel leasehold rights	Thailand	100.00	100.00
Subsidiary which the Company owns through				
We Retail Public Company Limited				
Centrepont Shopping Mall Company Limited	Property development, shopping mall and commercial areas	Thailand	100.00	100.00
Subsidiary which the Company owns through				
Property Perfect International Pte. Ltd.				
Kiroro Resort Holdings Company Limited	Investment in hotel business	Japan	97.27	95.61
Subsidiaries which the Company owns through				
Kiroro Resort Holdings Company Limited				
Kabushiki Kaisha Kiroro Associates Company Limited	Ski operations	Japan	100.00	100.00
Kiroro Hotels Company Limited	Hotel	Japan	100.00	100.00
Kiroro Resort Development Company Limited	Property development	Japan	100.00	-

- b) The Company and its subsidiaries are deemed to have control over an investee or subsidiaries if they have rights, or are exposed, to variable returns from their involvement with the investee, and they have the ability to direct the activities that affect the amount of its returns.

- c) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company and subsidiaries obtain control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) The consolidated financial statements of Grande Asset Hotels and Property Public Company Limited and its subsidiaries (Honor Business Company Limited, Grande Equity Development Company Limited and Owendelle Company Limited), in which TPROP’s shareholdings are less than 50%, were included in this consolidated financial statements because TPROP is a major shareholder and has the ability to direct the significant activities, while other shareholders are only minor shareholders.

2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which became effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards did not have any significant impact on the Company and its subsidiaries’ financial statements

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

4. Significant accounting policies**4.1 Revenue recognition****Revenues from sales of land and houses/residential condominium units/land**

Revenues from sales of land and houses, residential condominium units and land are recognised as revenues when significant risks and rewards are transferred to the buyer.

Revenue from hotel operations

Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from auxiliary activities. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.

Rental and service income

Rental income is recognised as revenue on a straight-line basis over the periods of the related lease agreements and service income is recognised when services have been rendered.

Unearned lease right is recognised as revenue equally over the period of lease.

Revenues from construction services

Revenues from construction services are recognised on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.

Management income

Management income is recognised when services have been rendered taking into account the stage of completion, excluding value added tax. Service rate charged is in accordance with rates as stipulated in the contract.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of sales of land and houses/residential condominium units

In determining the cost of sales of land and houses and residential condominium units, the anticipated total development costs (after recognising the costs incurred to date) are attributed to units already sold on the basis of the salable area and then recognised as costs in profit or loss.

4.3 Cost of construction services

The cost of construction comprises the costs of materials, labour, subcontractors' charges, other services and overhead, which are recognised on an accrual basis.

Provision for anticipated losses on construction projects is made in the accounts in full when the possibility of loss is ascertained.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Accounts receivable

Accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.6 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value.

4.7 Project development costs

Project development costs are valued at the lower of cost and net realisable value.

Project development costs consist of the costs of land, land development, construction, land lease and related interest.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the estimated useful lives of 30 years. Depreciation of the investment properties is included in profit or loss.

No depreciation is provided on investment properties in progress.

4.10 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives:

Office buildings and clubhouses	5 to 20 years
Hotel buildings	5 to 47 years and remaining period of lease
Hotel building improvements	2 to 30 years and remaining period of lease

Office and hotel furniture and fixtures	2 to 17 years
Tools and equipment	2 to 7 years
Motor vehicles	2 to 8 years
Others	2 to 18 years

Depreciation is included in profit or loss.

No depreciation has been provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.11 Intangible assets - Computer software

Computer software is carried at cost less accumulated amortisation and allowance for loss on impairment (if any).

Computer software is amortised on a systematic basis over the estimated useful lives of 1-10 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.12 Leasehold rights and amortisation

Leasehold right is stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any).

Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

Amortisation is included in profit or loss and is capitalised as part of project costs for projects under development.

4.13 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in non-marketable equity securities, which the Company classified as other investments, are stated at cost net of allowance for loss on impairment (if any).
- d) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method net of allowance for loss on impairment (if any).

The fair value of marketable securities (investments in securities held for trading and available-for-sale securities) is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.14 Business combinations

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and the services are received.

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

4.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associate and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the operations of Company and its subsidiaries.

4.16 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.17 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by cross currency swap contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in profit or loss.

Exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation will be recognised in other comprehensive income in the consolidated financial statements and reclassified from equity to profit or loss on disposal of the net investment.

4.18 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the reversal of impairment loss is directly recognised in profit or loss.

4.19 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary and an overseas subsidiary's management based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits recognised immediately in other comprehensive income.

4.20 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, they are probable that outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

4.21 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.22 Derivatives

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property plant and equipment/Investment properties/Depreciation

In determining depreciation of plant and equipment and investment properties, the management is required to make estimates of the useful lives and residual values of the plant and equipment and investment properties and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and investment properties for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Project development costs estimation

In recognising revenues from real estate sales, the Company and its subsidiaries need to estimate all project development costs, including land costs, land development costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigations

The Company and its subsidiaries have contingent liabilities as a result of litigations. The management has used judgement to assess the results of the litigations and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing policy
	2016	2015	2016	2015	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Sale of land	-	-	9	-	By agreement
Management income	-	-	94	106	By agreement
Interest income	-	-	280	223	At cost of fund
Dividend income	-	-	-	400	Announced rate
Other income	-	-	4	4	By agreement
Interest expenses	-	-	13	11	At cost of fund
Cost of construction of houses	-	-	202	120	By agreement
Transactions with related companies					
Construction income	89	15	-	-	By agreement
Cost of construction of houses	88	41	88	31	By agreement
Consultation fee	3	11	3	11	By agreement

As at 31 December 2016 and 2015, the balances of the accounts between the Company, its subsidiaries and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other receivables - related parties (Note 7)				
Subsidiaries	-	-	190,363	596,732
Related parties (related person/a subsidiary as a shareholder/ a subsidiary's shareholder)	94,063	9,139	-	-
Total trade and other receivables - related parties	94,063	9,139	190,363	596,732
Advances to contractors - related parties				
Subsidiary	-	-	5	18
Related party (a subsidiary's shareholder)	5,748	11,859	5,748	11,911
Total advances to contractors - related parties	5,748	11,859	5,753	11,929
Trade and other payables - related parties (Note 23)				
Subsidiaries	-	-	19,228	18,244
Related party (a subsidiary's shareholder)	4,231	10,890	3,727	9,150
Total trade and other payables - related parties	4,231	10,890	22,955	27,394

Loans to and loans from related parties

As at 31 December 2016 and 2015, the balances of loans between the Company and its subsidiaries and the movements were as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
Short-term loans to related company	Balance as at 31 December 2015	Increase during the period	Decrease during the period	Balance as at 31 December 2016
All Discount Co., Ltd.	-	60,000	-	60,000
Total	-	60,000	-	60,000

(Unit: Thousand Baht)

Separate financial statements				
Long-term loans to subsidiaries	Balance as at 31 December 2015	Increase during the period	Decrease during the period	Balance as at 31 December 2016
Estate Perfect Co., Ltd.	634,268	795,000	(11,696)	1,417,572
Bright Development Bangkok Co., Ltd.	1,705,419	1,230,000	-	2,935,419
U&I Construction Bangkok Co., Ltd.	90,000	350,000	(80,000)	360,000
Perfect Prefab Co., Ltd.	50,000	-	(8,117)	41,883
Property Perfect International Pte. Ltd. ("PPI")	1,314,647	164,825	(645,472)	834,000
Chiangmai Development Co., Ltd.	150,330	7,500	-	157,830
Kiroro Resort Holding Co., Ltd. ("KRH")	200,000	1,721,535	(200,000)	1,721,535
Ramintra Mall Co., Ltd.	-	29,500	-	29,500
Total	4,144,664	4,298,360	(945,285)	7,497,739

Note: Loan to PPI amounting to Baht 645 million and interest receivables amounting to Baht 112 million were converted to loan to KRH.

(Unit: Thousand Baht)

Separate financial statements				
Short-term loans to subsidiaries	Balance as at 31 December 2015	Increase during the period	Decrease during the period	Balance as at 31 December 2016
Residence Number Nine Ltd.	170,000	490,000	(375,000)	285,000
Total	170,000	490,000	(375,000)	285,000

Directors' and management's benefits

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term employee benefits	174	144	72	72
Post-employment benefits	4	7	3	5
Total	178	151	75	77

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in Note 37.4 a) to the financial statements.

7. Trade and other receivables

As at 31 December 2016 and 2015, trade and other receivables were classified by aging as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties				
Aged on the basis of due dates				
Past due				
Up to 3 months	-	9,139	-	-
3 - 6 months	1,191	-	-	-
6 - 12 months	73,576	-	-	-
Over 12 months	11,160	-	-	-
Total trade receivables - related parties	85,927	9,139	-	-
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	74,102	82,684	-	-
Past due				
Up to 3 months	125,896	82,204	-	-
3 - 6 months	3,772	1,014	-	-
6 - 12 months	4,273	1,811	-	-
Over 12 months	77,844	75,683	4,063	4,063
Total	285,887	243,396	4,063	4,063
Less: Allowance for doubtful debts	(82,527)	(78,817)	(4,063)	(4,063)
Total trade receivables - unrelated parties - net	203,360	164,579	-	-
Trade receivable, net	289,287	173,718	-	-
Other receivables				
Advances - related parties	-	-	8,137	33,229
Interest receivables - related parties	1,191	-	160,820	125,342
Interest receivables	6,674	-	6,674	-
Other receivables - related parties	6,945	-	21,406	38,161
Dividend receivables - related parties	-	-	-	400,000
Accounts receivable - foreign currency forward contracts	-	5,924	-	-
Other receivables	35,654	78,168	4,888	-
Total other receivables	50,464	84,092	201,925	596,732
Trade and other receivables, net	339,751	257,810	201,925	596,732

8. Receivable from sales of land

On 11 August 2016, two subsidiaries entered into agreements to sell and to purchase land with an unrelated individual with a total value of Baht 584 million. The subsidiaries made cash payment totaling Baht 500 million and issued a promissory note of Baht 84 million in settlement, and received the transfer of ownership of the land on 15 August 2016.

Subsequently, on 8 September 2016, the subsidiaries entered into agreements to sell and to purchase this land with an unrelated party with a total value of Baht 732 million. The subsidiaries registered the transfer of ownership of the land and received cash payment of Baht 183 million, promissory notes amounting to Baht 192 million and bills of exchange amounting to Baht 357 million which are due in September 2017.

The subsidiaries recorded the promissory notes and bills of exchange at a discount, based on the weighted average cost of funds of the subsidiaries, and presented them under the heading of “Receivable from sales of land” in the consolidated statement of financial position. Details are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Receivable from sales of land	548,803	-
Less: Deferred interest income	(17,387)	-
Receivable from sales of land, net	531,416	-

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Food and beverage	7,539	8,143	-	-	7,539	8,143
Other goods and supplies	30,247	36,218	(2,882)	(2,327)	27,365	33,891
Total	37,786	44,361	(2,882)	(2,327)	34,904	42,034

10. Project development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land and construction developed	7,478,575	6,049,894	4,191,985	3,751,355
Land and construction under development	17,901,215	15,673,725	10,785,017	9,498,241
Total	25,379,790	21,723,619	14,977,002	13,249,596
Less: Reduction of cost to net realisable value	(56,176)	(64,110)	(53,807)	(61,741)
Net	25,323,614	21,659,509	14,923,195	13,187,855
Borrowing costs	609,057	572,483	403,811	441,701
Interest rate (%)	4.87 - 7.03	3.85 - 7.00	4.87 - 5.49	5.26 - 5.51
Mortgaged as collateral for credit facilities, guarantees and debentures	15,123,433	15,968,621	9,035,021	9,404,126

Reduction of cost to net realisable value (reversal) was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Increase	8	15	8	13
Reversal	(16)	(3)	(16)	(3)
Net	(8)	12	(8)	10

11. Deposits for acquisition of shares and assets in other companies

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Deposit for acquisition of shares	89,000	89,000
Deposits for acquisition of assets	100,400	110,400
	189,400	199,400
Less: Allowance for impairment loss	(149,400)	(149,400)
Net	40,000	50,000

11.1 Deposit for acquisition of shares

On 31 May 2010, a subsidiary had entered into a memorandum of understanding to purchase and to sell a company's shares. The subsidiary paid the seller a deposit of Baht 89 million. Subsequently, on 15 March 2013, the subsidiary entered into a memorandum of understanding to transfer the right to purchase that company's shares to another party, at a price of Baht 105 million. The subsidiary received a deposit of Baht 10 million from the transferee. The transferee had not paid the remaining amount of right transfer to the subsidiary, although it had been extended several times.

During the year 2015, the subsidiary cancelled a memorandum of understanding with the transferee and confiscated a deposit of Baht 10 million. After that, the subsidiary transferred the right to purchase that company's shares to new another party, at a price of Baht 85 million. The subsidiary received a deposit of Baht 40 million from the new transferee.

11.2 Deposits for acquisition of assets

The balances include a deposit for acquisition of 71 units in a condominium project at a price of Baht 560 million in accordance with the agreement to purchase and to sell condominium units entered into by the subsidiary with an unrelated party on 14 November 2013. On the agreement date, the subsidiary paid the seller a deposit of Baht 100 million. Currently, ownership of the units has not been transferred to the subsidiary and payment has not been made.

The management of the Company and the subsidiary revisited the transfer of the rights in 11.1 and deposits for acquisition of assets in 11.2, and are of the opinion that the subsidiary should request the cancellation of the transfer of assets in 11.1 and confiscate the deposit. In addition, the subsidiary should temporarily cease any operations related to the project in 11.2. For conservative reasons, the management of the subsidiary therefore recorded full allowance for impairment of the deposits in 11.1 (net of the deposits received from the transferees) and 11.2.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost	
	2016	2015	2016	2015
Thai Property Public Company Limited	3,193,185	3,193,185	1,764,372	1,632,066
Grande Asset Hotels and Property Public Company Limited	2,889,039	2,889,039	63,339	63,339
We Retail Public Company Limited	2,615,114	2,615,114	2,601,973	2,601,973
Estate Perfect Company Limited	1,200,000	1,200,000	738,459	738,459
Bright Development Bangkok Company Limited	1,000,000	1,000,000	999,999	999,999
Residence Number Nine Limited	1,000,000	1,000,000	507,000	507,000
Perfect Sport Club Company Limited	50,000	50,000	50,000	50,000
U&I Construction Bangkok Company Limited	100,000	100,000	100,000	100,000
Perfect Prefab Company Limited	2,500	2,500	1,275	1,275
Uniloft Service (Thailand) Company Limited	1,325	1,325	1,325	1,325
Property Prefect International Pte. Ltd.	-	-	-	-
Chiangmai Development Company Limited	200,000	200,000	200,000	200,000
Ramintra Mall Company Limited	350,000	350,000	350,000	350,000
Total			7,377,742	7,245,436

Details of investment in subsidiary that has material non-controlling interests were as follows:

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year	
	2016	2015	2016	2015	2016	2015
	(%)	(%)				
Grande Asset Hotels and Property Public Company Limited	59.87 ¹	61.88 ¹	2,380	2,528	69	87 ²

¹ Calculated based on Thai Property Public Company Limited and its subsidiary's 40.62% shareholding and the Company's 1.70% shareholding in Grande Asset Hotels and Property Public Company Limited

² For the period as from 1 June to 31 December 2015

Summarised financial information that based on amounts before inter-company elimination about Grande Asset Hotels and Property Public Company Limited and its subsidiaries (after fair value adjustment at the acquisition date) that have material non-controlling was as follows:

Summarised information about financial position

(Unit: Million Baht)

	2016	2015
Current assets	2,947	2,242
Non-current assets	6,084	5,129
Current liabilities	1,843	1,961
Non-current liabilities	3,213	1,324

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December 2016	For the period as from 1 June to 31 December 2015
Revenues	1,454	882
Loss	(110)	(141)
Total comprehensive income	(110)	(141)

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December 2016	For the period as from 1 June to 31 December 2015
Cash flow from operating activities	-	153
Cash flow used in investing activities	(1,285)	(133)
Cash flow from financing activities	1,388	104
Net increase in cash and cash equivalents	103	124

12.1 Subsidiaries directly owned by the Company

12.1.1 Thai Property Public Company Limited (“TPROP”) and Grande Asset Hotels and Property Public Company Limited (“GRAND”)

Transactions during the year 2015

On 26 February 2015, a meeting of the Company’s Board of Directors passed resolutions to approve the withdrawal of the Company’s application and information filing for a securities offering that it had submitted to the Office of the Securities and Exchange Commission, and to approve the changes in method of payment of the considerations for the acquisitions of the businesses of TPROP and GRAND.

Referring to a resolution of the Annual General Meeting of the Company’s shareholders on 23 April 2015, the Company made a tender offer for all securities of TPROP, with the tender offer period commencing from 28 April 2015 to 5 June 2015. When the tender offer period ended, the Company had acquired 2,863,274,022 ordinary shares at a price of Baht 0.57 each (89.67% of the total paid-up shares of TPROP), for a total of Baht 1,632 million.

TPROP is a public company incorporated and domiciled in Thailand and principally engaged in real estate development. TPROP’s securities are included in Non-Performing Group of listed companies.

Since the tender offer for TPROP was successful, the Company has significant control over GRAND, which is a subsidiary of TPROP (5.09% directly held by TPROP and 35.53% held through Metro Premier Holding Company Limited). In accordance with the Notification of the Capital Market Supervisory Board No. Thor.Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (Chain Principle), the Company made a tender offer for all securities of GRAND, with a tender offer period as from 8 June 2015 to 22 July 2015. At the end of the tender offer period, the Company had acquired 49,099,819 ordinary shares at a price of Baht 1.29 each (1.70% of total paid-up shares of GRAND), for a total of Baht 63 million.

Therefore, the Company included the acquisition of GRAND’s ordinary shares in its calculation of the fair value of the Company’s proportionate interest in the net assets of TPROP and GRAND and included the consideration transferred to purchase GRAND’s ordinary shares as a part of the total consideration transferred under this business acquisition.

As a result, the Company has had control over TPROP and its subsidiaries from 5 June 2015. However, the Company’s management estimated that the assets and liabilities of TPROP and its subsidiaries as at 5 June 2015 and 31 May 2015 were not materially different. The Company has therefore assumed that the date of the share acquisition was 31 May 2015 and included TPROP and its subsidiaries’ operating results in the Company’s consolidated financial statements as from 1 June 2015.

The Company completed measurement of the fair value of identifiable assets acquired and liabilities assumed at the acquisition date.

Details of the fair and book values of identifiable assets and liabilities of the subsidiary as at 31 May 2015 were as follows.

(Unit: Thousand Baht)

	Fair value	Book value
Assets		
Cash and cash equivalents	325,693	325,693
Trade and other receivables	87,627	87,627
Receivable from the Revenue Department	38,624	38,624
Project development costs	1,730,988	1,387,788
Others current assets	127,751	127,751
Pledged and restricted withdrawal bank deposits	36,134	36,134
Deposits for acquisition of shares and assets in other companies	50,000	50,000
Investment properties	453,244	287,222
Property, plant and equipment	4,112,849	3,402,552
Leasehold rights	953,124	505,284
Deferred tax assets	21,368	21,368
Other non-current assets	79,573	79,573
Total assets	8,016,975	6,349,616
Liabilities		
Short-term loans from financial institutions	200,000	200,000
Trade and other payables	237,103	237,103
Bills of exchange payable	198,310	198,310
Short-term loan from an unrelated party	500,000	500,000
Current portion of long-term loans from financial institutions	61,250	61,250
Income tax payable	24,763	24,763
Deposits received	218,985	218,985
Other current liabilities	117,629	117,629
Long-term loans from financial institutions, net of current portion	1,014,316	1,014,316
Unearned lease rights	61,067	61,067
Provision for long-term employee benefits	57,188	57,188
Deferred tax liabilities	405,165	71,693
Other non-current liabilities	9,821	9,821
Total liabilities	3,105,597	2,772,125
Net asset value	4,911,378	3,577,491
Less: Non-controlling interests at their proportion	(2,686,018)	
Fair value of net asset value at the Company's proportion	2,225,360	

The results of operations of TPROP and its subsidiaries for the period as from 1 June 2015 to 31 December 2015 were detailed below.

(Unit: Thousand Baht)

Revenues from hotel operations	604,364
Revenues from sales of residential condominium units	251,467
Rental and service income	162,008
Other income	22,339
Cost of hotel operations	(357,261)
Cost of sales of residential condominium units	(124,845)
Cost of rental and service	(134,348)
Selling expenses	(130,052)
Administrative expenses	(313,535)
Finance cost	(33,496)
Income tax expenses	(289)
Loss for the period	(53,648)

Details of the acquisition were as follows:

(Unit: Thousand Baht)

Consideration transferred ⁽¹⁾	1,695,405
Less: Fair value of net asset value at the Company's proportion ⁽¹⁾	(2,225,360)
Gain from a bargain purchase	(529,955)

⁽¹⁾ including purchase of GRAND's ordinary shares

(Unit: Thousand Baht)

Cash paid for purchase of investments in subsidiaries	1,695,405
Less: Cash and cash equivalents of the subsidiaries at the acquisition date	(325,693)
Net cash paid for purchase of investments in subsidiaries	1,369,712

Before recognising the gain from a bargain purchase, the Company reassessed the correctness of all of the assets acquired and all of the liabilities assumed by considering the assets acquired based on two reports from independent appraisers and considering the contingent liabilities relating to litigation based on a lawyer's opinion and believes that the subsidiary would have no material obligations arising from the litigations' results, to ensure that the measurements of the assets and liabilities appropriately reflected all available information as of the acquisition date. Therefore, the Company recorded the gain from a bargain purchase amounting to Baht 530 million in profit or loss. The purchase of TPROP's ordinary shares at a price lower than fair value was able to occur because the TPROP was in the group of listed companies facing possible delisting with its shares having been moved by the SET to the Non Compliance and Non Performing Group (NC & NPG). TPROP's shares may therefore not have any trading liquidity if trading of the shares on the SET is unable to be resumed in the future.

Transactions during the year 2016

On 15 July 2016, the Company's Board of Directors passed a resolution to approve the Company's proceeding with a request to delist shares of TPROP from the Stock Exchange of Thailand and to make a tender offer for all securities of TPROP for the purpose of the delisting at a price of not lower than Baht 0.84 per share.

Subsequently, TPROP was granted approval to request the delisting of its shares from the Stock Exchange of Thailand by meetings of its Board of Directors and its shareholders held on 15 July 2016 and 25 August 2016, respectively.

In order to delist its securities, the Company made a tender offer for all securities of TPROP to the minority shareholders of TPROP, totaling 329,911,449 shares, at a price of Baht 0.84 per share, or for a total amount not exceeding Baht 277,125,617.16, with the tender offer period running from 22 September 2016 to 24 November 2016. When the tender offer period ended, the Company had acquired 157,507,145 ordinary shares at a price of Baht 0.84 each (4.93% of the total paid-up shares of TPROP), for a total of Baht 132 million. As a result, the Company's shareholding in TPROP increased from 89.67% to 94.60%. The Company recorded the effect of the change in its shareholding in TPROP in other components of equity, under shareholders' equity in the consolidated financial statements as follows:

	<i>(Unit: Thousand Baht)</i>
	Consolidated financial statements
Purchase price	132,306
Less: Non-controlling interests of subsidiary adjusted	(109,429)
Deficit from the change in the ownership interests in subsidiary	22,877

Subsequently, TPROP proceeds with delisting its securities from the Stock Exchange of Thailand. The Board of Governors of Stock Exchange of Thailand has approved the delisting securities of TPROP effective from 9 December 2016.

12.1.2 We Retail Public Company Limited ("We Retail")

Transactions during the year 2015

On 21 April 2015, the Annual General Meeting of We Retail's shareholders passed the following significant resolutions:

- a) To approve the allocation of 1,267,535,714 ordinary shares with a par value of Baht 1.05 to be sold to its existing shareholders (rights offering) in a ratio of 1 new share for every 1 existing share, at a price of Baht 1.10 each. Subsequently, on 6 August 2015, We Retail set a date of 24 August 2015 for fixing the names of shareholders who are entitled to subscribe to the additional ordinary shares (Record Date), with the names of the shareholders to be compiled by means of closing the share register on 25 August 2015.

Subsequently, We Retail received payment for the capital increase amounting to Baht 1,345,354,307 (1,223,049,370 ordinary shares of Baht 1.10 each), with the Company investing Baht 1,300,985,485.80 (1,182,714,078 ordinary shares with a value of Baht 1.10 each) in We Retail's additional ordinary shares, in proportion to its existing shareholding. However, the other shareholders did not invest in the additional shares in proportion to their existing shareholdings and, as a result, the Company's shareholding in We Retail increased from 93.31% to 94.97%. The Company recorded the effect of the change in its shareholding in We Retail in other components of equity, under shareholders' equity in the consolidated financial statements as follows:

	<i>(Unit: Thousand Baht)</i>
Cash received from non-controlling interests for additional ordinary shares of We Retail	44,369
Less: Non-controlling interests of We Retail adjusted	(47,482)
Deficit from the change in the ownership interests in We Retail	(3,113)

We Retail is in the process of allocating the remaining 44,486,344 additional ordinary shares to its existing shareholders via a rights offering and/or by private placement, in accordance with a resolution of the Annual General Meeting of its shareholders.

- b) To approve the allocation of 2,000,000,000 ordinary shares with a par value of Baht 1.05 each to be sold by private placement to unrelated parties in a single or multiple tranches, at prices of not less than 90% of the market price. Currently, We Retail is in the process of allocating the ordinary shares.

12.1.3 Estate Perfect Company Limited (“Estate”)

Transactions during the year 2015

On 1 December 2015, the Board of Directors of Estate passed a resolution to approve payment of interim dividend of Baht 300 million (at a rate of Baht 2.50 per share) to the shareholders, in respect of the operating results in the past. On 31 January 2016, Estate already paid the dividend.

12.1.4 Bright Development Bangkok Company Limited (“Bright”)

Transactions during the year 2015

On 2 December 2015, the Board of Directors of Bright passed a resolution to approve payment of interim dividend of Baht 100 million (at a rate of Baht 10 per share) to the shareholders, in respect of the operating results in the past. On 31 January 2016, Bright already paid the dividend.

12.2 Subsidiaries indirectly owned by the Company

12.2.1 Kiroro Resort Holdings Company Limited (“KRH”) (held by Property Perfect International Pte. Ltd. (“PPI”))

Transactions during the year 2015

On 3 August 2015, a meeting of the Board of Directors of KRH passed a resolution to approve a JPY 2,500 million increase in its registered share capital, with an initial amount of JPY 1,048.7 million called up. PPI and other shareholders invested in KRH's additional ordinary shares in proportion to their existing shareholding. As a result, PPI's shareholding in KRH remains unchanged at 95.61%.

Transactions during the year 2016

In January 2016, PPI invested JPY 499 million in KRH's additional ordinary shares in proportion to its existing shareholding in accordance with a resolution of a meeting of KRH's Board of Directors on 3 August 2015 and invested JPY 500 million in KRH's additional ordinary shares (100,000 ordinary shares with a value of JPY 5,000 each) settled against loans from PPI to KRH in accordance with a resolution of a meeting of KRH's Board of Directors on 29 December 2015. As a result, PPI's shareholding in KRH increased from 95.61% to 97.27%. The Company recorded the effect of the change in PPI's shareholding in KRH amounting to JPY 31 million (equivalent to Baht 12 million) in other components of equity, under shareholders' equity in the consolidated financial statements.

12.2.2 Kiroro Resort Development Company Limited (“KRD”) (held by KRH)

Transactions during the year 2016

On 22 March 2016, a meeting of the Board of Directors of KRH passed a resolution to approve the establishment of KRD, to engage in the real estate development, with a registered share capital of JPY 30 million, with KRH to hold a 100% interest. This company registered its incorporation on 30 March 2016.

13. Investments in joint ventures

13.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of the investments were as follows:

(Unit: Thousand Baht)

Jointly controlled entities	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	2016	2015	2016	2015
Dara Harbour Company Limited	127,753	128,184	130,000	130,000
T Utilities Company Limited	6,099	-	12,000	-
Total	133,852	128,184	142,000	130,000

Investments under equity method presented under “Provision for transaction under equity method of investment in joint venture” were detailed as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements	
	2016	2015
All Discount Company Limited	2,936	-
Total	2,936	-

13.1.1 Dara Harbour Company Limited (held by the Company)

On 12 November 2015, a meeting of Board of Directors of the Company pass a resolution to ratify establishment of Dara Harbour Company Limited, to engage in property development, with a registered share capital of Baht 400 million (40,000,000 ordinary shares with a par value of Baht 10 each (50% called up)). This company registered its incorporation on 7 September 2015. The Company held a 65% interest.

13.1.2 T Utilities Company Limited (held by the Company)

On 25 February 2016, the meeting of the Company’s Board of Directors passed a resolution to approve a joint investment in T Utilities Company Limited (“TU”), to be engaged in investment in infrastructure companies and projects, with a registered share capital of Baht 500 million (50,000,000 ordinary shares with a par value of Baht 10 each) (3% called up). The Company held a 40% interest in TU.

13.1.3 All Discount Company Limited (held by We Retail Public Company Limited (“We Retail”))

On 17 February 2016, the meeting of Board of Directors of We Retail passed a resolution to approve the establishment of a joint venture, All Discount Company Limited (“All Discount”) to be engaged in retail business. Such company has a registered share capital of Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100 each) (25% called up). We Retail held a 50% interest in All Discount.

13.2 Share of loss

During the year, the Company and its subsidiaries recognised their share of loss from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	2016	2015
Dara Harbour Company Limited	432	1,816
T Utilities Company Limited	5,901	-
All Discount Company Limited	15,436	-
Total	21,769	1,816

14. Other long-term investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2016	2015
Available-for-sale securities		
Domestic marketable equity securities	107,757	108,000
Less: Allowance for change in value	(74)	(8,606)
	107,683	99,394
Other investment		
Domestic non-marketable equity security	4,275	4,275
Less: Allowance for impairment	(2,550)	(2,550)
	1,725	1,725
Other long-term investments, net	109,408	101,119

15. Land held for development

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land held for development	6,696,995	5,962,925	5,230,678	4,393,257
Less: Allowance for impairment	(75,746)	(67,042)	(62,547)	(62,547)
Land held for development, net	6,621,249	5,895,883	5,168,131	4,330,710
Mortgaged as collateral for credit facilities, guarantees and debentures	1,163,010	982,801	909,790	391,020

Allowance for impairment (reversal) was as follows:

(Unit: Million

Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Increase	9	-	-	-
Reversal	-	(5)	-	(5)
Net	9	(5)	-	(5)

16. Advances for purchases of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Advances paid to landowners under agreements to purchase and to sell land ⁽¹⁾	796,264	480,994	339,764	342,800
Advances paid to agents in acquiring land	124,985	197,000	124,985	195,000
Total	921,249	677,994	464,749	537,800
⁽¹⁾ Values of agreements to purchase and to sell land	3,238,203	2,908,513	1,756,053	2,023,016

During the year, the Company entered into memorandums with 3 unrelated companies to sell rights under agreements to sell and to purchase land made between the Company and the landowners. The transfers of land between the landowners and the 3 companies were completed. The Company also complied with the significant conditions stipulated in the memorandums between the Company and 3 companies. The Company, as agent for the purchases of land, received payments from sales of rights in land purchases amounting to Baht 276 million from 3 companies and recorded gains from these transactions net of the related costs under the heading of "Gains on sales of rights in land purchases" in profit or loss for the current year. Details are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Cash received from sales of rights in land purchases	276,252
Less: Advances for purchases of land of the Company	(85,443)
Cost of servitude land and road construction	(63,986)
Cost of transactions	(8,100)
Gains on sales of rights in land purchases	118,723

17. Investment properties

The net book value of investment properties as at 31 December 2016 and 2015 was presented below.

(Unit: Thousand Baht)

Consolidated financial statements				
	Shopping malls and commercial area for rent	Office building for rent	Shopping malls and commercial area under development	Total
31 December 2016				
Cost	715,125	408,074	1,323,133	2,446,332
Less Accumulated depreciation	(36,712)	(174,043)	-	(210,755)
Allowance for impairment	(11,500)	(2,000)	-	(13,500)
Net book value	666,913	232,031	1,323,133	2,222,077
31 December 2015				
Cost	713,345	402,654	1,246,614	2,362,613
Less Accumulated depreciation	(11,443)	(62,301)	-	(73,744)
Allowance for impairment	-	(2,000)	-	(2,000)
Net Book value	701,902	338,353	1,246,614	2,286,869

A reconciliation of the net book value of investment properties for the years 2016 and 2015 was presented below.

(Unit: Thousand Baht)

Consolidated financial statements		
	2016	2015
Net book value at beginning of year	2,286,869	1,540,394
Increase from subsidiary acquisition	-	453,244
Acquisition of assets	9,683	184,844
Transfer from property, plant and equipment	4,243	343
Amortisation of leasehold rights as investment properties	12,163	27,030
Capitalised interest ⁽¹⁾	29,370	96,730
Increase from accrued land rental expenses	28,260	59,779
Depreciation charged	(137,011)	(75,495)
Allowance for impairment	(11,500)	-
Net book value at end of year	2,222,077	2,286,869

⁽¹⁾ Interest is charged at the rates 4.77% - 10.48% per annum

The fair value of the investment properties as at 31 December 2016 and 2015 was stated below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2016	2015
Shopping malls and commercial area for rent	811,700	863,000
Office building for rent	285,070	541,562

The fair value above has been determined based on valuation performed by accredited independent valuers. The fair value of the shopping mall and commercial areas and office building for rent have been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates. Further to appraisal, in the current year, a subsidiary recorded in the account allowance for impairment amounting to Baht 11.5 million.

The shopping mall and commercial areas for rent are under development, and the subsidiary expects to be able to reliably measure the fair value of these properties when construction is completed.

The subsidiary has pledged investment properties amounting to approximately Baht 349 million (2015: Baht 341 million) as collateral against credit facilities received from a financial institution.

18. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements										
	Land	Office buildings and clubhouses	Hotel buildings	Hotel building improvements	Office and hotel furniture and fixtures	Tools and equipment	Motor Vehicles	Construction in progress	Others	Total
Cost										
1 January 2015	136,526	294,102	278,912	144,382	549,518	200,928	56,442	84,974	20,638	1,766,422
Increase from subsidiary acquisition	796,371	-	1,978,762	95,625	205,619	-	15,726	1,007,585	13,161	4,112,849
Capitalised interest	-	-	-	-	-	-	-	12,273	-	12,273
Additions	-	-	179,825	70,384	220,177	4,024	28,559	163,144	13,056	679,169
Disposals/written-off	(14,014)	(23,991)	(5,175)	(2,585)	(168,335)	(12,052)	(7,809)	-	(2,572)	(236,533)
Transfer in (out)	-	-	32,015	70,911	61,878	364	-	(170,925)	5,757	-
Transfer to project development costs	(41,291)	(79,586)	-	-	-	-	-	(142)	-	(121,019)
Transfer to investment properties	-	-	-	-	-	-	-	(343)	-	(343)
Translation adjustment	3,837	-	29,615	13,584	25,380	-	1,820	4,580	1,969	80,785
31 December 2015	881,429	190,525	2,493,954	392,301	894,237	193,264	94,738	1,101,146	52,009	6,293,603
Capitalised interest	-	-	-	-	-	-	-	30,506	-	30,506
Additions	241,170	-	439,248	75,634	130,917	13,569	34,863	414,419	63,073	1,412,893
Disposals/written-off	(8,161)	(23,875)	(11,324)	(172)	(18,476)	(4,151)	(12,842)	(4,511)	(1,597)	(85,109)
Transfer in (out)	-	-	-	-	1,726	-	-	(1,726)	-	-
Transfer to investment properties	-	-	-	12,986	39,821	-	-	(57,091)	41	(4,243)
Translation adjustment	1,243	-	(8,531)	3,896	9,233	-	(161)	(399)	(2,379)	2,902
31 December 2016	1,115,681	166,650	2,913,347	484,645	1,057,458	202,682	116,598	1,482,344	111,147	7,650,552

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Office buildings and clubhouses	Hotel buildings	Hotel building improvements	Office and hotel furniture and fixtures	Tools and equipment	Motor Vehicles	Construction in progress	Others	Total
Accumulated depreciation										
1 January 2015	-	219,872	29,340	29,110	367,584	97,152	48,865	-	2,200	794,123
Depreciation for the year	-	10,197	85,283	34,625	96,612	25,813	6,068	-	5,055	263,653
Depreciation on disposals	-	(18,700)	(357)	(1,107)	(161,783)	(12,028)	(7,244)	-	(2,574)	(203,793)
Transfer to project development costs	-	(70,372)	-	-	-	2,747	-	-	-	(67,625)
Translation adjustment	-	-	3,659	3,613	16,738	-	1,639	-	403	26,052
31 December 2015	-	140,997	117,925	66,241	319,151	113,684	49,328	-	5,084	812,410
Depreciation for the year	-	7,029	142,537	60,900	168,419	29,595	12,585	-	16,293	437,358
Depreciation on disposals	-	(23,875)	(1,577)	(57)	(14,875)	(3,469)	(12,600)	-	(260)	(56,713)
Translation adjustment	-	-	225	28	3,150	-	274	-	(490)	3,187
31 December 2016	-	124,151	259,110	127,112	475,845	139,810	49,587	-	20,627	1,196,242
Allowance for impairment										
1 January 2015	5,396	3,704	-	-	-	-	-	-	-	9,100
Increase	35,037	699	-	-	311	-	-	-	-	36,047
31 December 2015	40,433	4,403	-	-	311	-	-	-	-	45,147
Decrease	(8,161)	-	-	-	(14)	-	-	-	-	(8,175)
31 December 2016	32,272	4,403	-	-	297	-	-	-	-	36,972
Net book value										
31 December 2015	840,996	45,125	2,376,029	326,060	574,775	79,580	45,410	1,101,146	46,925	5,436,046
31 December 2016	1,083,409	38,096	2,654,237	357,533	581,316	62,872	67,011	1,482,344	90,520	6,417,338
Depreciation for the years										
2015 (Baht 190.0 million included in cost of sale and the balance included in administrative expenses)										263,653
2016 (Baht 287 million included in cost of sale and the balance included in administrative expenses)										437,358

(Unit: Thousand Baht)

Separate financial statements

	Land	Office buildings and clubhouses	Furniture and fixtures	Motor vehicles	Construction in progress	Others	Total
Cost							
1 January 2015	95,738	251,215	192,670	27,290	-	20,037	586,950
Additions	-	-	15,574	360	8,373	3,177	27,484
Disposals	(14,014)	(23,389)	(79,461)	(175)	-	(3,673)	(120,712)
Transfer in (out)	-	-	7,208	-	(7,208)	-	-
Transfer to project development cost	(41,291)	(79,586)	-	-	-	-	(120,877)
31 December 2015	40,433	148,240	135,991	27,475	1,165	19,541	372,845
Additions	-	-	28,183	2,361	1,346	-	31,890
Disposals	(8,161)	(23,875)	(1,507)	(8,700)	-	(3,207)	(45,450)
Transfer in (out)	-	-	1,727	-	(1,727)	-	-
31 December 2016	32,272	124,365	164,394	21,136	784	16,334	359,285
Accumulated depreciation							
1 January 2015	-	190,256	148,492	23,877	-	19,425	382,050
Depreciation for the year	-	6,166	20,001	1,168	-	503	27,838
Depreciation on disposals	-	(18,098)	(79,397)	(175)	-	(3,671)	(101,341)
Transfer to project development cost	-	(70,373)	-	-	-	-	(70,373)
31 December 2015	-	107,951	89,096	24,870	-	16,257	238,174
Depreciation for the year	-	3,036	18,983	1,414	-	147	23,580
Depreciation on disposals	-	(23,874)	(1,163)	(8,700)	-	(302)	(34,039)
31 December 2016	-	87,113	106,916	17,584	-	16,102	227,715

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Office buildings and clubhouses	Furniture and fixtures	Motor vehicles	Construction in progress	Others
Allowance for impairment						
1 January 2015	5,396	3,704	-	-	-	-
Increase	35,037	699	311	-	-	-
31 December 2015	40,433	4,403	311	-	-	-
Decrease	(8,161)	-	(14)	-	-	-
31 December 2016	32,272	4,403	297	-	-	-
Net book value						
31 December 2015	-	35,886	46,584	2,605	1,165	3,284
31 December 2016	-	32,849	57,181	3,552	784	232
Depreciation for the years as included in administrative expenses						
2015						27,838
2016						23,580

During the year, a subsidiary included borrowing costs in cost of the subsidiary's project. These were determined by applying capitalisation rates equal to the weighted average of the financial charges on total borrowings during the year, which were 4.870% - 5.775% (2015: 3.850% - 7.125%).

As at 31 December 2016, the subsidiaries had vehicles and equipment with net book value of Baht 11 million and JPY 139 million (2015: Baht 11 million and JPY 90 million) which were acquired under hire purchase and finance lease agreements.

As at 31 December 2016, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount (before deducting accumulated depreciation allowance for impairment loss) of those assets amounted to approximately Baht 1,120 million and JPY 43 million (2015: Baht 1,142 million) (Separate financial statements: Baht 112 million (2015: Baht 112 million)).

The subsidiary has mortgaged the land with structures as collateral against the subsidiary's credit facilities from banks.

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Net book value	3,679	3,431

19. Intangible assets - computer software

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost:		
1 January 2015	14,439	8,263
Increase from subsidiary acquisition	27,261	-
Acquisition	28,122	5,240
Disposals	(2,903)	-
Translation adjustment	1,475	-
31 December 2015	68,394	13,503
Acquisition	11,792	7,922
Translation adjustment	481	-
31 December 2016	80,667	21,425
Accumulated amortisation:		
1 January 2015	7,399	4,282
Amortisation for the year	7,111	1,501
Amortisation on disposals	(2,554)	-
Translation adjustment	214	-
31 December 2015	12,170	5,783
Amortisation for the year	17,001	3,190
Translation adjustment	(340)	-
31 December 2016	28,831	8,973
Net book value:		
31 December 2015	56,224	7,720
31 December 2016	51,836	12,452
Amortisation for the years		
2015 (Consolidated financial statements: Baht 4 million included in cost of sale and the balance included in administrative expenses (Separate financial statements: included in administrative expenses))		
	7,111	1,501

2016 (Consolidated financial statements: Baht 6 million included in cost of sale and the balance included in administrative expenses (Separate financial statements: included in administrative expenses))

17,001

3,190

20. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
1 January 2015	1,638,248	92,000
Increase from subsidiary acquisition	953,124	-
31 December 2015	2,591,372	92,000
Increase	42,000	15,000
31 December 2016	2,633,372	107,000
Accumulated amortisation		
1 January 2015	135,296	55,182
Amortisation for the year	115,627	3,211
31 December 2015	250,923	58,393
Amortisation for the year	167,991	3,220
31 December 2016	418,914	61,613
Allowance for impairment		
31 December 2015	189,844	-
31 December 2016	189,844	-
Net book value		
31 December 2015	2,150,605	33,607
31 December 2016	2,024,614	45,387
Amortisation for the years		
2015	115,627	3,211
2016	167,991	3,220

Amortisation expenses for the year recorded in the financial statements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Investment properties	12	27	-	-
Cost of sale	125	59	-	-
Administrative expenses	31	30	3	3
Total	168	116	3	3

Leasehold rights were detailed below.

The Company

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)	Remark
23 July 1997	Individual	30 years	1 August 1996 to 1 August 2026	27	36	63	
23 November 2016	Treasury department	50 years	23 November 2016 to 22 November 2066	237	2,181	2,418	a)
30 December 2016	A company	10 years	1 January 2017 to 31 December 2026	15	50	65	b)

- a) According to the land lease agreement, the Company is to pay upfront fees in installments from year 6 to year 10 of the lease period, and is to place Baht 21 million as a guarantee, which is to be returned upon termination of the land lease.
- b) The Company acquired leasehold rights from a company for an upfront fee of Baht 15 million and rental totaling Baht 50 million payable over the term of the lease.

We Retail Public Company Limited

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)	Remark
22 May 2013	Crown Property Bureau	30 years	1 April 2015 to 31 March 2045	27	114	141	c)
30 May 2013	Individual	30 years	1 June 2013 to 31 May 2043	9	24	33	

- c) On 15 November 2012, a subsidiary entered into a memorandum of agreement to transfer the leasehold rights with an individual, in order to acquire leasehold rights from the Crown Property Bureau, for a consideration of Baht 50 million. According to the land lease agreement, no rental will be collected during the construction period of 2 years, from 1 April 2013 to 31 March 2015.

Centrepont Shopping Mall Company Limited

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)
8 April 2010	Individual	26 years 8 months	8 April 2010 to 31 December 2036	125	250	375
23 August 2012	A company	30 years	1 January 2015 to 31 December 2044	740	1,785	2,525

Ramintra Mall Company Limited

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)	Remark
9 April 2013,	Individual	36 years	9 April 2013 to 31 March 2049	254	350	604	d)
26 August 2014 (extended period) and 17 June 2016 (extended period)							
24 September 2014	Individuals	30 years	1 February 2017 to 31 January 2047	33	172	205	e)

d) According to the land lease agreement, no rental will be collected during the construction period of 2 years, from 9 April 2013 to 31 March 2015.

e) According to the land lease agreement, no rental will be collected during the construction period, from 24 September 2014 to 31 January 2017.

Grande Asset Hotels and Property Public Company Limited

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)
17 April 1992	Group of Persons	30 Years	17 April 1992 to 16 April 2022	86	102	188

Pacific Estate Development Limited

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)
30 November 1988	A company	30 Years	1 February 1989 to 31 January 2019	75	-	75

Owendelle Company Limited

Agreement date	Counterparty	Lease term	Lease period	Upfront fee (Million Baht)	Rental throughout the contract period (Million Baht)	Total (Million Baht)
2 November 2005	Ministry of Finance	27 Years 2 Months	11 August 2005 to 7 November 2032	499	120	619

21. Compensation guarantee

In October 2004, a subsidiary entered into an agreement guaranteeing compensation of up to Baht 170 million for any damage to the hotel buildings of an unrelated party as a result of the construction of the subsidiary's project and already paid this compensation guarantee to such company. As at 31 December 2016, a subsidiary received part of this compensation guarantee amounting to Baht 151 million (2015: Baht 136 million) back from such company.

22. Short-term loans from financial institutions

Short-term loans are subject to interest at a rate tied to the Minimum Loan Rate (MLR) and mature within January 2017. The loans are secured by the mortgage of land and construction of the Company.

23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts payable - related companies	4,231	10,890	16,087	27,074
Trade accounts payable	1,426,712	1,460,531	913,529	885,559
Land payable	83,800	385,960	-	385,960
Hotel construction payable	262,199	43,761	-	-
Creditors per rehabilitation plan	6,812	6,812	-	-
Retention payable	119,774	164,200	61,501	79,417
Accrued interest expenses - related company	-	-	6,868	320
Accrued interest expenses	124,303	94,975	119,233	90,050
Accrued expenses	678,386	642,462	196,721	152,550
Other payables	157,432	18,550	109,205	-
Total trade and other payables	2,863,649	2,828,141	1,423,144	1,620,930

24. Bills of exchange payable

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	2,456,401	1,307,408
Add: Issuance of bills of exchange	7,000,000	5,190,000
Add: Amortisation of prepaid interest expenses	124,350	81,386
Less: Repayment	(5,720,000)	(3,690,000)
Less: Prepaid interest expenses	(133,720)	(94,438)
Balance as at 31 December 2016	3,727,031	2,794,356

The Company

The bills of exchange are subject to interest at rates of 3.80% - 4.50% per annum (2015: 4.10% - 4.50% per annum) and mature during January and March 2017. There are no collateral on the bills of exchange.

In January 2017 and up to 23 February 2017, the Company issued bills of exchange with a total value of Baht 150 million, and redeemed bills of exchange amounting to Baht 350 million.

Subsidiary

The bills of exchange are subject to interest at rates of 4.40% - 4.70% per annum (2015: 4.78% - 4.90% per annum) and mature during January and May 2017. There are no collateral on the bills of exchange.

In January 2017 and up to 23 February 2017, a subsidiary issued bills of exchange with a total value of Baht 100 million, and redeemed bills of exchange amounting to Baht 640 million.

25. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Unsecured debentures No. 1/2014	-	2,200,000	-	2,200,000
Unsecured debentures No. 2/2014	-	2,400,000	-	2,400,000
Unsecured debentures No. 1/2015	2,396,926	2,392,705	2,396,926	2,392,705
Unsecured debentures No. 2/2015	2,495,947	2,491,595	2,495,947	2,491,595
Unsecured debentures No. 3/2015	2,992,585	2,988,340	2,992,585	2,988,340
Unsecured debentures No. 4/2015	109,850	109,679	109,850	109,679
Unsecured debentures No. 5/2015	2,991,138	2,987,682	2,991,138	2,987,682
Unsecured debentures No. 1/2016	2,989,885	-	2,989,885	-
Unsecured debentures No. 2/2016#1	1,546,133	-	1,546,133	-
Unsecured debentures No. 2/2016#2	1,444,615	-	1,444,615	-
Unsecured debentures No. 3/2016#1	1,196,480	-	1,196,480	-
Unsecured debentures No. 3/2016#2	1,195,185	-	1,195,185	-
Unsecured debentures No. 4/2016	199,551	-	199,551	-
Unsecured debentures No. 1/2016	697,268	-	-	-
Unsecured debentures No. 2/2016	149,658	-	-	-
Unsecured debentures No. 3/2016	199,470	-	-	-
Unsecured debentures No. 4/2016	299,486	-	-	-
Total debentures - net of issuing costs	20,904,177	15,570,001	19,558,295	15,570,001
Less: Current portion	(5,002,722)	(4,600,000)	(5,002,722)	(4,600,000)
Debentures - net of current portion	15,901,455	10,970,001	14,555,573	10,970,001

Movements in the debenture account during the year ended 31 December 2016 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	15,570,001	15,570,001
Add: Issuance of debentures	9,950,000	8,600,000
Add: Amortisation of deferred debenture issuing costs	23,924	21,838
Less: Repayment	(4,600,000)	(4,600,000)
Less: Deferred debenture issuing costs	(39,748)	(33,544)
Balance as at 31 December 2016	20,904,177	19,558,295

On 23 December 2016, the Extraordinary General Meeting of the Company's shareholders approved the issue of securities in a total amount not exceeding USD 100 million, or an equivalent amount in other currencies, to offer to investors. The securities can be registered or bearer securities, senior or subordinated, secured or unsecured, have or not have a security holders' representative, have or not have a fixed redemption date, and be offered in foreign countries or in Thailand, to the public and/or institutional investors and/or specific investors, in either a single or multiple tranches, and be part of a scheme and/or revolving. The Company may or may not have a call option, and the securities may or may not be redeemable before the maturity date in special circumstances. The interest rate will depend on the market conditions at the time that the securities are issued and offered. The Company delegated the Executive Committee to determine the details of the securities, appoint financial advisors and/or underwriters and/or a credit rating agency as well as endorse the relevant contracts and/or documents. The Company expects that the securities to be issued will be unsecured and similar to equity, with no fixed redemption date and only the Company having an option to redeem them. Currently, the Company has not issued the debentures.

The outstanding balances are detailed below.

Debentures	Unit	Unit par (Baht)	Total value (Thousand Baht)	Issued date	Term	Maturity date	Coupon rate (% per annum)
The Company							
Unsecured debentures No. 1/2015	2,400,000	1,000	2,400,000	12 March 2015	2.5 years	12 September 2017	5.50
Unsecured debentures No. 2/2015	2,500,000	1,000	2,500,000	21 May 2015	2.5 years	21 November 2017	5.20
Unsecured debentures No. 3/2015	3,000,000	1,000	3,000,000	20 August 2015	3 years	20 August 2018	5.15
Unsecured debentures No. 4/2015	110,000	1,000	110,000	22 October 2015	2 years	5 November 2017	4.25
Unsecured debentures No. 5/2015	3,000,000	1,000	3,000,000	5 November 2015	3.5 years	5 May 2019	5.50
Unsecured debentures No. 1/2016	3,000,000	1,000	3,000,000	28 January 2016	4 years	28 January 2020	5.60
Unsecured debentures No. 2/2016#1	1,550,000	1,000	1,550,000	2 June 2016	2.5 years	2 December 2018	4.70
Unsecured debentures No. 2/2016#2	1,450,000	1,000	1,450,000	2 June 2016	4 years	2 June 2020	5.50
Unsecured debentures No. 3/2016#1	1,200,000	1,000	1,200,000	22 September 2016	3 years	22 September 2019	4.85
Unsecured debentures No. 3/2016#2	1,200,000	1,000	1,200,000	22 September 2016	4 years	22 September 2020	5.30
Unsecured debentures No. 4/2016	200,000	1,000	200,000	1 September 2016	2 years	30 August 2018	4.30
Grande Asset Hotels and Property Public Company Limited							
Unsecured debentures No. 1/2016	700,000	1,000	700,000	17 February 2016	2 years 11 month 28 days	14 February 2019	5.70
Unsecured debentures No. 2/2016	150,000	1,000	150,000	16 March 2016	2 years 3 days	19 March 2018	5.20
Unsecured debentures No. 3/2016	200,000	1,000	200,000	27 May 2016	2 years 11 months 23 days	20 May 2019	5.35
Unsecured debentures No. 4/2016	300,000	1,000	300,000	14 July 2016	2 years 5 months	14 December 2018	5.20

The debenture agreements contain several covenants which, among other things, require the Company and its subsidiary to maintain interest bearing debt to equity ratio at the rate prescribed in the agreements.

Subsequently, in January 2017, the subsidiary issued and offered the debentures amounting to Baht 261 million.

26. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Long-term loans	5,215,872	6,306,978	2,414,185	3,412,771
Less: Current portion	(726,618)	(597,481)	(77,590)	(504,183)
Long-term loans - net of current portion	4,489,254	5,709,497	2,336,595	2,908,588

Movements in the long-term loan account during the year ended 31 December 2016 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	6,306,978	3,412,771
Add: Addition	2,836,399	1,866,783
Add: Amortisation of front end fee	3,521	-
Less: Repayment	(3,931,026)	(2,865,369)
Balance as at 31 December 2016	5,215,872	2,414,185

The Company

Long-term loans consist of 12 facilities granted by 2 financial institutions. The loans are subject to interest at rates tied to the minimum loan rate (MLR) (except for Baht 548 million for which a fixed rate is applied) and are to be repaid at rates of not less than 65% - 70% of the selling price each time that a plot of land and house or condominium unit is redeemed from mortgage, between June 2017 and October 2021. They are secured by the mortgage of the Company's land and construction thereon.

The subsidiaries

Long-term loans consist of 15 facilities granted by 3 financial institutions. The loans are subject to interest at rates tied to the minimum loan rate (MLR) (except for Baht 450 million for which a fixed rate is applied) and are to be repaid at rates of not less than 50% - 77% of the selling price each time that a plot of land and house and condominium unit is redeemed from mortgage, or in monthly installments as stipulated in the agreements between April 2017 and July 2023. They are secured by guarantees provided by the Company, as discussed in Note 37.4 a) to the financial statements, and the mortgage of the subsidiaries' land and construction thereon.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain interest bearing debt to equity ratio at the rate prescribed in the agreements.

As at 31 December 2016, the long-term credit facilities of the Company and its subsidiaries which have not been drawn down amounted to Baht 11,175 million (2015: Baht 13,774 million).

27. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company as at 31 December 2016 and 2015, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Defined benefit obligation at beginning of year	240,541	184,580	151,204	145,845
Increase from subsidiary acquisition	-	57,188	-	-
Current service cost	30,684	18,235	11,187	10,861
Interest cost	8,789	6,520	4,120	3,697
Benefits paid during the year	(22,440)	(26,340)	(12,477)	(9,200)
Translation adjustments	169	634	-	-
Actuarial loss (gain)				
Financial assumptions changes	-	1,887	-	-
Experience adjustments	-	(2,164)	-	-
Defined benefit obligation at end of year	257,743	240,540	154,034	151,203

Long-term employee benefit expenses included in the profit or loss under cost of sale and selling and administrative expenses were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current service cost	30,684	18,235	11,187	10,861
Interest cost	8,789	6,520	4,120	3,697
Transitional liability recognised during the year	-	14,721	-	11,288
Total expense recognised in profit or loss	39,473⁽¹⁾	39,476⁽¹⁾	15,307	25,846

⁽¹⁾ Including in cost of sale amounting to Baht 4 million (2015: Baht 2 million)

The Company and its subsidiaries expect to pay Baht 6 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2015: Baht 22 million (Separate financial statements: Baht 12 million)).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 4 years, 7 years, 10 years and 12 years (Separate financial statements: 10 years) (2015: 4 years, 7 years, 10 years and 12 years (separate financial statements: 10 years)).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements	Separate financial statements
	(% per annum)	(% per annum)
Discount rate	2.0 – 3.3	3.0
Salary increase rate	5.0 – 7.0	5.0 – 7.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Discount rate		
Increase 0.5% – 1.0%	(14)	(8)
Decrease 0.5% – 1.0%	13	9
Salary increase rate		
Increase 1.0%	34	22
Decrease 1.0%	(31)	(19)

28. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Balance as at the beginning of the year	143,914	131,393	117,272	104,936
Increase	14,726	16,511	10,473	12,456
Decrease	(10,946)	(3,990)	(9,748)	(120)
Balance as at the end of the year	147,694	143,914	117,997	117,272

Provisions for compensation for Housing Estate Juristic Persons

The Company and its subsidiaries estimate the provision for compensation for Housing Estate Juristic Persons using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation.

29. Share capital

As at 31 December 2015, the Company's issued and paid up share capital was increased to Baht 7,667,826,432 (7,667,826,432 ordinary shares with a par value of Baht 1 each), as a result of the issuance of ordinary shares allocated to the existing shareholders amounting to Baht 1,806,495,077 and the exercise of warrants (PF-W3) amounting to Baht 78,379,700. The Company registered the increase in its issued and paid up share capital with the Ministry of Commerce on 8 April 2015, 24 June 2015 and 24 July 2015.

On 23 December 2016, the Extraordinary General Meeting of the Company's shareholders passed the following significant resolutions:

- a) Approved a decrease in the registered share capital from Baht 7,900,000,000 to Baht 7,667,826,432 by canceling 232,173,568 unissued ordinary shares with a par value of Baht 1 each. The canceled shares consisted of the 121,536,475 registered ordinary shares remaining from the allotment to the existing shareholders, the 99,649,367 registered ordinary shares reserved to accommodate of the exercise of the warrants of the Company (PF-W3) and the 10,987,726 registered ordinary shares reserved to accommodate the adjustment of the exercise rights of the warrants of the Company (PF-W3).
- b) Approved a Baht 1,332,173,568 increase in the registered share capital, from Baht 7,667,826,432 to Baht 9,000,000,000, through the issue of 1,332,173,568 ordinary shares with a par value of Baht 1 each.
- c) Approved the allocation of up to 1,300,000,000 ordinary shares with a par value of Baht 1 to allot and offer in entirety or to portion and offer in lots time to time by private placement, at a price of not less than Baht 1 per share and not less than one of the following prices:
 - 1) The weighted average trading price of the shares on the Stock Exchange of Thailand over a period of not less than 7 and not more than 15 consecutive trading days prior to the date of determining the offering price of the shares ("Market Price"), based on the average trading price of the shares on each day, with the date of determining the offering price required to be no more than 3 trading days prior to the date on which the shares are first offered to investors. However, the Board of Directors of the Company may discount the offering price, provided that such discount does not exceed 10% of the Market Price.
 - 2) A price determined using a book building method that has been inspected by a securities company.

The Company's Board of Directors has not yet passed a resolution regarding the allotment of the remaining 32,173,568 additional ordinary shares with a par value of Baht 1 each. If these shares are allotted the Board of Directors will propose the resolution passed to a shareholders meeting for consideration.

On 26 December 2016, a meeting of the Company's Board of Directors passed a resolution to offer 300,000,000 newly issued ordinary shares with a par value of Baht 1 each, to a specific investor who is not a connected person of the Company or its related companies, at a price of Baht 1 per share. The Company received payment on 28 December 2016. As at 31 December 2016, the Company recorded it under the heading of "Share subscription received in advance" in the statement of financial position.

The Company registered the decrease and increase in its registered share capital discussed in a) and b) with the Ministry of Commerce on 23 and 26 December 2016, respectively, and registered the increase in its issued and paid up share capital discussed in c) with the Ministry of Commerce on 9 January 2017.

30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

31. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	1,404,450	1,386,644	417,314	464,841
Depreciation and amortization	747,198	434,855	29,991	32,549
Rental and service expenses from operating lease and service agreements	695,304	494,633	301,468	279,441
Specific business tax and transfer fees	438,628	381,495	279,106	231,285
Marketing expenses	572,699	637,872	292,849	305,747
Project management expenses	224,809	206,431	168,637	148,520
Real estate development during the year	11,925,555	12,111,009	7,065,736	7,274,747
Changes in real estate projects	(4,389,471)	(5,577,735)	(2,572,761)	(3,266,954)
Finance cost	1,476,044	1,207,761	1,265,925	1,130,887

32. Income tax

Income tax for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	276,625	59,278	129,236	3,551
Adjustment in respect of income tax of previous year	5,180	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3,505	(46,637)	27,192	5,462
Income tax expenses reported in the statement of comprehensive income	285,310	12,641	156,428	9,013

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	1,706	(232)	1,706	(232)
Deferred tax relating to actuarial gain	-	46	-	-
	1,706	(186)	1,706	(232)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2016 and 2015.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	617,598	279,650	667,948	285,561
Income tax at Thai corporate income tax rate of 20%	123,520	55,930	133,590	57,112
Adjustment in respect of current income tax of previous year	5,180	-	-	-
Effects of deferred tax on temporary differences	(1,973)	(32,180)	-	-
Effects of utilisation of previously unrecognised deferred tax on temporary differences	26,198	(10,815)	-	-
Effect of deductible expenses	(4,933)	-	(4,000)	-
Effect of non-deductible expenses	33,499	44,553	15,376	23,152
Effect of additional taxable income	12,978	10,275	12,939	10,275
Effect of non-taxable income	(1,723)	(108,963)	(1,477)	(81,526)
Effect of loss for the year at corporate income tax rates of subsidiar- ies	123,378	72,016	-	-
Difference of tax rates in group companies	(32,588)	(16,363)	-	-
Others	1,774	(1,812)	-	-
Income tax expenses reported in the statement of comprehensive income	285,310	12,641	156,428	9,013

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries is between 0% and 35.03% (2015: 0% and 35.03%).

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statement	
	2016	2015	2016	2015
Deferred tax assets				
Reduction of cost of project development costs to net realisable value and allowance for asset impairment	34,602	37,388	29,924	33,146
Provision for long-term employee benefits	40,761	37,293	30,807	30,241
Provision for loss arising from rental guarantee	1,634	4,000	1,634	4,000
Provision for compensation for Housing Estate Juristic Persons	28,583	29,021	22,394	23,448
Deposits and cash received in advance and installments due per agreements	5,618	7,099	-	-
Unused tax loss	101,755	126,256	-	-
Difference of tax and accounting of borrowing costs	45,993	50,811	45,993	50,811

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated financial statements		Separate financial statement	
	2016	2015	2016	2015
Difference of tax and accounting of cost of clubhouses	49,206	46,375	39,478	39,286
Provision on warranty of real estate projects	13,149	13,779	379	-
Deferred income	4,513	7,952	1,525	982
Deferred tax relating to eliminated transactions	47,116	48,340	-	-
Others	5,535	2,400	1,164	2,289
Total	378,465	410,714	173,298	184,203
Deferred tax liabilities				
Fair value adjustment of assets as at business combination date	(382,340)	(435,281)	-	-
Difference of tax and accounting of hotel buildings and hotel building improvements	(26,722)	(20,072)	-	-
Difference on cross currency swap rate and closing rate	(17,994)	-	(17,994)	-
Others	(525)	(152)	-	-
Total	(427,580)	(455,505)	(17,994)	-
Deferred tax assets (liabilities) - net	(49,115)	(44,791)	155,304	184,203
Presented as				
Deferred tax assets - net	353,931	406,109	155,304	184,203
Deferred tax liabilities - net	(403,046)	(450,900)	-	-
Net	(49,115)	(44,791)	155,304	184,203

As at 31 December 2016, the Company and its subsidiaries in Thailand had deductible temporary differences and unused tax losses totaling Baht 1,216 million (2015: Baht 1,189 million) (Separate financial statements: Baht 20 million (2015: Baht 82 million)) and its subsidiaries in Japan, where the tax bases differ from the tax bases in Thailand, had unused tax losses totaling JPY 3,686 million (2015: JPY 2,597 million). Deferred tax assets were not recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries in Thailand amounting to Baht 807 million (2015: Baht 748 million) will expire by 2021 and the unused tax losses of the subsidiaries in Japan amounting to JPY 4,569 million (2015: JPY 3,480 million) will expire by 2026.

33. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning

of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

Consolidated financial statements						
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
Basic earnings per share						
Profit attributable to equity holders of the Company	399,502	360,742	7,671,114	5,819,660	0.05208	0.06199
Effect of dilutive potential ordinary shares						
Warrants PF-W3		-		12,420		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		360,742		5,832,080		0.06185
Separate financial statements						
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
Basic earnings per share						
Profit attributable to equity holders of the Company	511,520	276,548	7,671,114	5,819,660	0.06668	0.04752
Effect of dilutive potential ordinary shares						
Warrants PF-W3		-		12,420		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		276,548		5,832,080		0.04742

34. Financial information by segment

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. The chief operating decision maker has been identified as Chief Executive Officer.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services and there are four reportable segments as follows:

- The property development segment, involving development of single detached houses, townhouses and condominiums
- The construction segment, involving the provision of construction services
- The rental and service segment, involving buildings and commercial area for rent and operation of club houses of the Group
- The hotel segment, involving hotel operations

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table present revenue and profit and loss regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

	Property development segment		Construction segment		Rental and service segment		Hotel segment	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	12,465	10,286	89	15	361	224	2,194	1,524
Intersegment revenues	9	-	459	648	138	129	-	2
Total revenues	12,474	10,286	548	663	499	353	2,194	1,526
Segment operating profit (loss)	4,320	3,180	20	1	(7)	20	620	456
Unallocated income and expenses:								
Gain from a bargain purchase								
Gains on sales of rights in land purchases								
Interest income								
Other income								
Selling expenses								
Administrative expenses								
Share of loss from investments in joint ventures								
Finance cost								
Income tax expenses								
Non-controlling interests of the subsidiaries								
Profit for the year								

Geographic information

Revenues from external customers are based on locations of the customers.

(Unit: Thousand Baht)

	2016	2015
Revenues from external customers		
Thailand	13,994,459	11,129,507
Japan	1,114,945	919,254
Total	15,109,404	12,048,761
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	17,573,546	14,944,198
Japan	1,621,205	1,085,602
Total	19,194,751	16,029,800

35. Provident fund

The Company, its subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and their employees contributed to the fund monthly at the rates of 3% - 10% of basic salary. The funds, which are managed by Kasikorn Asset Management Company Limited, TISCO Asset Management Company Limited and Krung Thai Asset Management Public Company Limited will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 39 million (2015: Baht 35 million) (Separate financial statements: Baht 20 million (2015: Baht 21 million)) were recognised as expenses.

36. Dividends

	Approved by	Total dividends	Dividend per share
Final dividend for 2014	Annual General Meeting of the shareholders on 23 April 2015	Baht 254 million	Baht 0.044
Final dividend for 2015	Annual General Meeting of the shareholders on 28 April 2016	Baht 230 million	Baht 0.03

37. Commitments and contingent liabilities

As at 31 December 2016, the Company and its subsidiaries had commitments and contingent liabilities as follows:

37.1 Capital commitments

- a) The Company and its subsidiaries had outstanding capital commitments of approximately Baht 3,310 million and JPY 530 million (Separate financial statements: Baht 485 million) (2015: Baht 5,420 million (Separate financial statements: Baht 2,035 million)) in respect of construction, design and consultation for land and house projects, residential condominium units and hotel buildings, office building improvement and purchase of residential condominium units and equipment.
- b) A subsidiary had outstanding capital commitments of approximately Baht 13 million (2015: Baht 13 million) in respect of land lease for real estate development.

37.2 Operating lease and service commitments

The Company and its subsidiaries have entered into several lease and service agreements in respect of the lease of land, condominium, vehicles, advertising board, office space and various services. Operating lease and service agreements are non-cancellable.

Future minimum lease payments required under these non-cancellable operating lease and service contracts were as follows:

Consolidated financial statements		
	2016	2015
Payable within:		
Less than 1 year	Baht 168 million and JPY 3 million	Baht 170 million and JPY 3 million
2 to 5 years	Baht 457 million and JPY 2 million	Baht 349 million and JPY 4 million
Over 5 years	Baht 4,651 million	Baht 2,348 million
Separate financial statements		
	2016	2015
Payable within:		
Less than 1 year	Baht 74 million	Baht 78 million
2 to 5 years	Baht 147 million	Baht 54 million
Over 5 years	Baht 2,341 million	Baht 12 million

In addition, future minimum sublease payments expected to be received under non-cancellable subleases were as follows:

(Unit: Million Baht)

Consolidated financial statements		
	2016	2015
Receivable within:		
1 year	189	194
2 to 3 years	96	186

37.3 Service agreement commitments

Type of agreement	Contract parties	Fee rate	Start	End
The Company				
1. Financial advisor agreement	A domestic company	b)	2013	Mutual agreement
Subsidiaries				
1. Hotel management agreement	A subsidiary and an overseas company	a)	2004	2018
2. Hotel management agreement	A subsidiary and an overseas company	a)	Formal opening date of the hotel	20 years from the formal opening date
3. Hotel management agreement	A subsidiary and an overseas company	a)	2007	2027
4. Hotel management agreement	An overseas company	a)	2015	2030

a) Certain percentage based on gross revenues and gross revenues deducted with certain expenses from hotel operations

b) The rates stipulated in the agreements

In addition, the subsidiaries have entered into several service agreements in respect of elevator maintenance, consultancy services and other services with other unrelated companies.

Future minimum service payments under long-term service agreements were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2016	2015
Payable within:		
1 year	30	19
2 to 5 years	20	-

37.4 Guarantees

a) The Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 6,393 million (2015: Baht 9,042 million).

b) There were outstanding bank guarantees issued by the banks on behalf the Company and its subsidiaries as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Public facilities	1,084	929	699	564

37.5 Litigations

Outstanding litigations as at 31 December 2016 were detailed below.

- a) The Company was sued by 88 residents of a project with claims for damages totaling Baht 111 million, as a result of breach of contract, accusing the Company of fraud, and claiming depreciation of the land and houses. The Court of First Instance ordered the Company to pay the plaintiffs Baht 8 million (including interest at a rate of 7.5% per annum). The Company has appealed to the Court. The cases are currently being considered by the Court of Appeal. However, the management of the Company believes that the Company will not incur significant losses as a result of these cases. Therefore, the Company has not set aside provision for losses resulting from this litigation.
- b) The Company was sued by a housing juristic person and residents of a project with claims for damages totaling Baht 14 million, who charged the Company with selling common area land of this project. The Court of Appeal dismissed the plaintiff's claim. However, the plaintiff can submit to the Supreme Court a petition against the said judgement of the Court of Appeal. The management of the Company believes that the Company will not incur significant losses as a result of the case. Therefore, the Company has not set aside provision for losses resulting from the litigation since the plaintiffs do not understand the facts of the case, which are that the Company's actions are legal.
- c) The Company was sued by a resident of a project with claims for damages totaling Baht 6 million as a result of the Company consenting to a house extension carried out by another buyer (joint defendant). The Court of First Instance and the Court of Appeal ordered the Company to pay the plaintiff Baht 0.2 million together with interest at a rate of 7.5% per annum. The Company has appealed to the Supreme Court, which is currently considering the case. However, the management of the Company believes that the Company will not incur significant losses as a result of the case, and the Company has therefore not set aside provision for losses resulting from the litigation.
- d) The Company was sued by a resident of a project with claims for damages totaling Baht 6 million on the grounds that the buyer's house in the project had been burgled of a substantial amount of assets. The Court of Appeal ordered the Company and joint defendant to pay the plaintiff Baht 3 million, together with interest at a rate of 7.5% per annum. The Company has appealed to the Supreme Court, which is currently considering the case. However, the management of the Company believes that the Company will not incur significant losses as a result of the case. Therefore, the Company has not set aside provision for losses since the assets are private assets of the plaintiff of which the Company is unable to prove certain amounts.
- e) The Company was sued by residents of projects with claims totaling of Baht 10 million. The Court of Appeal dismissed the plaintiff's claim. Subsequently, the plaintiff submitted to the Supreme Court a petition against the said judgement of the Court of Appeal. The petition is currently pending the consideration of the Supreme Court. The management of the Company believes that the Company will not incur significant losses as a result of the case.
- f) The Company was sued by a group of residents of a project over project's access to public roads. The facts are that the Company arranged access to Pattanakarn road, but for the convenience of the residents, the Company requested to lease land from the State Railway of Thailand to provide a secondary access road, leading to the Bangkok-Chonburi Expressway (Motorway) which was in addition to the access routes in the project plans. However, the residents want the Company to arrange for that road to provide permanent access, and the Company is legally unable to do this. The residents have sued for damages totaling Baht 154 million, which are amounts equal to or higher than the prices of the land and houses they bought from the Company.

Currently, the case is at the stage of submitting statements. The management of the Company is of the opinion that the buyers have not suffered losses in the amounts claimed as damages and believes that the Company will not incur significant losses as a result of the case. The Company has therefore not set aside provision for losses resulting from the case.

- g) In October 2008, one of the landlords filed a complaint against the subsidiary, claiming that the subsidiary had breached the land lease agreement made with the plaintiff, resulting in damage to the plaintiff. Under this lawsuit, the plaintiff petitioned for termination of the land lease agreement and sued for total compensation of Baht 79 million. On 6 August 2010, the Phrakhanong Provincial Court announced its judgement on the lawsuit, holding that the subsidiary had breached the terms of the land lease agreement, thereby entitling the plaintiff to legally terminate the land lease agreement, with the hotel building to become the property of the plaintiff pursuant to the agreement. However, the Court found that the subsidiary was not obliged to pay compensation of Baht 79 million to the plaintiff. Furthermore, the subsidiary was ordered to deregister the land lease under the agreement and to release the hotel building from mortgage with a local bank. Subsequently, on 2 September 2010, the subsidiary submitted to the Court of Appeal an appeal against the said judgement of the Court of First Instance and a petition for stay of execution requesting a stay of execution in accordance with the said judgement until a final judgement of the Court of Appeal or the Supreme Court shall have been reached. Subsequently, the plaintiff filed an answer to the appeal on 26 October 2010. In addition, on 1 October 2010, the plaintiff also filed an appeal against the judgement of the Court of First Instance in relation to damages by asking the Court of Appeal to award damages to the plaintiff at the rate of Baht 500,000 per day commencing from the date following the date of judgement of the Court of First Instance until the date of the subsidiary delivers the hotel building to the plaintiff. Subsequently, the subsidiary filed an answer to the appeal on 15 December 2010. As for the petition for stay of execution, on 21 October 2011, the Court ordered that the petition be granted and that the subsidiary be prohibited from entering into any transaction in relation to the hotel building in dispute during the appeal. Subsequently, on 30 July 2013, the Phrakhanong Provincial Court announced the judgement of the Court of Appeal dismissing the plaintiff's claim, and as a result the land lease agreement remains effective and the subsidiary is not responsible for any damages to the plaintiff. Subsequently, the plaintiff submitted to the Supreme Court a petition against the said judgement of the Court of Appeal on 28 August 2013. On 27 November 2013, the subsidiary filed an answer to the petition. And on 20 January 2014, the plaintiff filed an answer to the petition. Subsequently, on 21 September 2016, the Phrakhanong Provincial Court read the judgment of the Supreme Court, which followed by the judgment of the Court of Appeal, ordering the dismissal of the plaintiff's claim, which each part to pay their own costs. Therefore, the case was finalised.
- h) One lawsuit has been filed against a subsidiary (Grande Equity Development Company Limited), with the plaintiff claiming damages totaling Baht 47 million. On 18 December 2014, the Court of First Instance ordered the dismissal of the plaintiff's claim. Subsequently, on 26 May 2015, the plaintiff filed an appeal against the judgement of the Court of First Instance. Subsequently, the subsidiary filed an answer to the appeal on 21 July 2015. And on 5 April 2016, the Pattaya Provincial Court announced the judgement of the Court of Appeal followed by the judgement of the Court of First Instance, ordering the dismissal of the plaintiff's claim and each part to pay their own costs. Subsequently, the plaintiff submitted to the Supreme Court a petition against the said judgement of the Court of Appeal on 29 July 2016. On 3 October 2016, the subsidiary filed an answer to the petition. The petition is currently pending the consideration of the Supreme Court.

38. Fair value hierarchy

As at 31 December 2016, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	108	-	-	108
Assets for which fair value are disclosed				
Investment properties	-	-	1,097	1,097
Derivatives				
Cross currency and interest rate swap agreements	-	58	-	58
Liabilities for which fair value are disclosed				
Debentures	-	21,015	-	21,015

(Unit: Million Baht)

Separate Financial Statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale investments				
Equity instruments	108	-	-	108
Assets for which fair value are disclosed				
Derivatives				
Cross currency and interest rate swap agreements	-	58	-	58
Liabilities for which fair value are disclosed				
Debentures	-	19,667	-	19,667

39. Financial instruments

39.1 Financial risk management

The financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally consist of the following.

Financial assets	Financial liabilities
- Cash and cash equivalents	- Short-term loans from financial institutions
- Trade and other receivables	- Trade and other payables

- Receivable from sales of land	- Bills of exchange payable
- Advances to contractors	- Short-term loans from related parties
- Pledged and restricted withdrawal	- Deposits and cash received in advance
bank deposits	- Debentures
- Loans to related companies	- Long-term loans
- Other long-term investments	
- Advances for purchases of land	
- Deposits for hotel construction	

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables, receivable from sales of land and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, receivable from sales of land and loans as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relating primarily to their cash at banks, receivable from sales of land, loans, bills of exchange payable, debentures and loans. However, since most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below on the maturity date or, the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2016							
Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				
(% p.a.)							
Financial assets							
Cash and cash equivalents	75	-	-	2,053	321	2,449	0.10 - 1.75
Trade and other receivables	-	-	-	-	340	340	-
Receivable from sales of land	531	-	-	-	-	531	2.49 and 5.55
Advances to contractors	-	-	-	-	232	232	-
Pledged and restricted withdrawal							
bank deposits	16	-	-	86	-	102	0.85 - 1.35
Other long-term investments	-	-	-	-	109	109	-
Advances for purchases of land	-	-	-	-	921	921	-
Deposits for hotel construction	-	-	-	-	177	177	-
	622	-	-	2,139	2,100	4,861	
Financial liabilities							

(Unit: Million Baht)

As at 31 December 2016

	Consolidated financial statements							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate	
	Within 1 year	1 - 5 years	Over 5 years					
								(% p.a.)
Short-term loans								
from financial institutions	-	-	-	20	-	20	MLR	
Trade and other payables	-	-	-	-	2,864	2,864	-	
Bills of exchange payable	3,727	-	-	-	-	3,727	3.80 - 4.70	
Deposits and cash received in advance	-	-	-	-	758	758	-	
Debentures	5,003	15,901	-	-	-	20,904	4.25 - 5.70	
							5.80 - 6.40	
Long-term loans	-	998	-	4,218	-	5,216	and MLR	
	8,730	16,899	-	4,238	3,622	33,489		

(Unit: Million Baht)

As at 31 December 2015

	Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				
(% p.a.)							
Financial assets							
Cash and cash equivalents	34	-	-	2,984	23	3,041	0.10 - 1.75
Trade and other receivables	-	-	-	-	258	258	-
Advances to contractors	-	-	-	-	379	379	-
Pledged and restricted withdrawal							
bank deposits	35	-	-	50	-	85	0.38 - 1.90
Other long-term investments	-	-	-	-	101	101	-
Advances for purchases of land	-	-	-	-	678	678	-
Deposits for hotel construction	-	-	-	-	60	60	-
	69	-	-	3,034	1,499	4,602	
Financial liabilities							
Short-term loans from financial institutions	-	-	-	372	-	372	MOR
Trade and other payables	-	-	-	-	2,828	2,828	-
Bills of exchange payable	2,456	-	-	-	-	2,456	4.10 - 4.90
Deposits and cash received in advance	-	-	-	-	699	699	-
Debentures	4,600	10,970	-	-	-	15,570	4.25 - 5.90
Long-term loans	-	150	-	6,157	-	6,307	6.75 and MLR

(Unit: Million Baht)

As at 31 December 2015

Consolidated financial statements							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate	
Within 1 year	1 - 5 years	Over 5 years					
7,056	11,120	-	6,529	3,527	28,232		(% p.a.)

(Unit: Million Baht)

As at 31 December 2016

Separate financial statements							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate	
Within 1 year	1 - 5 years	Over 5 years					
1	-	-	8,291	1,158	9,450		(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	741	308	1,049	0.10 - 1.10	
Trade and other receivables	-	-	-	202	202	-	
Advances to contractors	-	-	-	74	74	-	
Pledged and restricted withdrawal							
bank deposits	1	-	52	-	53	0.38 - 1.10	
Loans to related companies	-	-	7,498	-	7,498	3.80 - 5.64	
Other long-term investments	-	-	-	109	109	-	
Advances for purchases of land	-	-	-	465	465	-	
1	-	-	8,291	1,158	9,450		
Financial liabilities							
Short-term loans from financial institutions	-	-	20	-	20	MLR	
Trade and other payables	-	-	-	1,423	1,423	-	
Bills of exchange payable	2,794	-	-	-	2,794	3.80 - 4.50	
Short-term loan from related party	-	-	285	-	285	6.025 - 6.275	
Deposits and cash received in advance	-	-	-	160	160	-	
Debentures	5,003	14,556	-	-	19,559	4.25 - 5.60	
						5.80 - 6.40	
Long-term loans	-	548	1,866	-	2,414	and MLR	
7,797	15,104	-	2,171	1,583	26,655		

(Unit: Million Baht)

As at 31 December 2015							
	Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				
(% p.a.)							
Financial assets							
Cash and cash equivalents	-	-	-	1,878	-	1,878	0.10 - 1.10
Trade and other receivables	-	-	-	-	597	597	-
Advances to contractors	-	-	-	-	234	234	-
Pledged and restricted withdrawal bank deposits	4	-	-	38	-	42	0.38 - 1.10
Loans to related companies	-	-	-	4,145	-	4,145	5.63 - 5.84
Other long-term investments	-	-	-	-	101	101	-
Advances for purchases of land	-	-	-	-	538	538	-
	4	-	-	6,061	1,470	7,535	
Financial liabilities							
Short-term loans from financial institutions	-	-	-	190	-	190	MOR
Trade and other payables	-	-	-	-	1,621	1,621	-
Bills of exchange payable	1,307	-	-	-	-	1,307	4.10 - 4.50
Short-term loan from related party	-	-	-	170	-	170	7.63
Deposits and cash received in advance	-	-	-	-	246	246	-
Debentures	4,600	10,970	-	-	-	15,570	4.25 - 5.90
Long-term loans	-	-	-	3,413	-	3,413	MLR
	5,907	10,970	-	3,773	1,867	22,517	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from lending that is denominated in foreign currencies. The Company seeks to reduce this risk by entering into cross currency and interest rate swap agreements.

As at 31 December 2016, the Company had loans in foreign currency amounting to JPY 5,297 million and had entered into cross currency and interest rate swap agreements for the loans. The contractual rates are Baht 0.3040 to Baht 0.3480 per JPY 1 and interest calculation is changed from a fixed interest rate of 3.55 - 3.95% per annum for loans in JPY to a fixed interest rate of 5.30 - 5.50% per annum for loans in Baht. The termination dates of the agreements are 1 June 2020 and 18 September 2020.

Under the agreements made to hedge exchange risk, the Company has commitments to place respect of cash collateral, in accordance with the conditions stipulated in the agreements.

39.2 Fair value of financial instruments

The fair value of the Company and its subsidiaries' financial instruments are not expected to differ materially from the amounts presented in the statement of financial position, except for the following:

(Unit: Million Baht)

Consolidated financial statements				
	Carrying amount		Fair value	
	2016	2015	2016	2015
Financial liabilities				
Debentures	20,904	15,570	21,015	15,672

(Unit: Million Baht)

Separate financial statements				
	Carrying amount		Fair value	
	2016	2015	2016	2015
Financial liabilities				
Debentures	19,559	15,570	19,667	15,672

The estimated fair value of the derivatives was as follows:

(Unit: Million Baht)

Consolidated and separate financial statements		
	2016	2015
	Fair value	Fair value
	Gain	Gain
Derivatives		
Cross currency and interest rate swap agreements	58	-

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable, advances, accounts payable, deposits and cash received in advance and short-term loans from related and unrelated companies, their carrying amounts in the statement of financial position approximate their fair value.
- For equity securities, their fair value is generally derived from quoted market prices.
- For fixed rate debentures, their fair value is determined by using the prices as announced by the Thai Bond Market Association.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The sub-

THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

Property Perfect Public Company Limited's and subsidiaries' financial statements are prepared in compliance with accounting standard stipulated in the Accounting Professions Act B.E.2547, presented in accordance with the requirements in the Department of Business Development's announcement on 14 September 2001 regarding in the Accounting ACT.B.E.2543, and adjusts accounting practices to be in line with the Federation of Accounting Professions Notification 9/2007, 38/2007 and 62/2007 concerning the accounting standard.

The Board of Directors has appointed the Audit Committee comprising non-executive directors to take responsible for financial reports to follow the account standard and related regulators, disclose adequate and on-time information, and have internal control system to supervise internal control activities and the Audit Committee's Opinions in the Audit Committee's reports shown in the annual report

The Board of Directors takes responsible for Property Perfect's and its subsidiaries' financial reports prepared to ensure that financial position, revenue, expense and cash flow are presented accurately and reasonably. The Board of Directors prepares accurate and complete accounting records to maintain assets, and internal control system to prevent fraudulent irregularities activities. The Board of Directors has selected the appropriated and constantly practical accounting policy in preparing the financial reports to reflect the company's actual performance in compliance with the Generally Accepted Accounting principles and adequate information disclosure in notes to financial statements. Auditor expresses opinions on Property Perfect's and subsidiaries' financial statements in auditors' report.



Dr.Tawatchai Nakata
Chairman



Chainid Adhyanasakul
Chief Executive Officer

AUDIT COMMITTEE

REPORT 2016

To all shareholders

Property Perfect Public Company Limited's Audit Committee, consisting of 3 independent directors appointed during the annual shareholder meeting – Mr. Banlue Chantadisai, Mrs. Nuanual Swasdikula Na Ayudhya and Mr. Manit Suthaporn — had completed its tasks in December 2016 in accordance with the Stock Exchange of Thailand's defined scope and responsibility of the Audit Committee as well as the Board of Directors-endorsed charter.

The Audit Committee put its emphasis on the Company's compliance to relevant rules and laws, transparency and concerns about shareholders' maximum benefits. We also ensured that the Company's financial reports are accurate, complete and sufficient and that the internal control is sufficient.

The Audit Committee hosted 6 meetings in the year. The following is the summary of our work.

1. Financial statements audit

The Audit Committee reviewed the audited quarterly and annual financial statements for 2016 before submitting the statements to the Board of Directors for final approval.

The Audit Committee checked the financial statements and cross-checked with the auditor and relevant executives to ensure the accuracy and sufficiency of the disclosure. Prior to approving the financial statements, there were always meetings with the auditor without attendance of the management for free discussion on key issues of the statements. The Audit Committee is of the view that the Company's financial statements were completed appropriately and sufficiently, and in line with accounting standards.

2. Connected transactions

The Audit Committee reviewed the processing code of connected transactions involving individuals or enterprises connected with the Company. The committee also reviewed connected transactions during 2015 to check compliance to rules and regulations and necessity, upholding the Company's maximum benefits..

The Company is of the view that the connected transactions were struck to support the business operations of the Company and subsidiaries, being a normal business practice. The transactions were disclosed accurately and completely in line with relevant rules.

3. Internal control and risk management review

The Audit Committee reviewed the internal control and risk management to evaluate the appropriateness and sufficiency of the internal control. The efficiency of corporate risk management was evaluated, taking into consideration the Risk Committee's reports, The committee reviewed risk-management guidelines proposed by the internal control unit, reviewed the Internal Audit Office's evaluation, and monitored the Company's actions accordingly to the Internal Audit Office and auditor's recommendations.

The review showed no significant defect in the internal control system. The Audit Committee is of the view that the system is sufficient for the Company's operations.

Upon a recommendation by EY Corporate Services Co.,Ltd, the Audit Committee also improved internal control measures regarding to the Company's land purchase; budget disbursements; the procurement of construction, design, advertising, public relations and marketing contracts; and acquisitions. EY Corporate Services is an independent auditor hired in 2015 to assess the internal control, to ensure efficiency and compliance to required standards.

4. Review on compliance to regulations and law

The Audit Committee reviewed if the Company had complied with the Securities and Exchange Act and relevant regulations. The review showed no indication that the Company had intention to sidestep the compliance or embark on any actions in violation of the law.

5. Internal audit supervision

The Audit Committee reviewed the Internal Audit Office's mission, scope of work and responsibilities, independence, the work structure and manpower. The office's audit plan and the knowledge enhancement program for the team was reviewed and approved.

The Audit Committee is of the view that the Internal Audit Office acts independently and effectively.

6. Monitoring report

The Audit Committee reported its actions to the Board of Directors on a quarterly basis. The committee also sent comments and recommendations to the management and the management appropriately followed the recommendations.

7. Auditor selection for 2017

The Audit Committee selected and nominated the auditor as well as set the auditing fee for the year 2016. The report was reviewed by the Board of Directors before being forwarded for shareholders' approval at the annual meeting. The selection was based on qualifications, track record and independence. The Board of Directors agreed to the Audit Committee's nominations - Mr. Supachai Panyawattano (certified auditor No.3930), Ms. Choloros Santiaswaraporn (certified auditor No. 4523) and Mr. Krisada Lertwana (certified auditor No. 4958), from EY Corporate Services.

The Audit Committee had completed its assignments with sufficient knowledge, caution, thoroughness and independence. There was no barrier in tapping for information from the management, employees and relevant individuals.



(Mr. Banlue Chantadisai)

Chairman, Audit Committee

23 February 2017

AUDITOR FEE ACCURACY SANCTIFICATION FORM

THE FISCAL YEAR END ON 31 DECEMBER 2016

Item	Payer	Auditor	Fee
Audit Fee			
1	Property Perfect Public Company Limited	EY Office Limited	2,100,000
2	Subsidiaries	EY Office Limited	8,738,000
Total			10,838,000



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