



PROPERTY **PERFECT**

# ANNUAL REPORT 2017

PROPERTY PERFECT PUBLIC COMPANY LIMITED



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## MESSAGE FROM THE BOARD OF DIRECTORS



Dr. Tawatchai Nakhata  
Chairman

The Thai economy took off slowly in 2017 and showed a clear recovery sign in the second half thanks to the unexpected export growth and continued prosperity of the tourism industry. However, the overall environment was not supportive to business expansion. The government's stimulus package for the property industry implemented late 2015 until early 2016 sucked out "future housing demand" leading to a slowdown in both supply and demand. The industry was also battered by the persistently high household debt and commercial banks' stringent lending criteria while the loan rejection rate remained as high as 30-40%.

In 2017, the Company and subsidiaries posted a 7% increase in revenue, at Bt16,730.71 million. Of total, the property development business generated Bt13,445.76 million, or a 7.9% increase from the previous year. The hotel business came second, contributing Bt2,323.28 million or an increase by 5.9%. Rent and service fees decreased by 4.7% to Bt344.14 million. Meanwhile, land sale generated Bt1,225.45 million, the construction business contributed Bt32.47 million and the sale of land purchase rights and liquidation of investment in joint ventures showed a gain of Bt211.81 million. Other revenues were valued at Bt373.25 million. The Company and subsidiaries launched 15 new projects with combined value of Bt14,626.50 million, consisting of 12 low-rise projects worth Bt11,769.00 million and 3 high-rise projects worth Bt2,857.50 million.

To ride out the storms in 2017, the Board of Directors set sight to continually grow business through a greater focus on the premium segment, which was not subjected to commercial banks' stringent lending criteria. This boosted revenue from the segment by 16%. Meanwhile, Sheraton Hua Hin Resort and Spa real estate investment trust (GAHREIT) was established as the first REIT since the Company's acquisition of TPROP and GRAND in 2015 at the value of Bt1,755 million. It was satisfactory that the Company's debt was reduced by Bt2,144 million in 2017, ably bringing down the debt to equity ratio from 1.96:1 to the target level of 1.58:1

In 2018, the Board of Directors strives to continually strengthen the Company's operations, in terms of revenue, earnings and debt burden. Moreover, it seeks to further seek world-class foreign partners' supports in growing revenue from core businesses. To grow the property development business, the Company plans to launch 25 new projects with combined value of Bt35,823 million, consisting of 21 low-rise projects worth Bt25.543

million and 4 high-rise projects worth Bt10,280 million. One of the condominium projects is undertaken jointly with Sumitomo Forestry Company Ltd, a leading player in Japan's forestry and residential industry. Grand Star Company Limited was established as a joint venture with Sumitomo Forestry to develop a very luxury condominium in Thong Lor area worth Bt6,000 million. Some of the low-rise projects will carry a new brand, Perfect Residence, highlighting single houses priced at Bt10-Bt15 million per unit. The Company also plans to launch a high-end housing project with a Hong Kong real estate company, to raise the market share in the premium segment.

Another plan is to stabilize the revenue from the hotel business, to reduce risks from excessive dependence on a particular business. The hotel portfolio will be expanded to cover new properties which include Hyatt Regency Bangkok Sukhumvit, a property with 273 rooms. A plan is set to acquire Royal Orchid (Thailand) Company Limited which operates the 726-room Royal Orchid Sheraton Hotel. These will increase the number of hotels in the portfolio from 4 to 6, boosting the number of rooms from 1,078 to 2,077. REITs are eyed to invest in these properties. Meanwhile the properties will be managed by Marriott and Hyatt, the world's best and largest hotel management firms. While the Company will benefit from Marriott's Loyalty Members which number more than 100 million across the world, it will gain from Hyatt's strength as the world's best management firm in terms of F&B. On top of that, the Company plans a mixed-use project in Rayong, consisting of residential villas, a condominium and a hotel or resort, to take advantage of the Eastern Economic Corridor (EEC) scheme. Regarding the plan to turn around Kiroro Resort's operations, the Board of Directors expects to conclude the negotiation with a world-class company which is keen in managing ski fields, mountain hotels and mountain tourism. The partner's strength is believed to help boost the number of visitors to Kiroro Resort and hence boost its revenue. The turnaround will pave way for residential development, be they a housing estate or a condominium project.

On behalf of the Board of Directors, I hereby wish to extend my heartfelt thanks to our shareholders, valued customers, investors, trade partners, allies and financial institutions for their continued supports to the Company. My appreciation is extended to all executives and employees who performed their duties with patience and dedication throughout the past year.



*Chainid*

Mr.Chainid Adhyanasakul  
Chief Executive Officer

# FINANCIAL INFORMATION

PROPERTY PERFECT PUBLIC COMPANY LIMITED

(Unit: Million Baht)

	2017	2016	2015
<b>Financial Position</b>			
Total Assets	47,429	48,790	43,277
Project Development Cost	24,289	25,303	21,659
Inventories	41	35	42
Total Liabilities	32,437	34,853	29,614
Shareholders' Equity	14,992	13,937	13,663
<b>Operation Results</b>			
Revenue from Sales of House and Land, Hotel Business, Rental and Service	16,146	15,109	12,049
Total Revenue	16,731	15,553	12,905
Gross Margin	5,356	4,953	3,657
Net Income	316	332	267
<b>Financial Ratio</b>			
Net Profit (%)	1.89	2.14	2.07
Return on Equity (%)	2.39	3.58	3.63
Return on Total Asset (%)	0.66	0.72	0.72
Debt to Equity Ratio	2.16	2.50	2.17
Current Ratio	2.81	2.19	2.16
<b>Per Share Data</b>			
Net Income per Share (Baht)	0.076	0.066	0.047
Dividend per Share(Baht)	0.05	0.04	0.030
Book Value per Share(Baht)	1.43	1.49	1.43



## COMPANY AND SUBSIDIARIES INFORMATION



### Company Information

<b>Name</b>	: Property Perfect Public Company Limited
<b>Type of Business</b>	: Real Estate Development
<b>Head Office</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
<b>Business Registration Number</b>	: 0107536001231
<b>Home Page</b>	: <a href="http://www.pf.co.th">www.pf.co.th</a>
<b>Telephone Number</b>	: 0-2245-6640-8, 02-274-7500-4
<b>Fax</b>	: 0-2247-3328
<b>No. of Paid-up Share</b>	: 8,667,826,432 Shares
<b>Par Value</b>	: Baht 1
<b>Paid-up Capital</b>	: Baht 8,667,826,432

## Legal Entity, The company hold 10% up

## The Company and Subsidiaries , Directly Owned

<b>Name</b>	<b>: Estate Perfect Company Limited</b>
<b>Type of Business</b>	: Real Estate Development
<b>Address</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
<b>Telephone Number</b>	: 0-2245-6640-8, 0-2247-7500-4
<b>Fax</b>	: 0-2246-0733
<b>No. of Paid-up Share</b>	: 120,000,000 Shares
<b>Par Value</b>	: Baht 10
<b>Paid-up Capital</b>	: Baht 1,200,000,000
<b>Percentage of Investment</b>	: 100 %
<b>Name</b>	<b>: Bright Development Bangkok Company Limited</b>
<b>Type of Business</b>	: Real Estate Development
<b>Address</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
<b>Telephone Number</b>	: 0-2245-6640-8, 0-2247-7500-4
<b>Fax</b>	: 0-2246-0733
<b>No. of Paid-up Share</b>	: 10,000,000 Shares
<b>Par Value</b>	: Baht 100
<b>Paid-up Capital</b>	: Baht 1,000,000,000
<b>Percentage of Investment</b>	: 100 %
<b>Name</b>	<b>: Residence Number Nine Company Limited</b>
<b>Type of Business</b>	: Real Estate Development
<b>Address</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
<b>Telephone Number</b>	: 0-2245-6640-8, 0-2247-7500-4
<b>Fax</b>	: 0-2246-0733
<b>No. of Paid-up Share</b>	: 10,000,000 Shares
<b>Par Value</b>	: Baht 100
<b>Paid-up Capital</b>	: Baht 1,000,000,000
<b>Percentage of Investment</b>	: 100 %
<b>Name</b>	<b>: Chiangmai Development Company Limited</b>
<b>Type of Business</b>	: Real Estate Development
<b>Address</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
<b>Telephone Number</b>	: 0-2245-6640-8, 0-2247-7500-4
<b>Fax</b>	: 0-2246-0733
<b>No. of Paid-up Share</b>	: 2,000,000 Shares
<b>Par Value</b>	: Baht 100
<b>Paid-up Capital</b>	: Baht 200,000,000
<b>Percentage of Investment</b>	: 100 %

<b>Name</b>	<b>: Grand Star Company Limited</b>
<b>Type of Business</b>	: Real Estate Development
<b>Address</b>	: Room 3203-4 Exchange Tower, 32nd Floor, 388 Sukhumvit Road, Khlongtoey, Bangkok, 10110
<b>No. of Paid-up Share</b>	: 12,000,000 Shares
<b>Par Value</b>	: Baht 100
<b>Paid-up Capital</b>	: Baht 1,200,000,000
<b>Indirect Stake</b>	: 16.05%
<b>Direct Stake</b>	: 11%
<b>Name</b>	<b>: We Retail Public Company Limited</b>
<b>Type of Business</b>	: Real Estate Development — Shopping Center and Commercial Area
<b>Address</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
<b>Telephone Number</b>	: 0-2245-6640-8, 02-247-7500-4
<b>Fax</b>	: 0-2645-0024
<b>No. of Paid-up Share</b>	: 2,490,585,084 Shares
<b>Par Value</b>	: Baht 1.05
<b>Paid-up Capital</b>	: Baht 2,615,114,338.20
<b>Percentage of Investment</b>	: 94.98 %
<b>Name</b>	<b>: Property Perfect International Pte.Ltd.</b>
<b>Type of Business</b>	: Investment and Oversea Real Estate Development
<b>Address</b>	: 160 Robinson Road #17-01 SBF Center Singapore 068914
<b>No. of Paid-up Share</b>	: 1 Share
<b>Par Value</b>	: 1 SGD\$
<b>Paid-up Capital</b>	: 1 SGD\$
<b>Percentage of Investment</b>	: 100 %
<b>Name</b>	<b>: Perfect Sport Club Company Limited.</b>
<b>Type of Business</b>	: Clubhouse Management
<b>Address</b>	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
<b>Telephone Number</b>	: 0-2245-6640-8, 0-2247-7500-4
<b>Fax</b>	: 0-2645-1409
<b>No. of Paid-up Share</b>	: 500,000 Shares
<b>Par Value</b>	: Baht 100
<b>Paid-up Capital</b>	: Baht 50,000,000
<b>Percentage of Investment</b>	: 100 %

<b>NAME</b>	<b>: U &amp; I Construction Bangkok Company Limited</b>
Type of Business	: Construction Business
Address	: 27th Flr., Vongvanich B Bldg., 100/89 Rama IX Road, Huaykwang, Bangkok 10310
Telephone Number	: 0-2246-2093-6
Fax	: 0-2246-2020
No. of Paid-up Share	: 1,000,000 Shares
Par Value	: Baht 100
Paid-up Capital	: Baht 100,000,000
Percentage of Investment	: 100 %
<b>NAME</b>	<b>: Uniloft Service (Thailand) Company Limited</b>
Type of Business	: Service Apartment
Address	: 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
Telephone Number	: 0-2245-6640-8, 0-2247-7500-4.
Fax	: 0-2246-0733
No. of Paid-up Share	: 50,000 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 %
<b>NAME</b>	<b>: Perfect Prefab Company Limited</b>
Type of Business	: Manufacturer and Install Prefab Structures
Address	: 10th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310
Telephone Number	: 0-2245-6640-8, 0-2247-7500-4
Fax	: 0-2246-0733
No. of Paid-up Share	: 1,000,000 Shares
Par Value	: Baht 10
Paid-up Capital	: Baht 2,500,000 (paid up 25%)
Percentage of Investment	: 51% (49% held by Centre of Standard Precast Company Limited)
<b>NAME</b>	<b>: Ramintra Mall Company Limited (Formerly known as Mariya Stuff Company Limited )</b>
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	: 0-2245-6640-8, 0-2247-7500-4
Fax	: 0-2246-0733
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., Bangkapi, Huaykwang, Bangkok
No. of Paid-up Share	: 3,193,185,471 Shares
Paid-up Capital	: Baht 3,193,185,471
Percentage of Investment	: 94.60%
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	: 30,000,000 Shares
Par Value	: Baht 10
Paid-up Capital	: Baht 131,250,000
Percentage of Investment	: 45.00%
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	: 0-2245-6640-8, 0-2247-7500-4
Fax	: 0-2645-0024
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	: 0-2258-2515
Fax	: 0-2258-0512
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) (Subsidiary of Property Perfect International Pte.Ltd.)
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	: 767,070 Shares
Paid-up Capital	: JPY 2,272,246,451
Percentage of Investment	: 98.10% (Direct 31.4% and indirect 66.7%)

NAME	Kabushiki Kaisha Kiroro Associates Company Limited (Subsidiary of Kiroro Resort Holdings 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	: 98.10%
NAME	Kabushiki Kaisha Kiroro Hotels Company Limited (Subsidiary of Kiroro Resort Holdings Co., Ltd.)
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	: 98.10%
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	: 98.10%
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	: 60,000,000 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 Business
Address	: 29th Floor, Charn Issara Tower II Bldg., 2922/305-306, New Petchaburi Road, Bangkok, Huaykwang, Bangkok
No. of Paid-up Share	: 50,000 Shares
มูลค่าที่เรียกชำระแล้ว	: Baht 5,000,000
สัดส่วนการถือหุ้น	: 94.60%

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
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	: Unit 3203-4, 32nd flr., Exchange Tower Bldg, 388 Sukhumvit Road, Kwang Khlongtoey, Khet Khlongtoey, 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	: 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 flr., Exchange Tower Bldg., 388 Sukhumvit Rd., Kwang Khlongtoey, Khet Khlongtoey, Bangkok
No. of Paid-up Share	: 2,500,000 Shares
Paid-up Capital	: Baht 250,000,000
Indirect Stake	: 38.43%
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., 388 Sukhumvit Rd., Kwang Khlongtoey, Khet Khlongtoey, Bangkok
No. of Paid-up Share	: 5,000,000 Shares
Paid-up Capital	: Baht 500,000,000
Indirect Stake	: 38.43%
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
No. of Paid-up Share	: 28,000,000 Shares
Paid-up Capital	: Baht 280,000,000
Indirect Stake	: 38.43%

Reference	
<b>Auditors</b>	<p>Mr.Supachai Phanyawattano</p> <p>Mrs.Chonros Suntasavaraporn</p> <p>Mr.Krissada Lertwana</p> <p><b>EY Office Limited (Formerly known as Ernst &amp; Young Office Limited)</b></p> <p>33rdFloor, Lake Rajada Office Complex 193/136-137 New Rajadapisek Road, Bangkok 10110</p> <p>Tel. 0-2264-0777, 0-2661-6190 Fax. 0-2264-0790, 0-2661-9192</p>
<b>Financial Institute</b>	<p><b>Krung Thai Bank Public Company Limited</b></p> <p>35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110</p> <p><b>Bank of Ayudhya Public Company limited</b></p> <p>1222 Rama III Road, Bangphongphang, Yannawa, Bangkok 10120</p> <p><b>CIMB Thai Public Bank Company limited</b></p> <p>44 North Sathorn Road, Lumpini, Prathumwan, Bangkok 10330</p> <p><b>Thanachart Bank Company limited</b></p> <p>1101 New Phetchaburi Rd. Makkasan, Rajthewi, Bangkok 10400</p>
<b>Share Registrar</b>	<p><b>Thailand Securities Depository Co., Ltd.</b></p> <p>4th , 6th -7th Flr. ,The Stock Exchange of Thailand Bldg.,62 Ratchadaphisek Road, Klongtoey ,Bangkok 10110</p> <p>Tel. 0-2359-1200 -1 Fax. 0-2359-1259</p>
<b>Property Valuation</b>	<p><b>Agency for real estate affairs Co., Ltd .</b></p> <p>10 Nonsi Rd., Nonsi, Yannawa, Bangkok 10120</p> <p>Tel.0-2295-3905 Fax. 0-2295-1154</p> <p><b>Brooke Real Estate Limited</b></p> <p>20th Floor., Unit 2005-6, The Millennia Tower, 62 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330</p> <p>Tel. 0-2652-6300 Fax.0-2652-639</p> <p><b>Thai Property Appraisal Lynn Phillips Co., Ltd.</b></p> <p>11th Floor, RS Tower Building,121/47-48 Rachadaphisek Rd., Dindaeng, Bangkok 10320</p> <p>Tel. 0-2641-2128-32 Fax. 0-2641-2134</p> <p><b>S.L. Standard Appraisal Co.,Ltd</b></p> <p>114 Rattana Uthit Road, Soi 19,Tambon Hadyai, Amphoe Hadyai, Songkhla 90110</p> <p>Tel. 0-7435-9130 Fax. 0-7435-9130</p> <p><b>Wealth Appraisal Co., Ltd.</b></p> <p>11/277 Thanthawat Village 5 Soi Watcharapol 1/9 Tha Raeng Khet Bang Khe , Bangkok 10220</p> <p>Tel. 0-2948-0928-9, 0-2948-2258 Fax. 0-2948-2259</p> <p><b>Knight Frank Charter (Thailand) Co., ltd.</b></p> <p>65/192 23rd Floor Chamnan Phenjati Business Center Rama IX Road Huaykwang District, Bangkok 10320</p> <p>Tel. 0-2643-8223 Fax. 0-2643-8224</p>
<b>Legal Advisor</b>	<p><b>Weerawong, Chinnavat &amp; Peangpanor Ltd.</b></p> <p>22nd Floor, Mercury Tower, 540 Ploenchit Road , Lumpini, Prathumwan, Bangkok 10330</p> <p>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 Bt 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. Loans were gradually repaid to creditors in the rehabilitation plan, until they were fully repaid in 2011.

As 31 December 2017, 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 8,667,826,432, consisting 8,667,826,432 common shares at Bt1 par value.

### Major events in the past 4 years

#### 2017 :

- The Company, Sumitomo Forestry Company Limited and Grande Asset Hotels and Property Public Company Limited set up a joint venture namely Grand Star Company Limited, to develop a high-end downtown condominium project.
- Grande Asset Hotels and Property Public Company Limited (GRAND" convened the annual shareholder meeting on 24 April 2017 where the following agenda was endorsed
  - Reduced the registered capital from Bt2,889,040,000 to Bt2,889,039,237 consisting of 2,889,039,237 common shares at Bt1 par value.
  - Raise the registered capital from Bt2,889,039,237 to Bt5,000,000,000 by issuing 2,110,960,763 new shares at Bt1 par value.

- Allocate 866,711,771 shares at Bt1 par value for a rights offering, offering existing shareholders 3 new shares for 10 existing shares at the price of Bt1 apiece.
- Allocate 1,244,248,992 new shares at Bt1 par value and shares left over from the rights offering for a private placement.
- The Company's Board of Directors at the meeting on 11 May 2017 resolved to sell all 26,000,000 shares in Dara Harbour Company Limited or 65% of Dara Harbour's equity to Central Pattana Public Company Limited.
- T Utilities Company Limited (TU), a subsidiary, called for the additional 50% payment of newly-issued shares worth totally Bt60 million. All the new shares were paid up, boosting the registered and paid-up capital to Bt75 million. The Board of Directors at the 4/2017 meeting on 4 August 2017 resolved to raise the Company's stake in TU from 40% to 45%. As of 31 December 2017, TU is raising the registered capital from Bt75 million to Bt300 million to support investment projects.
- The Company converted the 1,205,000,000-yen loan to Kiroro Resort Holdings to 241,000 preferred shares with 5,000 yen par value in Share Group, raising Property Perfect International's stake in Kiroro Resort Holdings to 98.10%.

## 2016 :

- The Company and SCI Electric Public Company Limited set up a 40:60 joint venture called T Utilities Company Limited (TU), to offer utility services. the joint venture's registered capital and paid-up capital stood at Bt15,000,000. TU subsequently raised
- the registered capital by Bt60 million to Bt75 million, calling for the 25% payment of the newly-issued shares or Bt15 million. The paid-up capital was raised to Bt30 million.
- 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.
  - The Company had issued 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 Harbor 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.



## 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 hotel group 3) Retail group 4) Construction group 5) Service group . The structure as of 31 December 2017 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 2017, a total of 65 projects are under development with outstanding value of Bt 40,815.75 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 Company Limited (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 houses, duplex house 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 2017, Sale of Estate’s 10 projects is underway, and the remaining value of the unsold units is Bt 5,135.14 million. (Additional information on the projects of the subsidiaries are in Graphic: Project by Type)

As of 31 December 2017, Estate Perfect Company Limited’s 5 directors are:

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

### Bright Development Bangkok Company Limited (Subsidiary)

Bright Development Bangkok Company Limited (“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 2017, Bright planned 10 condominium projects and, the remaining value of unsold units is Bt7,890.55 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 Bt6,868 million in high-potential locations near electric train lines and universities — iCondo Sukhumvit 77, iCondo Serithai, Metro Sky Charan 13 and Metro Sky Wutthakat.

As of 31 December 2017, 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. Kittapas	Pongpakawat	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-Bt6 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 2017, Residence’s 6 projects are now marketed, The remaining value of unsold units is Bt 1,625.73 million. (Additional information on the projects of the subsidiaries are in Graphic: Project by Type)

As of 31 December 2017, 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

#### 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 30 September 2017, Chiangmai kicked off land development in preparation for the launch of a property project.

As of 31 December 2017, Chiangmai Development Company Limited 's 4 directors are:

Name		Position
1. Ms. Sirirat	Wongwattana	Director
2. Mr.Wongsakorn	Prasitvipat	Director
3. Mr.Wason	Sirattanapong	Director
4. Mr.Pornswat	Katechulasriroj	Director

#### Grand Star Company Limited (Joint Venture)

Grand Star Company Limited is a joint venture of Sumitomo Forestry Company Limited, Grande Asset Hotels and Property Public Company Limited, and Property Perfect Public Company Limited. It was established on 22 May 2017 with Bt1,200 million in registered capital. The Company holds an 11% stake in Grand Star. It is located at 388 Exchange Tower (Floor 32), Room 3203-4, Sukhumvit Road, Khlong Toei, Bangkok.

As of 31 December 2017, Grand Star Company Limited 's 4 directors are:

Name		Position
1. Mr.Chainid	Adhyanasakul	Director
2. Mr.Vitavas	Vibhagool	Director
3. Mr.Kenji	Inui	Director
4. Mr.Kazuhiko	Matake	Director

## Rental property and hotel group

### Thai Property Public Company Limited (Subsidiary)

Thai Property Plc. (TPROP) is located at 2922/305-306, 29th Floor, Charn Issara Tower 2, Petchaburi Road, Bangkok, 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 Bt3,193,185,471 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 sought a voluntary delisting from the Stock Exchange of Thailand and the SET's board approved the delisting on 9 December 2016

As of 31 December 2017, 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 10110 . 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 83.56% occupied. The building has 19 floors and 241 parking lots. Located at 142 Sukhumvit Road, Khlong Toei, Bangkok 10110, Two Pacific Place has 21,440 sqm in rental space which is 98.37% occupied. The building has 30 floors and 368 parking lots. All were operated by We Retail.

As of 31 December 2017 , 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 2017, Metro Premiere holding company limited 's 3 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Pramote	Remyindee	Director
3. Mr.Pornswat	Katechulasriroj	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 2017, Metro Premiere holding company limited 's 1 director is:

Name		Position
1. Mr.Pornswat	Katechulasriroj	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 Bt5,000,000,000 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 are as following:

1. Westin Grande Sukhumvit Hotel in Soi Sukhumvit 19: a 19-floor 5-star hotel with 362 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 and will be operated in the mid year of 2018, is Hyatt Regency Bangkok Sukhumvit, a 4-star hotel with 273 guest rooms. Located at Soi Sukhumvit 13, the building has 30 floors. It plans a mixed-use hotel and condominium project in Rayong, on a 93-rai plot on Laem Mae Phim Beach.

As of 31 December 2017, Grande Asset Hotels and Property had 4 projects on the market — Hyde Sukhumvit 13, Hyde Sukhumvit 11, The Trendy and Hua Hin Blue Lagoon, with the remaining combined value of Bt2,262.29 million. (More information of the subsidiary's projects are available in the Type of Products chart.

As of 31 December 2017, Grande asset hotel and property public company limited's 12 directors are:

Name		Position
1. Mr.Wichai	Thongtang	Chairman
2. Dr.Bhichit	Rattakul	Vice Chairman and Chairman of the 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 Vommittee
11. Mr.Wattana	Suthipinijtham	Independent Director, Audit Committee and Risk Management Committee
12. Mr.Amarit	Pansiri	Independent Director and Audit Committee

Note Mrs. Phonsiri Manoharn resigned from independent director and chairman of risk management committee on 31 December 2017

#### Grande Equity Development Company Limited (A subsidiary of Grande Asset Hotels and Property Public Company Limited)

Grande Equity Development Co., Ltd. is located at 338 Exchange Center(32nd Flr.) 3203-4, Sukhumvit Road, Klong Toei, Bangkok. The company owns a 100% stake in Grande Equity through its wholly-owned subsidiary Grande Asset Hotels and Property Plc.

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

As of 31 December 2017, Grand Equity's 5 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Vitavas	Vibhagool	Director
4. Mr.Amarin	Narula	Director
5. Mr.Phaisit	Kaenchan	Director

#### Honor Business Company Limited (A Subsidiary of Grande Asset Hotels and Property Public Company Limited)

Honor Business Co., Ltd. is located at 338 Exchange Center(32nd Flr.) 3203-4, Sukhumvit Road, Klong Toei, Bangkok. The company owns a 100% stake in Honor Business Co., Ltd. through its wholly-owned subsidiary Grande Asset Hotels and Property Plc.

Honor Business Company Limited manages Sheraton Hua Hin Resort and Spa Hotel by renting out the property from REIT.

As of 31 December 2017, Honor Business's 5 directors are

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Vitavas	Vibhagool	Director
4. Mr.Amarin	Narula	Director
5. Mr.Phaisit	Kaenchan	Director

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

Owendelle Co., Ltd. is located at 9/22 Moo 5, Tambon Paknampran, Pranburi, Prachuab Hhiri Khan province. The company owns a 100% stake in Owendelle through its wholly-owned subsidiary Grande Assset Hotels and Property Plc.

Owendelle Company Limited owns the lease rights for the land which locates Sheraton Hua Hin Pranburi Villa as well buildings on the land.

As of 31 December 2017, Owendelle's 5 directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Vitavas	Vibhagool	Director
4. Mr.Amarin	Narula	Director
5. Mr.Phaisit	Kaenchan	Director

#### Property Perfect International Pte.Ltd. (Subsidiary)

Property Perfect International Pte.Ltd. (PPI), located at 80 Raffles Place, #266-01 UOB Plaza 1, Singapore 048624, 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 66.71 % in Kiroro Resort Holdings and the company holds 31.42%.

As of 31 December 2017, Property Perfect International Pte.Ltd's 4 directors are:

Name		Position
1. Mr.Bhichai	Rattakul	Director
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, it is worth Bt526.7 million. The claim is valued at 160,000,000 yen or Bt64.8 million.

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 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%.

In July 2017, Property Perfect's loan to Kiroro Resort Holdings worth 1,205 million yen was converted to 241,000 common shares with 5,000 yen par value, boosting Property Perfect's direct holding in Kiroro Resort Holdings to 31.4% and decreasing Property Perfect International's stake to 66.7% consisting of 767,070 common shares. In November, the capital was reduced for tax benefits and accumulated debt clearing. Kiroro Resort Holdings' paid-up capital is currently 2,272,246,451 yen.

As of 31 December 2017, Kiroro Resort Holdings' 9 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.Eizo	Morita	Director
7. Mr.Benjamin	Lam	Director
8. Mr.Methee	Tanmanatragul	Director
9. Mr.Vitavas	Vibhagool	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. Kabushiki Kiroro Associates' paid-up capital is currently 60 million yen, consisting of 610 common shares. The restructuring of Kiroro Resort Holdings' investment boosted the company's stake in Kabushiki to 100%

As of 31 December 2017, Kabushiki Kaisha Kiroro Associates' 3 directors are

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

#### Kabushiki Kaisha Kiroro Hotels Company Limited (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 2017, Kabushiki Kaisha Kiroro Hotels 's 3 directors are:

Name		Position
1. Mr. Eizo	Morita	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Methee	Tanmanatragul	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 2017, Kabushiki Kaisha Kiroro Resort Development 's 4 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 (Property Fund)

In October 2013, Bright Development Bangkok Company Limited, a wholly-owned subsidiary of the Company, sold Uniloft Salaya, located in Tambon Salaya, Buddhamonthon 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 a 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 of the fund at Bt10 par value for the total value of Bt100,512,000 or 19.52% of all shares. All investment units were sold to Siriraj Foundation, as approved at the 1/2017 extraordinary meeting of the unit holders of Uniloft REIT on 13 November 2017.

## 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 with Bt2,615,114,338.20 million paid up, consisting 2,490,585,084 shares or Bt 1.05 par value. The company hold 94.98 %.

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 2017, We Retail public company limited 's 8 directors are;

Name		Position
1. Dr.Tawatchai	Nakhata	Chairman
2. Mr.Chainid	Adhyanasakul	Director and Vice Chairman and act as Chief Executive Officer
3. Mr.Pramote	Rermyindee	Director
4. Mr.Kampol	Tatayakawee	Director
5. Mr.Chersak	Kookiatnunt	Independent Director, Chairman of Audit Committee
6. Mr.Chaiyakorn	Boonlapapat	Independent Director, Audit Committee
7. Mr.Prasong	Vara-Ratanakul	Independent Director, Audit Committee
8. Mr.Virayuk	Puntupetch	Independent Director

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

Centrepont Shopping Mall Company Limited 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 Company Limited 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 Company Limited 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 2017, 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	Katechulasriroj	Director
5. Ms.Wilawun	Leongnarkongdee	Director

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

All Discount Company Limited is located at 593/593/1 Sukhumvit Road, Khlongtan Nua, Wattana, Bangkok. Established in March 2016, All Discount will develop and operate a new 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 has currently operated 10 "All D" outlets in the peripheral areas of Bangkok.

As of 31 December 2017, 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 flr.,) Rama IX Road, Huay Kwang, Bangkok. It is registered with Bt350 million capital. The company holds 100% in the subsidiary.

As of 31 December 2017, 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 2017, 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 (subsidiary)

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 manufacturer 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 750 housing units per year.

As of 11 March 2017, 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	Singthabadj	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 2017, Perfect Sport Club company limited's 4 directors are:

Name		Position
1. Mr.Phairat	Senachak	Director
2. Mr.Wason	Srirattanapong	Director
3. Mr.Krittapas	Pongpakawat	Director
4. Mr.Natawee	Jirawechanon	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 2017, Uniloft Service (Thailand) Company Limited 's 4 Directors are:

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

### T Utilities Company Limited (Joint Venture Company)

T Utilities Company Limited is located at 116/1, Silom Road, Suriyawong sub-district, Bang Rak district, Bangkok. T Utilities operates through co-investment in utilities companies and projects, mainly involving electricity generating and tap water systems. The Company owns 45% in T Utilities. T Utilities set up 5 subsidiaries on 3 July 2017 to operate electricity generating and distribution businesses: TU 1 Company Limited, TU 2 Company Limited, TU 3 Company Limited, TU 5 Company Limited and TU 6 Company Limited. On 27 November 2017, Southern Utilities Holding Company Limited was established to operate electricity generating and distribution business. T Utilities is capitalized at Bt300,000,000, with Bt131,250,000 million being paid up.

As of 31 December 2017, T Utilities Company Limited 's 5 Directors are:

Name		Position
1. Dr.Bhichit	Rattakul	Director
2. Mr.Chainid	Adhyanasakul	Director
3. Mr.Noppol	Milinthangoon	Director
4. Ms.Aunada	Phrutinarakorn	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:

### 1. The Board of Directors

As of 31 December 2017, the board consists of 14 directors and 8 meeting allowances. Details are as follow:

No,	Name	Title	Meeting of the company's board	Meeting allowances of the of the company's board
1.	Dr.Tawatchai Nakhata	Chairman	8	8
2.	Mr.Chainid Adhyanasakul	Director / Vice Chairman / Chief Executive Officer	8	8
3.	Mr.Phairat Senachak <sup>1/</sup>	Director	5	5
4.	Mr.Vidhya Nativivat	Director	8	8
5.	Ms.Sirirat Wongwattana	Director	8	7
6.	Mr.Wongsakorn Prasitvipat	Director	8	8
7.	Mr.Wicharn Siriwetwarawut	Director	8	8
8.	Mr.Pornswat Katechulasriroj	Director	8	8
9.	Mr.Thongchai Jira-Alongkorn <sup>1/</sup>	Director	5	5
10.	Mrs.Nuanual Swasdikula-Na-Ayudhaya	Director / Independent Director	8	7
11.	Mr.Ekamol Kiriwat	Director / Independent Director	8	6
12.	Mr.Banlue Chantadisai	Director / Independent Director	8	8
13.	Mr.Manit Suthaporn	Director / Independent Director	8	8
14.	Prof.Dr.Suchatvee Suwansawat	Director / Independent Director	8	7

Mr.Pramote Remyindee as secretary of the Board

#### Note

1/ At 2017 annual general meeting on April 2017, the Board of appointed Mr.Thongchai Jira-Alongkorn and Mr.Phairat Senachak as directors.

## Authorised directors

Authorized signatory directors are

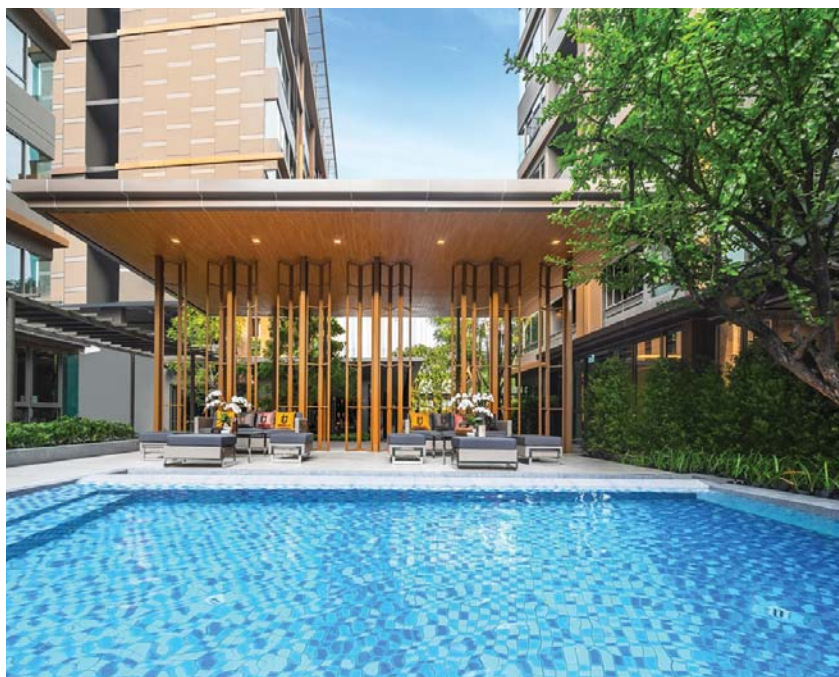
- (1) Dr.Tawatchai Nakhata, Mr.Chainid Adhyanasakul, Ms.Sirirat Wongwattana, Mr.Wongsakorn Prasitvipat, Mr.Wicharn Siriwetwarawut and Mr.Pornswat Katechulasriroj are authorised signatory directors. It requires the signatures of two from the six directors to affix the Company's seal.
- (2) Ms.Sirirat Wongwattana or Mr.Wongsakorn Prasitvipat 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.





## 2. Audit Committee

As of 31 December 2017, 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 duty and scope of responsibility

1. Ensure the accuracy and sufficiency of the Company's financial reporting.
2. Assess the appropriateness and effectiveness of the internal control and the internal audit, while assuring the internal control office's independence through the approval of the office head's appointment, relocation and evaluation.
3. Ensure the Company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations and related business laws.
4. Review, screen and nominate independent individuals to be appointed as the Company's auditors, propose the auditing fee, and meet with auditors without the management's presence at least once a year.
5. Examine connected transactions or the transactions which may pose conflict of interests in line with laws and the Stock Exchange of Thailand's rules, to ensure that the transactions are appropriate and undertaken for the Company's maximum benefits.

6. Prepare the Audit Committee's report and disclose it in the Company's Annual Report. The report must be signed by the Audit Committee's Chairman and must at least contain the following information.
  - View on the accuracy, completion and credibility of the Company's financial reporting
  - View on the sufficiency of the Company's internal control
  - View on the compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's rules or related business laws
  - View on the appropriateness of auditors
  - View on transactions which may pose conflict of interests
  - The number of the Audit Committee's meetings and the attendance of individual committee members
  - Overall view or remark on the Audit Committee's functions accumulated while performing its duty in line with the charter
  - Other issues that the committee should inform shareholders and general investors under the scope of duty and responsibility specified by the Board of Directors
7. Embark on other undertakings assigned by the Board of Directors and approved by the Audit Committee.
8. Review and improve the Audit Committee's charter and submit the improvements for the Board of Directors' approval.
9. Endorse the internal audit's audit plan and audit results including the investigation results of special inquiries.

To complete its duty and responsibility, the Audit Committee is authorized to question the management, department heads or relevant employees or summon them to meetings or submit relevant document as well as seek professional advice when necessary at the Company's expenses.

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.





### 3. Nomination and Remuneration Committee

As of 31 December 2017, The Nomination and Remuneration Committee consisted of 2 persons.

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

#### Nomination 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

- (a) Consider the company's policies and criteria in paying the Chief Operation Officer, directors, and the company's advisors.
- (b) Consider the annual salary, annual pay increase, and the interim pay increase, as well as other benefits to award all employees.
- (c) Consider the employment terms, regulations, and penal clauses which should be appropriate and fair.
- (d) 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.

## 4. Risk Management Committee

As of 31 December 2017, Risk Management Committee consisted of 3 persons.

Name	Title
1. Prof.Dr.Suchatvee Suwansawat	Chairman of Risk Management Committee
2. Mr.Boonliam Luangnarkthongdee	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.



## Executive Board

Executive Board contains 7 members as of 31 December 2017.

Name		Title
1	Mr.Chainid Adhyanasakul	Chief Executive Director (Authorized signatory Directors)
2	Mr.Wicharn Siriwetwarawut	Executive Director (Authorized signatory Directors)
3	Mr.Pornswat Katechulasriroj	Executive Director (Authorized signatory Directors)
4	Mr.Wongsakorn Prasitvipat	Executive Director (Authorized signatory Directors)
5	Ms.Sirirat Wongwattana	Executive Director and Secretary (Authorized signatory Directors)
6	Mr.Phairat Senachack	Executive Director
7	Mr.Surasak Vacharapongpreecha	Executive Director

### Note

Dr.Tawatchai Nakhata ended his term as Chief Executive Director and the Board of Directors at the 4/2017 meeting on 2 May 2017 appointed Mr.Chainid Adhyanasakul as the replacement.

### 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 2017, as defined in the Securities and Exchange Commission's announcement.

Name		Title
1. Mr.Chainid	Adhyanasakul	Chief Executive Officer
2. Mr.Pramote	Rermyindee	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. Ms.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.

- (a) Information presented at shareholders' meetings
  - (b) 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.
  - (c) The company's opinion on shareholders' tender offer for the company's shares
  - (d) 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.

Name		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
Dr.Tawatchai	Nakhata	8			
Mr.Chainid	Adhyanasakul	8			
Mr.Phairat	Senachak	5			
Mr.Vidhya	Nativivat	8		2	
Ms.Sirirat	Wongwattana	7		2	
Mr.Wongsakorn	Prasitvipat	8			
Mr.Wicharn	Siriwetwarawut	8			
Mr.Pornswat	Katechulasriroj	8			
Mr.Thongchai	Jira-Alongkorn	5			
Mrs.Nuanual	Swasdikula-Na-Ayudhaya	7	6		
Mr.Ekamol	Kiriwat	6			
Mr.Banlue	Chantadisai	8	6		
Mr.Manit	Suthaporn	8	6		
Prof.Dr.Suchatvee	Suwansawat	7			3
Mr.Boonliam	Luangnarkthongdee				3
Mr.Chirdsak	Kukiattinun				3
Total		8	6	2	3

## 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)				
Name	Title		Meeting allowances on 31 December 2017				
			Remuneration	Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
1. Dr.Tawatchai Nakhata	Chairman		1.50	0.80	-	-	-
2. Mr.Chainid Adhyanasakul	Director / Vice Chairman / Chief Executive Director / Chief Executive Officer		0.75	0.40	-	-	-
3. Mr.Phairat Senachak	Director		0.25	0.25	-	-	-
4. Mr.Vidhya Nativivat	Director / Nomination and Remuneration Committee		0.75	0.40	-	0.10	-
5. Ms.Sirirat Wongwattana	Director / Executive Director / Nomination and Remuneration Committee		0.75	0.35	-	0.06	-
6. Mr.Wongsakorn Prasitwipat	Director		0.75	0.40	-	-	-
7. Mr.Wicharn Siriwetwarawut	Director		0.75	0.40	-	-	-
8. Mr.Pornswat Katechulasriroj	Director		0.45	0.40	-	-	-
9. Mr.Thongchai Jira-Alongkorn	Director		-	0.25	-	-	-
10. Ms.Nuanual Swasdikula-Na-Ayudhaya*	Director / Audit Committee		0.75	0.35	0.18	-	-
11. Mr.Ekamol Kiriwat*	Director		0.75	0.30	-	-	-
12. Mr.Banlue Chatadisai*	Director / Audit Committee		0.75	0.40	0.30	-	-
13. Mr. Mani Sutaporn*	Director / Audit Committee		0.75	0.40	0.18	-	-
14. Prof.Dr.Suchatvee Suwansawat*	Director/ Chairman of Risk Management Committee		0.75	0.35	-	-	0.15
15. Mr.Boonliam Luangnarkthongdee	Risk Management Committee		-	-	-	-	0.09
16. Mr.Chirdsak Kukiattinun	Risk Management Committee		-	-	-	-	0.09
17. Mr. Pramote Rermyindee	Company secretary		0.59	-	-	-	-
<b>Total</b>			<b>10.29</b>	<b>5.45</b>	<b>0.66</b>	<b>0.16</b>	<b>0.33</b>

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

1.\* Independent Director

2. Mr.Thongchai Jira-Alongkorn and Mr.Phairat Senachak were appointed as new directors at the 2017 annual shareholder meeting

**(b) Directors and Executives' Remuneration.**

In 2016, the company's remuneration for 13 Executive Directors and executives, consisting of salary and bonus, totaled Bt59.91million.

In 2017, the company's remuneration for 13Executive Directors and executives, consisting of salary and bonus, totaled Bt65.58 million.

**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 9 Executive Directors and executives paid by the company total Bt.5.72 million.

**Human Resources****1. Number of Employee**

At the end of 2017, the company and subsidiaries employed 1,032 employees. The following is the number of employees of each unit.

Division	Employee (Persons)
	31 December 2017
1. Office of the Chief Executive Officer	22
2. Project Planning and Marketing of Housing Division	19
3. Business Development of Condominium Project	22
4. Marketing of Condominium Division	21
5. Sales Management Division	107
6. Design Division	12
7. Construction Management Division of Operation Group 1	37
8. Construction Management Division of Operation Group 2	66
9. Advertising Division	20
10. Public Relations and Corporate Communication	15
11. Accounting Division	34
12. Internal Audit Division	4
13. Legal Procedure & Ownership Transfer Division	64
14. Financial & Treasury Division	23

Division	Employee (Persons)
	31 December 2017
15. Fund Management Division	6
16. International Business Development Division	17
17. Budgeting Division	6
18. Information System Division	12
19. Real Estate Fund Management Division	21
20. Debt and equity Management Division	3
21. Investment Relations and Research Division	2
22. Human Resource Division	8
23. General Administration Division	33
24. Procurement Division	11
25. Project Management Division - Zone 1-8	447
<b>Total</b>	<b>1,032</b>

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, authorized 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 Bt740.23 million in 2017.

## 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 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.

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 Quality
8. After Sale Service Course

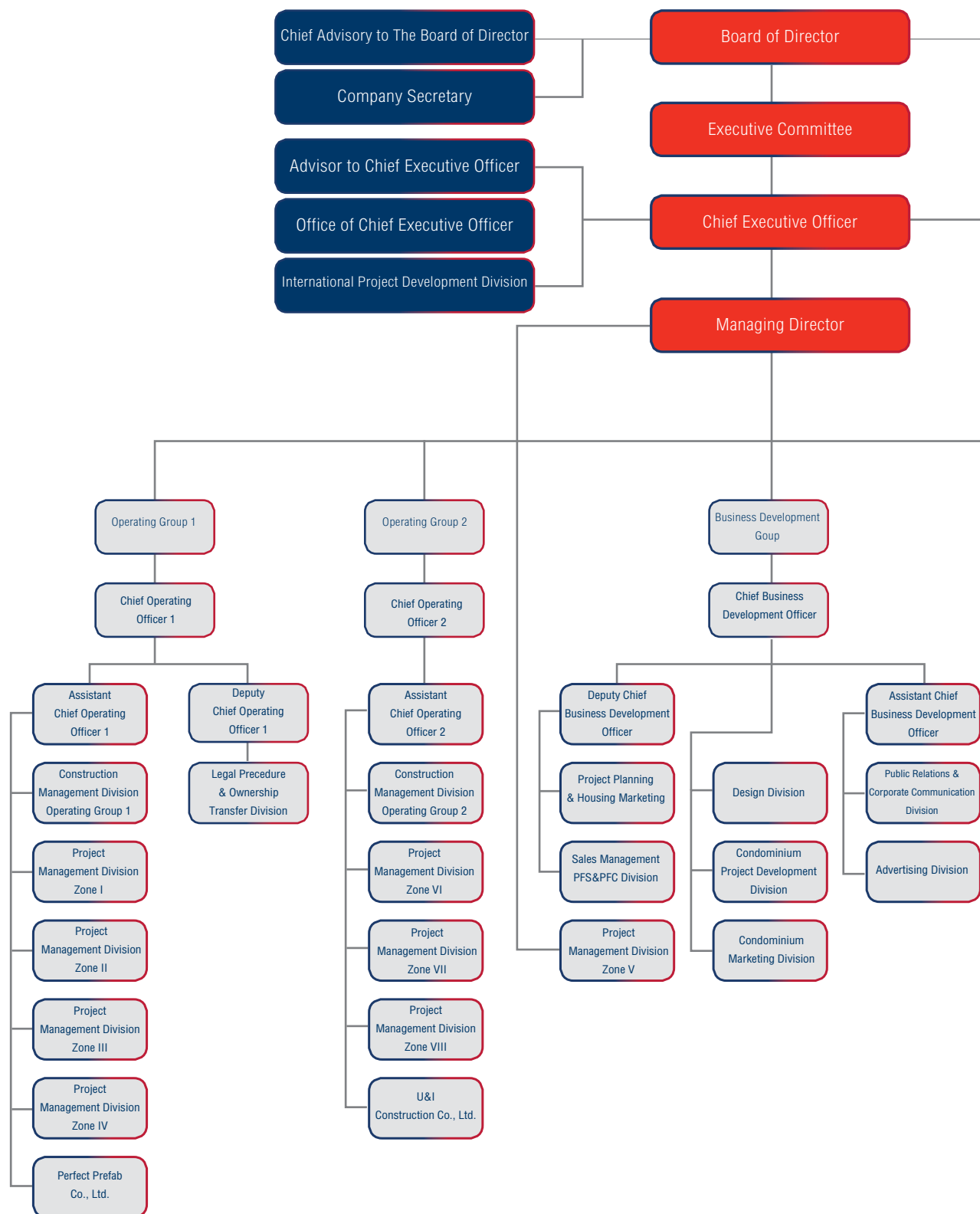
Throughout 2016, the Company designed 17 in-house training courses for 693 employees and a number of 52 employees attended 41 public training courses. The number of training courses in the year totaled 58, involving 745 attendants.

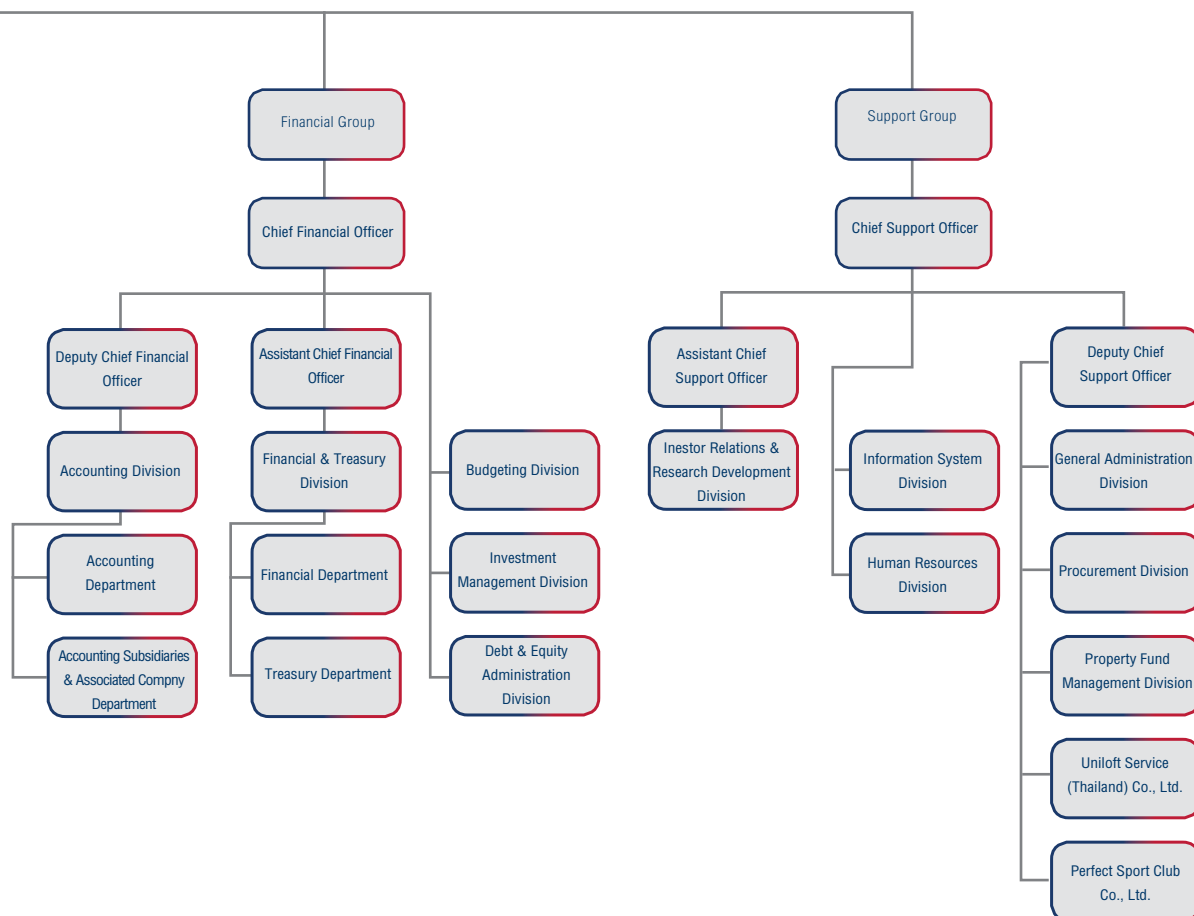
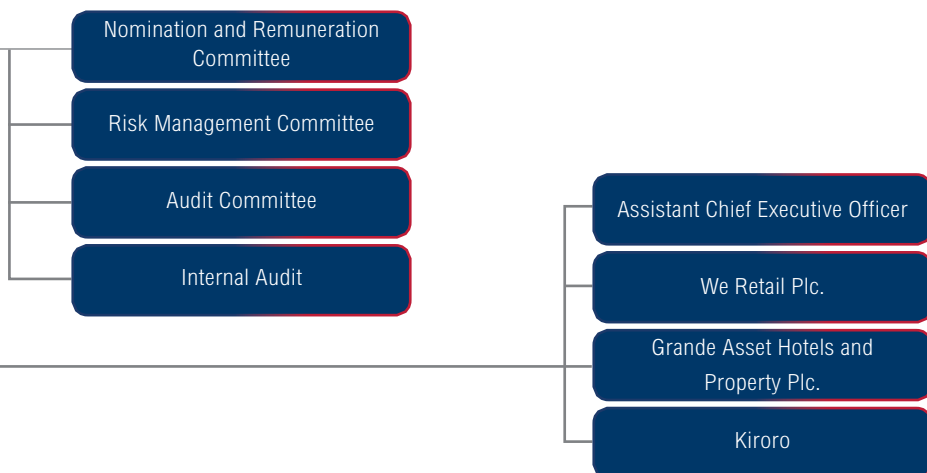
Throughout 2017, since January - December 2017, the Company designed 18 in-house training courses for 977 employees and a number of 48 employees attended 38 public training courses. The number of training courses in the year totaled 51, involving 1,025 attendants.



# Property Perfect Public Company Limited and Subsidiaries Organization Chart

31 December 2017





## BOARD OF DIRECTORS OF THE COMPANY



- |  |   |
|--|---|
| <p>1. <b>Dr.Tawatchai Nakhata</b><br/>Chairman</p>   | <p>5. <b>Ms.Sirirat Wongwattana</b><br/>Director / Executive Director / Nomination and Remuneration Committee / Chief Financial Officer</p> |
| <p>2. <b>Mr.Chainid Adhyanasakul</b><br/>Chief Executive Officer / Chief Executive Director / Director</p> | <p>6. <b>Mr.Wongsakorn Prasitvipat</b><br/>Director / Executive Director / Managing Director</p>  |
| <p>3. <b>Mr.Phairat Senachak</b><br/>Director / Executive Director</p>                                     | <p>7. <b>Mr.Wicharn Sirivejwarawut</b><br/>Director / Executive Director / Chief Operating Officer 1</p>                                    |
| <p>4. <b>Mr.Vidhya Nativivat</b><br/>Director / Chairman of Nomination and Remuneration Committee</p>      |   |



**8. Mr.Pornswat Katechulasriroj**

Director / Executive Director  
Chief Operating Officer 2

**9. Mr. Thongchai Jira-alongkorn**

Director

**10. Ms.Nuanual Swadikul-Na-Ayudhaya**

Director / Independent Director / Audit Committee

**11. Mr.Ekamol Kiriwat**

Director / Independent Director

**12. Mr.Banlue Chantadisai**

Director / Independent Director /  
Chairman of Audit Committee

**13. Mr.Manit Suthaporn**

Director / Independent Director / Audit Committee

**14. Prof.Dr.Suchatvee Suwansawat**

Director / Independent Director /  
Chairman of Risk Management Committee

**15. Mr.Pramote Rermyindee**

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 detached 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 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 - duplex houses, single detached houses, townhouses and condominium, - 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 2017

## “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	5,017 MB.



### 2. Perfect Masterpiece Lakeside Rangsit

Location	Muang District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2011-2017
Product	SDH
Total Project Value	646 MB.



### 3. Perfect Masterpiece Ramkhamheang-Suvanabhumi

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



### 4. Perfect Masterpiece Chaengwattana

Location	Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2016-2019
Product	SDH
Total Project Value	929 MB.



### 5. Perfect Masterpiece Rama IX - Krungthep Kreetha

Location	Klongsongtonnoon, Lat Krabang District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2022
Product	SDH
Total Project Value	4,234 MB.





## 6. Perfect Masterpiece Ramkhamheang-Suvanabhumi 2

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2020
Product	SDH
Total Project Value	2,324 MB.



## 7. Perfect Masterpiece Sukhumvit 77-Suvanabhumi Phase 1-3

Location	Muang District, Samut Prakarn
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2018
Product	SDH
Total Project Value	2,964 MB.

## “Perfect Place” Brand



## 8. 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	1,314 MB.



## 9. 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	586 MB.



## 10. Perfect Place Ratchpruek Phase 4

Location	Bangrak Noi, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	SDH
Total Project Value	1,219 MB.



## 11. Perfect Place Rangsit 2

Location	Muang District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2017-2021
Product	SDH
Total Project Value	697 MB.

## 12. Perfect Place Chaengwattana 2

Location	Chaengwattana Road, Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2013-2020
Product	SDH
Total Project Value	2,093 MB.



## 13. Perfect Place Ramkhamheang-Suvanabhumi 2

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2018
Product	SDH
Total Project Value	1,522 MB.



## 14. Perfect Place Ramkhamheang-Suvanabhumi 3

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH
Total Project Value	2,100 MB.



## 15. Perfect Place Ramkhamheang-Suvanabhumi (Lake Zone 2)

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2018
Product	SDH
Total Project Value	114 MB.



## 16. Perfect Place Krungthep Kreetha

Location	Kwang Klongsontoonnoon, Lat Krabang District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2019
Product	SDH
Total Project Value	839 MB.



## 17. Perfect Place Outer Ring-Ramkhamheang

Location	Sapan Sung District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2018
Product	SDH
Total Project Value	215 MB.





## 18. Perfect Place Outer Ring-Ramkhamhaeng 2

Location	Sapan Sung District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2020
Product	SDH
Total Project Value	1,143 MB.



## 19. Perfect Place Ramintra-Outer Ring

Location	Kanchanapisek Road, (East Outer-Ring) Saimai District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2018
Product	SDH
Total Project Value	136 MB.



## 20. Perfect Place Ramintra-Outer Ring 2

Location	Kanchanapisek Road, (East Oter-Ring) Saimai District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2020
Product	SDH
Total Project Value	700 MB.



## 21. Perfect Place Sukhumvit 77 Suvanabhumi Phase 5-6

Location	Rachathewa, Bang Phli District, Samut Prakarn
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2007-2019
Product	SDH
Total Project Value	2,365 MB.



## 22. Perfect Place Chiang Mai

Location	San Phi Sue, Muang District, Chiang Mai
Developed by	Residence Number Nine Co., Ltd
Time to Develop	2014-2020
Product	SDH
Total Project Value	967 MB.

## “Maneerin” / “Perfect Park” Brand



## 23. Perfect Park Ratchapruek

Location	Bangrak Noi, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	SDH
Total Project Value	1,007 MB.

#### 24. Maneerin Lake & Park Ratchapruek-Tiwanon

Location	Bangkoowat, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2003-2018
Product	SDH
Total Project Value	3,089 MB.



#### 25. Perfect Park Rangsit 2

Location	Muang District, Phratum Thani
Developed by	Property Perfect Plc.
Time to Develop	2017-2020
Product	SDH, DH
Total Project Value	917 MB.



#### 26. Perfect Park Rama V-Bangyai

Location	Bang Maenang, Bangyai District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2006-2019
Product	SDH, DH
Total Project Value	6,207 MB.



#### 27. Perfect Park Suvanabhumi (Romklao) (Phase 1-4, EX)

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2007-2019
Product	SDH, DH
Total Project Value	3,187 MB.



#### 28. Perfect Park Bangna

Location	Bang Sao Thong District, Samut Prakarn
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2015-2019
Product	SDH, DH
Total Project Value	530 MB.



#### 29. Perfect Park Bangbuathong

Location	Bangbuathong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2011-2019
Product	SDH
Total Project Value	1,609 MB.





### 30. Perfect Park Chaipayruek

Location	Bangbuathong, Bangbuathong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2016-2019
Product	SDH
Total Project Value	690 MB.

## “The Metro” / “Metro Biztown” Brand



### 31. The Metro Rattanathibet

Location	Ta-It, Parkkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	TH
Total Project Value	1,101 MB.



### 32. The Metro Ramkhamheang-Outer Ring

Location	Sapan Sung District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2013-2018
Product	TH
Total Project Value	767 MB.



### 33. The Metro Rama IX-Krungthep Kreetha

Location	Klongsongtonnoon, Lat Krabang District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2019
Product	TH
Total Project Value	452 MB.



### 34. Metro Biztown Changwattana

Location	Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018
Product	Commercial Buildings
Total Project Value	38 MB.



### 35. Metro Biztown Bangna

Location	Bang Phli District, Samut Prakarn
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2017-2021
Product	Commercial Buildings
Total Project Value	535 MB.

### 36. Metro Biztown Bangbuathong

Location	Bangbuathong, Bangbuathong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2017-2019
Product	Commercial Buildings
Total Project Value	39 MB.



### “Modi Villa” Brand

### 37. Modi Villa Chaiyapruet

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



### 38. Modi Villa Townhome Chaiyapruet

Location	Pimolrach, Bangbuathong District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2015-2018
Product	TH
Total Project Value	400 MB.



### 39. Modi Villa Rangsit

Location	Muang District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2016-2019
Product	TH
Total Project Value	443 MB.



### 40. Modi Villa Rangsit Klong 7

Location	Thanyaburi District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2017-2020
Product	SDH, DH
Total Project Value	302 MB.



### 41. Modi Villa Townhome Lat Krabang

Location	Klongluangpang, Muang District, Chachoengsao
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2019
Product	TH
Total Project Value	967 MB.





#### 42. Modi Villa Pinklao-Outer Ring

Location	Salaklang, Bangkruai District, Nonthaburi
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2018
Product	TH, SDH, DH
Total Project Value	1,253 MB.

#### 43. Modi Villa Bangna

Location	Bangsaothong District, Samut Prakarn
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2013-2018
Product	SDH, DH
Total Project Value	565 MB.

#### 44. Modi Villa Townhome Bangna

Location	Bangsaothong District, Samut Prakarn
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2013-2019
Product	TH
Total Project Value	1,050 MB.

#### 45. 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	767 MB.

#### 46. Modi Villa Townhome Rangsit Klong 7

Location	Thanyaburi District, Pathum Thani
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2015-2022
Product	TH
Total Project Value	1,089 MB.

#### 47. Modi Villa Lat Krabang-Suvanabhumi

Location	Klongluangpang, Muang District, Chachoensao
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2012-2018
Product	SDH, DH
Total Project Value	607 MB.

#### 48. Modi Villa Bangbuethong

Location	Bangbuethong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2013-2018
Product	TH, DH, SDH
Total Project Value	1,206 MB.



“Metro Park” / “Metro Sky” / “The Sky” / “Metro Luxe” / Bella Costa”

#### 49. Metro Park Sathorn Phase 3

Location	Bang Wa, Phasi Charoen District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2007-2019
Product	CD
Total Project Value	3,717 MB.



#### 50. Metro Sky PrachaChuen

Location	Pracha Chuen Road, Bang Sue District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2020
Product	CD
Total Project Value	3,572 MB.



#### 51. Metro Sky Charan 13

Location	Soi Charansanitwong 9/1, Kwang Wat Thaphra, Bangkok Yai District, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2017-2021
Product	CD
Total Project Value	2,500 MB.



#### 52. Metro Sky Wutthakat

Location	Kwang Talad Bangplu, Thonburi District, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2017-2020
Product	CD
Total Project Value	1,450 MB.



#### 53. The Sky Sukhumvit (Metro Sky Sukhumvit)

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





#### 54. Metro Luxe Riverfront (Metro Riverfront)

Location	Rattanthibet Road, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	CD
Total Project Value	1,700 MB.



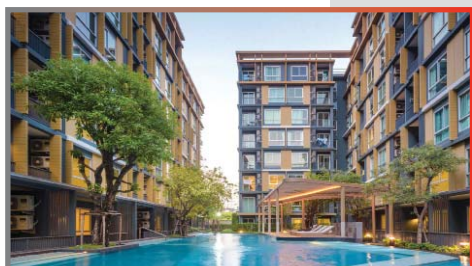
#### 55. Metro Luxe Phaholyothin (Metro Sky Phaholyothin)

Location	Suthisarnwinitchai Road, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2018
Product	CD
Total Project Value	788 MB.



#### 56. Metro Luxe Phaholyothin 2

Location	Suthisarnwinitchai Road, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2018
Product	CD
Total Project Value	863 MB.



#### 57. Metro Luxe Ekamai-Rama IV

Location	Rama IV Road, Klong Toei District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2018
Product	CD
Total Project Value	1,634 MB.



#### 58. Metro Luxe Ratchada (Metro Sky Ratchada)

Location	Rachadapisek Road, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2014-2019
Product	CD
Total Project Value	1,884 MB.

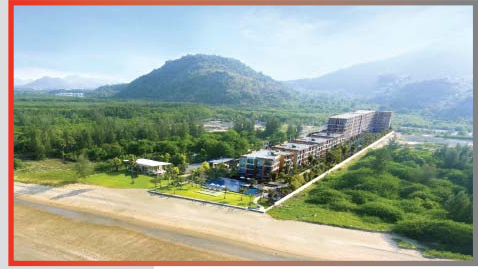


#### 59. Metro Luxe Kaset (Metro Sky Kaset)

Location	Prasetmanookit Road, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2014-2019
Product	CD
Total Project Value	1,566 MB.

## 60. Bella Costa

Location	Paknam Pran, Pranburi District, Prachuabkirkhan
Developed by	Property Perfect Plc.
Time to Develop	2014-2018
Product	CD
Total Project Value	1,790 MB.



## “iCondo” Brand

### 61. iCondo Sukhumvit 77

Location	Lat Krabang Road, Latkrabang District, Bangkok
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2018-2019
Product	CD
Total Project Value	902 MB.



### 62. iCondo Sukhumvit 105

Location	Sukhumvit 105 Road (Soi Lasal), Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2011-2018
Product	CD
Total Project Value	2,211 MB.



### 63. iCondo Salaya

Location	Salaya-Nakornchaisri Road, Phutthamonthon District, Nakorn Pathom
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2012-2018
Product	CD
Total Project Value	943 MB.



### 64. iCondo Salaya 2

Location	Salaya-Nakornchaisri Road, Phutthamonthon District, Nakorn Pathom
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2016-2019
Product	CD
Total Project Value	1,475 MB.

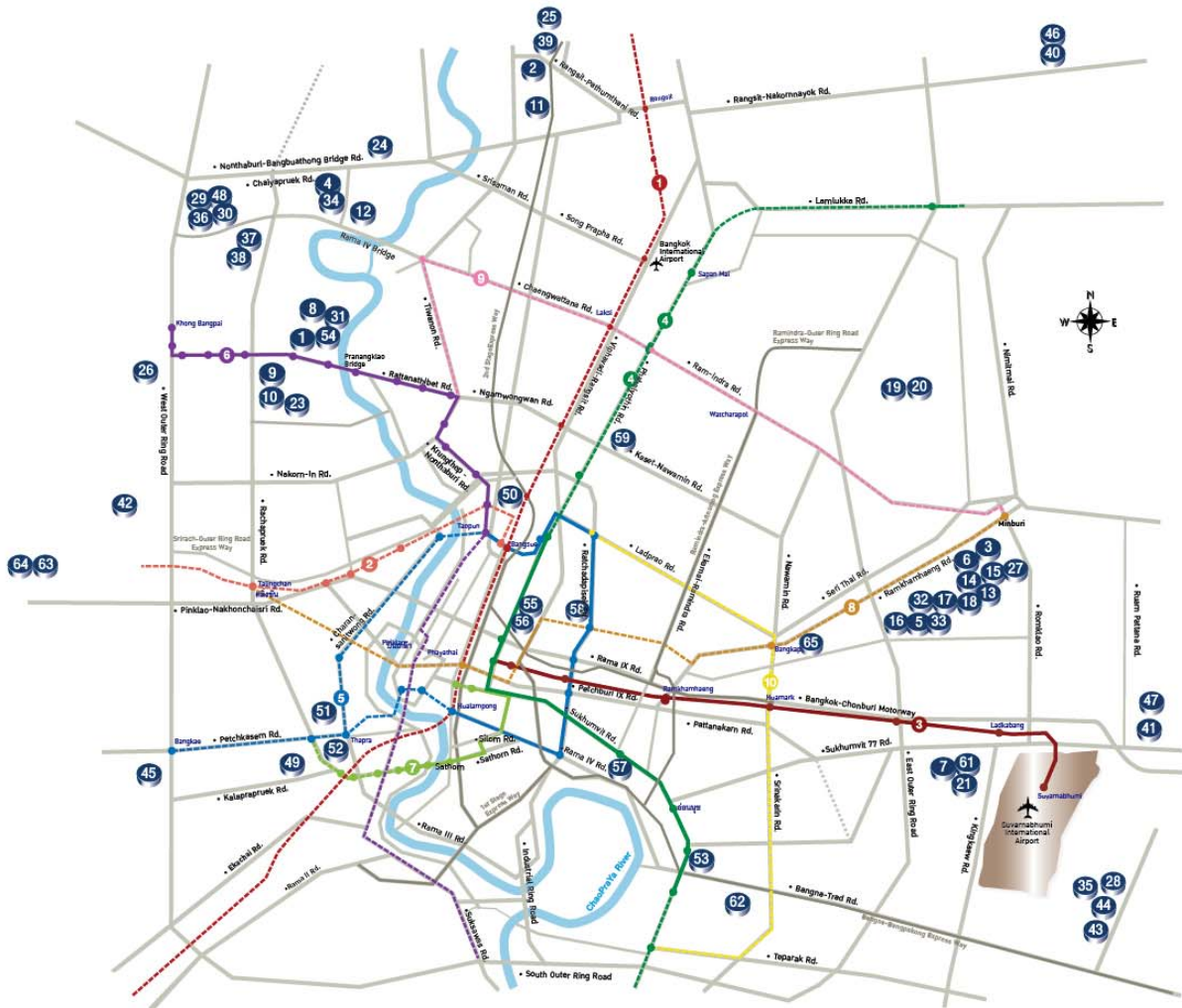


### 65. iCondo Serithai

Location	Serithai Road, Bueng Kum District, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2017-2019
Product	CD
Total Project Value	760 MB.



# LOCATION MAP



1. Perfect Masterpiece Rattana Thibet
2. Perfect Masterpiece Lakeside Rangsit
3. Perfect Masterpiece Ramkhamhaeng-Suvarnabhumi
4. Perfect Masterpiece Chaeng Wattana
5. Perfect Masterpiece Rama IX-Krungthep Kreetha
6. Perfect Masterpiece Ramkhamhaeng-Suvarnabhumi 2
7. Perfect Masterpiece Phase 1-3 Sukhumvit 77
8. Perfect Place Rattana Thibet 3
9. Perfect Place Ratchapruk Phase 3
10. Perfect Place Ratchapruk Phase 4
11. Perfect Place Rangsit 2
12. Perfect Place Chaeng Wattana 2
13. Perfect Place Ramkhamhaeng-Suvarnabhumi 2
14. Perfect Place Ramkhamhaeng-Suvarnabhumi 3
15. Perfect Place Ramkhamhaeng-Suvarnabhumi (lake zone 2)
16. Perfect Place Krungthep Kreetha
17. Perfect Place Outer Ring - Ramkhamhaeng
18. Perfect Place Outer Ring - Ramkhamhaeng 2
19. Perfect Place Ramintra - Outer Ring
20. Perfect Place Ramintra - Outer Ring 2
21. Perfect Place Sukhumvit 77-Suvarnabhumi Phase 5-6
22. Perfect Place Chiang Mai
23. Perfect Park Ratchapruk
24. Maneerink Lake & Park Ratchapruk-Tiwanon
25. Perfect Park Rangsit 2
26. Perfect Park Rama V-Bangyai
27. Perfect Park Suvarnabhumi (Romklao) (Phase 1-4) [EX]
28. Perfect Park Bangna
29. Perfect Park Bangbuatong
30. Perfect Park Chaipruek
31. The Metro Rattana Thibet
32. The Metro Ramkhamhaeng-Outer Ring
33. The Metro Rama IX-Krungthep Kreetha
34. The Metro Biztown Chaeng Wattana
35. The Metro Biztown Bangna
36. The Metro Biztown Bangbuatong
37. Modi Villa Chaipruek
38. Modi Villa Townhome Chaipruek
39. Modi Villa Townhome Rangsit
40. Modi Villa Rangsit Klong 7
41. Modi Villa Townhome Ladkrabang
42. Modi Villa Pinklao - Outer Ring
43. Modi Villa Bangna Pinklao - Outer Ring
44. Modi Villa Townhome Bangna
45. Modi Villa Townhome Petchkasem 69
46. Modi Villa Townhome Rangsit Klong 7
47. Modi Villa Townhome Petchkasem 69
48. Modi Villa Bangbuatong
49. Metro Park Sathorn Phase 3
50. Metro Sky Pracha Chuen
51. Metro Sky Charan 13
52. Metro Sky Wuthakat
53. The Sky Sukhumvit
54. Metroluxe Riverfront
55. Metroluxe Phaholyothin
56. Metroluxe Phaholyothin 2
57. Metroluxe Ekamai - Rama IV
58. Metroluxe Ratchada
59. Metroluxe Kaset
60. Bella Costa
61. iCondo Sukhumvit 77
62. iCondo Sukhumvit 105
63. iCondo Salaya
64. iCondo Salaya 2
65. iCondo Serethai

## Route of Mass Rapid Transit Authority

- 1 Red Line (Thammasat-Mahachulalongkornrajavidyalaya)
- 2 Light Red Line (Bangsue-Talingchan)
- 3 Airport Rail Link (Phayathai-Suvarnabhumi)
- 4 Dark Green Line (Lam Lukka-Samutprakan)
- 5 Blue Line (Bangsue-Hualampong-Tapra)
- 6 Purple Line (Bangyai-Rajburana)
- 7 Light Green Line (Yodsae-Bangwa)
- 8 Orange Line (Talingchan-Minburi)
- 9 Pink Line (Khae Rai-Minburi)
- 10 Yellow Line (Ladprao-Samrong)

## 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					
	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of land and house	7,454.7	44.6%	6,614.0	42.5%	6,624.4	51.3%
Revenue from sales of residential condominium	4,765.6	28.5%	4,987.6	32.1%	3,159.6	24.5%
Revenue from sales of land	1,225.5	7.3%	863.7	5.6%	501.4	3.9%
Revenue from hotel business	2,323.3	13.9%	2,193.9	14.1%	1,523.6	11.8%
Revenue from rental and service	344.1	2.1%	361.3	2.3%	224.7	1.7%
Revenue from constructions	32.5	0.2%	88.9	0.6%	15.0	0.1%
Other income						
Gain from land rights sale	104.8	0.6%	118.7	0.8%	-	0.0%
Gain from acquisitions below fair value	-	0.0%	-	0.0%	530.0	4.1%
Gain from disposal of investment in joint ventures	107.0	0.6%	-	0.0%	-	0.0%
Gain from end of control over subsidiaries	8.7	0.1%	-	0.0%	-	0.0%
Interest income	82.4	0.5%	29.1	0.2%	83.0	0.6%
Dividends received	6.5	0.0%	7.4	0.0%	7.6	0.1%
Income from investment in associate	-	0.0%	-	0.0%	-	0.0%
Revenue from bargain purchases	-	0.0%	-	0.0%	-	0.0%
Others	275.6	1.6%	287.9	1.9%	236.0	1.8%
<b>Total revenue</b>	<b>16,730.7</b>	<b>100.0%</b>	<b>15,552.5</b>	<b>100.0%</b>	<b>12,905.3</b>	<b>100.0%</b>

The financial statements showed that land and house sale generated 44.6 %, 42.5 % and 51.3 % of total revenue in 2017, 2016 and 2015, respectively. Condominium business generated 28.5%, 32.1% and 24.5% of revenue, respectively. Proceeds from the sale of vacant land plots accounted for 7.3%, 5.6% and 3.9 %. The hotel business generated Bt2,323.3 million, Bt2,193.9 million and Bt1,523.6 million or 13.9 %, 14.1 % and 11.8 %, respectively. In the consolidated statements, the Company booked Bt72.6 million, Bt21.8 million and Bt1.8 million as losses in a joint venture in 2017, 2016 and 2015 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	2017		2016		2015	
			Million Baht	%	Million Baht	%	Million Baht	%
Brand “Perfect Masterpiece”								
Maneeya Masterpiece Exclusive Zone	PF	SDH	-	0.0%	14.5	0.2%	26.7	0.4%
Perfect Masterpiece Rattanathibet-Ratchapruek	PF	SDH	397.1	5.3%	369.0	5.6%	294.4	4.4%
Perfect Masterpiece (Century) Ramkhamhaeng-Suvarnabhumi	PF	SDH	305.8	4.1%	76.1	1.2%	-	0.0%
Perfect Masterpiece 2 Rungsit	PF	SDH	200.4	2.7%	254.0	3.8%	141.1	2.1%
Perfect Masterpiece Chaengwattana	PF	SDH	100.3	1.3%	-	0.0%	-	0.0%
Perfect Masterpiece Krungtep Kreetha	PF	SDH	12.5	0.2%	-	0.0%	-	0.0%
Perfect Masterpiece Sukhumvit 77	EP	SDH	405.1	5.4%	434.7	6.6%	180.9	2.7%
Brand “Perfect Place”								
Perfect Place 2 Rattanathibet- Ratchapruek	PF	SDH	-	0.0%	70.6	1.1%	390.2	5.9%
Perfect Place 3 Rattanathibet- Ratchapruek	PF	SDH	503.8	6.8%	475.5	7.2%	76.2	1.2%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Colonial )	PF	SDH	29.5	0.4%	11.2	0.2%	25.6	0.4%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Exclusive Zone)	PF	SDH	-	0.0%	10.7	0.2%	31.7	0.5%
Perfect Place Ramkhamhaeng-Suvarnabhumi (The Lake Zone 2)	PF	SDH	-	0.0%	5.9	0.1%	93.4	1.4%
Perfect Place Ramkhamhaeng-Suvarnabhumi 2	PF	SDH	64.4	0.9%	43.2	0.7%	157.6	2.4%
Perfect Place Ramkhamhaeng-Suvarnabhumi 3	PF	SDH	241.5	3.2%	205.3	3.1%	89.3	1.3%
Perfect Place (1) Ramintra- Outer Ring	PF	SDH	26.1	0.4%	95.3	1.4%	-	0.0%
Perfect Place (2) Ramintra- Outer Ring	PF	SDH	215.7	2.9%	-	0.0%	-	0.0%
Perfect Place Ramintra- Outer Ring The Exclusive	PF	SDH	9.8	0.1%	39.1	0.6%	-	0.0%
Perfect Place Outer Ring- Ramkhamhaeng	PF	SDH	85.5	1.1%	102.9	1.6%	-	0.0%
Perfect Place Outer Ring- Ramkhamhaeng (2)	PF	SDH	237.1	3.2%	14.3	0.2%	-	0.0%
Perfect Place Krungtep Kreetha	PF	SDH	134.6	1.8%	-	0.0%	-	0.0%
Perfect Place Ratchapruek	PF	SDH	-	0.0%	-	0.0%	50.0	0.8%
Perfect Place 2 Ratchapruek	PF	SDH	-	0.0%	8.0	0.1%	20.5	0.3%
Perfect Place 3 Ratchapruek	PF	SDH	21.4	0.3%	42.9	0.6%	439.1	6.6%
Perfect Place 4 Ratchapruek	PF	SDH	363.6	4.9%	276.1	4.2%	-	0.0%
Perfect Place Rungsit	PF	SDH	24.0	0.3%	52.8	0.8%	163.0	2.5%
Perfect Place 2 Rungsit	PF	SDH	234.9	3.2%	139.1	2.1%	22.3	0.3%
Perfect Place Chaengwattana	PF	SDH	209.7	2.8%	381.3	5.8%	360.2	5.4%
Perfect Place Chaengwattana (2)	PF	SDH	10.1	0.1%	-	0.0%	-	0.0%
Perfect Place Pattanakarn- Srinakarin	PF	SDH	-	0.0%	145.4	2.2%	555.4	8.4%
Perfect Place Sukhumvit 77 -Suvarnabhumi	EP	SDH	505.1	6.8%	421.9	6.4%	458.8	6.9%
Perfect Place Chiang Mai	RN 9	SDH	62.9	0.8%	98.7	1.5%	63.5	1.0%
Perfect Place Ramkhamhaeng-Suvarnabhumi Masterpice Zone 2(M2)	RN 9	SDH	-	0.0%	15.1	0.2%	72.8	1.1%
Brand “Maneerin” “Perfect Park”								
Maneerin Lake & Park Ratchapruek-Tiwanon	PF	SDH/ Land	13.1	0.2%	5.5	0.1%	5.2	0.1%
Perfect Park Rama V—Bangyai	PF	SDH	341.6	4.6%	423.4	6.4%	461.5	7.0%
Perfect Park Rangsit	PF	SDH	4.3	0.1%	23.7	0.4%	100.3	1.5%
Perfect Park Rangsit (2)	PF	SDH	61.2	0.8%	-	0.0%	-	0.0%

Project	Developed by	Type	2017		2016		2015	
			Million Baht	%	Million Baht	%	Million Baht	%
Perfect Park Ratchapruek	PF	SDH	449.8	6.0%	369.2	5.6%	126.0	1.9%
Perfect Park Suvarnabhumi	EP	SDH	324.6	4.4%	187.7	2.8%	234.2	3.5%
Perfect Park Bangbuathong	RN 9	SDH	148.5	2.0%	235.7	3.6%	233.0	3.5%
Perfect Park Bangna	BD	SDH	28.63	0.4%	9.4	0.1%	4.6	0.1%
Perfect Park Chaipruek	RN 9	SDH	87.6	1.2%	-	0.0%	-	0.0%
<b>Brand “The Villa” “The Metro” “Movi Villa”</b>								
The Villa Rattanathibet-Ratchapruek	PF	TH	-	0.0%	14.7	0.2%	202.8	3.1%
The Metro Ramkhamhaeng	PF	TH	63.5	0.9%	172.3	2.6%	336.1	5.1%
The Metro Pattanakarn- Srinakarin	PF	TH	3.7	0.1%	129.7	2.0%	200.0	3.0%
The Metro Rattanathibet	PF	TH	105.7	1.4%	104.9	1.6%	35.2	0.5%
The Metro Rama9-krungtep kreetha	PF	TH	46.2	0.6%	-	0.0%	-	0.0%
Modi Villa Chaipruek	PF	TH	79.7	1.1%	114.2	1.7%	30.4	0.5%
Modi Villa Townhome Chaipruek	PF	TH, SDH	85.0	1.1%	38.8	0.6%	17.7	0.3%
Modi Villa Rungsit	PF	TH	201.6	2.7%	118.5	1.8%	-	0.0%
Modi Villa Rungsit Klong 7	PF	SDH	54.8	0.7%	-	0.0%	-	0.0%
Modi Villa Townhome —Ladkrabang	EP	TH	77.4	1.0%	77	1.2%	114.1	1.7%
Modi Villa Ladkrabang-Suvarnabhumi	RN 9	SDH	65.8	0.9%	64.6	1.0%	95.1	1.4%
Modi Villa Pinklao-Outer Ring	EP	TH, SDH	155.7	2.1%	199.8	3.0%	166.7	2.5%
Modi Villa Bangna	EP	SDH	60.8	0.8%	44.3	0.7%	49.6	0.7%
Modi Villa (Townhome) Bangna	EP	TH	127.3	1.7%	95.4	1.4%	127.5	1.9%
Modi Villa Bangbuathong	RN 9	TH, SDH	170.8	2.3%	189.2	2.9%	230.6	3.5%
Modi Villa (Townhome) Petchkasem69	EP	TH	125.8	1.7%	86.9	1.3%	70.2	1.1%
Modi Villa (Townhome) Rungsit Klong 7	EP	TH	94.5	1.3%	0	0.0%	-	0.0%
<b>Other</b>								
Metro Biztown Bangbuathong	RN 9	Shop	-	0.0%	42.4	0.6%	10.6	0.2%
Metro Biztown Bangna	BD	Shop	62.5	0.8%	9.7	0.1%	-	0.0%
Other 11 projects	PF /EP / RN9	TH, SDH, Shop	13.7	0.2%	23.4	0.4%	30.6	0.5%
<b>Total Revenue from the Sale of land and houses Remark :</b>			<b>7,454.7</b>	<b>100.0%</b>	<b>6,614.0</b>	<b>100.0%</b>	<b>6,624.4</b>	<b>100.0%</b>

**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 2017, 2016 and 2015 are Bt4,951.7 million, Bt4,393.9 million and Bt4,512.5 million, respectively. In the same period, subsidiaries' revenue are Bt2,503.0 million, Bt2,220.1 million and Bt2,111.9 million, respectively.

## Sales of Condominium Units Revenue Structure by Product type

Project	Developed by	Type	2017		2016		2015	
			Million Baht	%	Million Baht	%	Million Baht	%
Metro Park / The Sky / Metro Sky / Metroluxe / Bella costa								
Metro Park Sathorn	PF	CONDO	203.9	4.3%	170.2	3.4%	251.9	8.0%
The Sky Sukhumvit	PF	CONDO	125.9	2.6%	328.1	6.6%	1,009.1	31.9%
Metro Sky Prachachuen	PF	CONDO	1,133.7	23.8%	0.0	0.0%	-	0.0%
Metro Luxe Riverfront	PF	CONDO	280.2	5.9%	494.2	9.9%	-	0.0%
Metro Luxe Phaholyothin	PF	CONDO	144.9	3.0%	568.5	11.4%	-	0.0%
Metro Luxe Rama4	PF	CONDO	419.0	8.8%	919.6	18.4%	-	0.0%
Bella Costa	PF	CONDO	50.0	1.0%	522.6	10.5%	-	0.0%
Metro Luxe Kaset	BD	CONDO	307.39	6.5%	677.7	13.6%	-	0.0%
Metro Luxe Ratchada	BD	CONDO	442.28	9.3%	-	0.0%	-	0.0%
iCondo								
iCondo Ngamwongwan	BD	CONDO	3.47	0.1%	1.6	0.0%	9.2	0.3%
iCondo Sukhumvit 105	BD	CONDO	180.16	3.8%	357.8	7.2%	522.8	16.5%
iCondo Sukhapiban 2	BD	CONDO	-	0.0%	2.3	0.0%	96.9	3.1%
iCondo Sukhumvit 103	BD	CONDO	10.5	0.2%	-	0.0%	170.5	5.4%
iCondo Kaset	BD	CONDO	-	0.0%	-	0.0%	5.4	0.2%
iCondo Ngamwongwan 2	BD	CONDO	14.97	0.3%	159.3	3.2%	188.0	5.9%
iCondo Petchkasem 39	BD	CONDO	1.99	0.0%	34	0.7%	136.3	4.3%
iCondo Salaya	BD	CONDO	26.64	0.6%	44.1	0.9%	518.0	16.4%
iCondo Salaya 2	BD	CONDO	224.98	4.7%	387.3	7.8%		0.0%
Hyde								
Hyde Sukhumvit	GRAND	CONDO	295.49	6.2%	320.4	6.4%	251.5	8.0%
Hyde 2 Sukhumvit	GRAND	CONDO	892.61	18.7%	-	0.0%	-	0.0%
Total Revenue from the Sale off Condominium Units			4,765.6	100.0%	4,987.7	100.0%	3,159.6	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 2017, 2016 and 2015 are Bt. 2,357.6 million, Bt3,003.2 0 million and Bt1,261.0 million, respectively. In the same period, subsidiaries' revenue are Bt2,408.0 million, Bt1,984.5 million and Bt1,898.6 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		
 <p><b>Project : Perfect Masterpiece</b> <b>Price range: 15.0 — 60.0 MB.</b></p>		<p><b>Existing projects:</b></p> <ul style="list-style-type: none"> <li>Perfect Masterpiece Century Rattanathibet</li> <li>Perfect Masterpiece Changwattana</li> <li>Perfect Masterpiece Century Ramkhamhaeng</li> <li>Perfect Masterpiece Sukhumvit 77-Suvarnabhumi</li> <li>Perfect Masterpiece Rama9-Krungthep kreetha</li> </ul>
 <p><b>Project : Perfect Residence</b> <b>Price range: 10.0-15.0 MB.</b></p>		<p><b>Existing projects:</b></p> <ul style="list-style-type: none"> <li>Perfect Residence Changwattana</li> <li>Perfect Residence Krungthep kreetha</li> <li>Perfect Residence Sukhumvit 77</li> </ul>
 <p><b>Project : Perfect Place</b> <b>Price range: 5.0 — 10.0 MB.</b></p>		<p><b>Existing projects:</b></p> <ul style="list-style-type: none"> <li>Perfect Place Rattanathibet</li> <li>Perfect Place Ratchaphruek</li> <li>Perfect Place Rangsit2</li> <li>Perfect Place Chaengwattana</li> <li>Perfect Place Ramkhamhaeng-Suvarnabhumi 3</li> <li>Perfect Place Sukhumvit 77-Suvarnabhumi 6</li> <li>Perfect Place Ramintra-Outer Ring</li> <li>Perfect Place Outer Ring- Ramkhamhaeng</li> <li>Perfect Place Muang Chiangmai</li> <li>Perfect Place Krungtep Kreetha</li> </ul>

## Single Detached Houses and Duplex Houses



**Project : Perfect Park**

**Price range: 4.0 — 6.0 MB.**



### Existing projects:

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



**Project : Modi Villa**

**Price range: 3.0 — 4.0 MB.**



### Existing projects:

Modi Villa Ladkrabang-Suvarnabhumi  
Modi Villa Bangna  
Modi Villa Chaiyapruek

## Townhome



**Project : The Metro**

**Price range: 2.89—5.0 MB.**



### Existing projects:

The Metro Ramkhamhaeng-Outer Ring  
The Metro Rattanaibet  
The Metro Rama9-Krungthep Kreetha



**Project : Modi Villa ( Townhome)**

**Price range: 1.9 — 3.0 MB.**



### Existing projects:







Modi Villa Ladkrabang-Suvarnabhumi  
Modi Villa Bangna  
Modi Villa Petchkasem 69  
Modi Villa Pinklao-Outer Ring  
Modi Villa Bangbuathong  
Modi Villa Rangsit 2  
Modi Villa Rangsit Klong 7

In 2017, the Company and subsidiaries launched a total of 12 new projects and extended phases for existing projects with combined value of Bt11,769 million. In 2018, it plans to unveil 3 projects under a new brand **“Perfect Residence”**, featuring single houses with a price tag of Bt10-Bt15 million. Two resort residence projects are also planned in Khao Yai and Chiang Mai.

## 2. Condominium

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

Condominium		
 <p><b>Project : Hyde</b> <b>Price range: 6.02 -150.0 MB.</b></p>		<p><b>Existing projects:</b> Hyde Sukhumvit13 Hyde Sukhumvit 11</p>
 <p><b>Project : The Sky</b> <b>Price range: 3.08— 11.0 MB.</b></p>		<p><b>Existing projects:</b> The Sky Sukhumvit</p>
 <p><b>Project : Metro Sky</b> <b>Price range: 2.0— 5.0 MB.</b></p>		<p><b>Existing projects:</b> Metro Sky Prachachuen Metro Sky Wuttakat</p>
 <p><b>Project : Metro Luxe</b> <b>Price range: 1.8— 5.4 MB.</b></p>		<p><b>Existing projects:</b> Metro Luxe Riverfront Metro Luxe Rama IV Metro Luxe Phaholyothin Metro Luxe Kaset Metro Luxe Ratchada</p>

Condominium		
 <p><b>Project : The Lake</b> <b>Price range: 1.59-3.0 MB.</b></p>		<p><b>Existing projects:</b> The Lake Kalapapruek-Wuttakat</p>
 <p><b>Project : iCondo</b> <b>Price range : 1.59— 2.4 MB.</b></p>		<p><b>Existing projects:</b> iCondo Sukhumvit 105 iCondo Salaya iCondo Salaya The Campus</p>
 <p><b>Project : Bella Costa</b> <b>Price range : 3.99-12.0 MB.</b></p>		<p><b>Existing projects:</b> Bella Costa Hua Hin</p>

In 2017, the Company and subsidiaries plan to launch 3 condominium projects with combined value of Bt2,857.50 million in prime locations near electric train routes and universities—Metro Luxe 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.

### v3. 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 Marriott International 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 2017 was 62.6 % 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 Marriott International 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		
		<b>Existing projects:</b> The Westin Grande Sukhumvit Hotel
 <b>Sheraton®</b> HUA HIN RESORT & SPA		<b>Existing projects:</b> Sheraton Hua Hin Resort and Spa
 <b>Sheraton®</b> HUA HIN PRANBURI VILLAS		Sheraton Hua Hin Pranburi Villa

## Hotel

**Existing projects:**

Hyatt Regency Bangkok Sukhumvit Hotel  
(Under Construction)

**Existing projects:**

Kiroro Ski Resort

#### 4. Rental office buildings

The Company and subsidiaries have embarked on rental office building business, currently owning One Pacific Place and Two Pacific Place 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 for rent

**Existing projects:**

One Pacific Place Building

Two Pacific Place Building

#### 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. There is also a plan to open a large-sized shopping mall on Ratchadapisek and Ramintra Road.



## Marketing and Competition

### 1. Marketing and Competition in real estate business

#### 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.

In 2018, the Company plans the development of 3 new housing products.

1. Perfect Residence — a new brand that features a new series of revolutionary design, applying technology in the interior and across the estate for a more convenient lifestyle, with residents' lifestyle.
2. "Minor Change" home design for Perfect Place estates, highlighting a new function design in the attic room to make the place more spacious.
3. A new home design for Perfect Park estates highlighting greater usable space and a more modern and luxurious architectural design.

Technology is incorporated in the design under the IoT and Smart City concept, to offer greater convenience.

- **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 Formwork 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 Modular 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 Company Limited 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.

Perfect Place Rangsit was awarded "Outstanding private property project — Single house in 2012". The Company won an award from the energy-saving housing estate contest, hosted by the Department of Alternative Energy Development and Efficiency, the Ministry of Energy, where home designs and housing estates showing concerns in energy conservation through function designs, construction materials, site planning and project management. The Company first won the award in 2008 and continually received more awards until 2017. Some of the awards are as follows:

- In 2016, **Verbena** (V-Series) home design for **Perfect Place 3 Rattanathibet-Ratchaphruek** Project won the outstanding energy-saving award.
- In 2016, **Vernorica** (V-Series) home design for **Perfect Place 3 Rattanathibet-Ratchaphruek** Project won the outstanding energy-saving award.
- In 2017, it won four energy-saving awards for the home designs of **Perfect Masterpiece** Project: **Regist, Repose** and **Recency** for houses with usable space from 200 to 300sqm and **Regent** for houses with usable space above 300sqm.

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.



### Price

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 Bt1.9million to Bt60 million, to meet the purchasing power of various target groups.

#### **Products in the condominium**

category are priced from Bt1.59million to Bt150million.

Table: Residential prices by brand

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						 15 - 60 Million Baht
						 10-15 Million Baht
					 5-10 Million Baht	
				 4-6 Million Baht		
		 3-4 Million Baht				
Townhouse			 3-4 Million Baht			
	 1.9-3 Million Baht					
Condominium						 6.02-150.0 Million Baht
					 3.99-12 Million Baht	
					 3.0-11 Million Baht	
			 1.8-5.4 Million Baht			
			 2.0-5.0 Million Baht			
	 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 and Center of Business District**

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 (Hyde, Metro sky, Metro Luxe, 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 PrachuapKhiri Khan. Aside, the Company is developing 2 projects in Khao Yai and Chiang Mai.

## 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. 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 Friend 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 on top of content marketing to reach target groups through various tools and contents in the forms of photos, video clips and infographics. 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 reservation of special units. 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 <sup>1</sup>
Single detached houses		<b>Target:</b> Owners of medium- and large-sized businesses, high-level corporate executives, professionals like medical specialists and pilots <b>Age group:</b> 40 — 55 years <b>Education:</b> Master degree or higher <b>Monthly income:</b> Bt200,000 or higher <b>Household income:</b> Bt300,000 or higher <b>No. of family members:</b> 4 — 6	Bt 15.0-60.0 Million
		<b>Target:</b> High-level corporate executives, Business owner, professionals like medical specialists and pilots <b>Age group:</b> 35 — 50 years <b>Education:</b> Master degree or higher <b>Monthly income:</b> Bt 150,000 or higher <b>Household income:</b> Bt. 250,000 or higher <b>No. of family members:</b> 4-6	Bt 10.0-15.0 Million
		<b>Target:</b> SME business owners, middle-level corporate executives, professionals like doctors, engineers and architects <b>Age group:</b> 35 — 45 years <b>Education:</b> Bachelor degree or higher <b>Monthly income:</b> Bt50,000 - Bt100,000 <b>Household income:</b> Bt100,000 - Bt200,000 <b>No. of family members:</b> 3—4	Bt 5.0-10.0 Million
		<b>Target:</b> Corporate managers, middle-level corporate executives, engineers and architects <b>Age group:</b> 30 — 40 years <b>Education:</b> Bachelor degree or higher <b>Monthly income:</b> Bt30,000 — Bt50,000 <b>Household income:</b> Bt60,000 — Bt100,000 <b>No. of family members:</b> 3—4	Bt 4.0-6.0 Million
		<b>Target:</b> Corporate managers, small-sized business owners <b>Age group:</b> 30 — 40 years <b>Education:</b> Bachelor degree or higher <b>Monthly income:</b> Bt25,000 — Bt50,000 <b>Household income:</b> Bt50,000 — Bt100,000 <b>No. of family members:</b> 2 —4	Bt 3.0-4.0 Million

Type	Brand	Target customers	Unit price <sup>/1</sup>
Townhouse		<b>Target:</b> Corporate managers, SME business owners <b>Age group:</b> 30 — 40 years <b>Education:</b> Bachelor degree or higher <b>Monthly income:</b> Bt50,000 — Bt100,000 <b>Household income:</b> Bt80,000 — Bt150,000 <b>No. of family members:</b> 3—4	Bt 3.5-5.0 Million
		<b>Target:</b> Corporate assistant managers, civil servants, state enterprise employees <b>Age group:</b> 30 — 35 years <b>Education:</b> Bachelor degree <b>Monthly income:</b> Bt20,000 — Bt40,000 <b>Household income:</b> Bt40,000 — Bt80,000 <b>No. of family members:</b> 2 — 3	Bt 1.9-3.0 Million

#### Condominiums

Type	Brand	Target customers	Price per square meter <sup>/1</sup>
High Rise condominium		Target: High-level executives, business owners, foreign businessmen, and others whose monthly income is Bt200,000 or higher	200,000-310,000
		Target: High-level executives, business owners, foreign businessmen and others whose monthly income is Bt150,000 or higher	110,000-181,000
		Target: High-level executives, business owners or others whose monthly income is Bt120,000 or higher	78,000-109,000
Low Rise condominium		Target: Middle- and high-level executives, business owners and others whose monthly income is Bt50,000 or higher	75,000-140,000 <sup>/2</sup>
		Target; Employees and others whose monthly income is between Bt25,000-Bt50,000	50,000-65,000
		Target: High-level executives, business owners, foreign businessmen and others whose monthly income is Bt150,000 or higher	80,000-140,000
		Target: Corporate employees and others whose monthly income is between Bt25,000-Bt55,000	53,000-60,000

Note: /1 Average sale price as of December 2017.

/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](http://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 2017 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.

The economic recovery should be clear and continue the momentum in 2018, encouraging real estate companies to launch new projects. This in turn means fierce competition as ever in the industry, as project delays in 2017 particularly in the first half may lead to a huge number of new projects in 2018. However, inventories should put pressure on the market, forcing developers to carefully set sale targets. It is estimated that in 2018 about 100,000-108,000 residential units will be launched in Bangkok and peripheral provinces, marking a 0-2% increase from the previous year. Developers are expected to adjust development and sale strategies in each segment. Though the high-end condominium market caters for customers with high-purchasing power, the number of buyers is limited and some demand has been absorbed. Thus, the segment requires a carefully-crafted strategy. Meanwhile, the success of mid-market development

hinges on locations. Though not located along mass-transit routes, these projects should find buyers if offering other means of travel or convenient access to mass transit routes as well as complete functions in the design, to ensure the value for money. The low-priced market is however expected to shrink, while developers are expected to work hard in launching new units and releasing inventories.

## 2. Rental office market and competition

### Market

The marketing strategy for One Pacific Place and Two Pacific Place, two potential downtown office 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

The rental office market in Central Business District (CBD) is expected to be undersupplied, allowing an increase in rents. A report by CBRE Research indicated annual demand of 200,000sqm in Bangkok rental office in the next few years and vacancy rate is as low as 7.8% and tends to shrink further. Meanwhile, the rents of all grades and all locations have been raised by 4-5% on average. As new supply can be lower than 200,000sqm in 2018 amid increasing rents, some companies may avoid long-term leasing contracts to close a risk gap. Some tenants may turn to co-working space. Four foreign co-working space operators have planned to start services in CBD with combined space of 18,000sqm. There is a possibility that they will further expand the business.

## 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 development of 4 and 5-star hotel tends to show a slight increase in 2018, unchanged from 2017. Large hotels tend to be part of mixed-use projects, which entail a hotel, an office building, a condominium or a serviced apartment. Developers are also expected to pour more investment into neighboring countries like Myanmar, Vietnam, Laos and Cambodia which show vibrant tourism industry amid shortages of high-end accommodation. Still, the business faces risks from oversupplies and an increase of mid-market properties which boast 4-star hotel quality but quote 3-star prices. Some high-end tourists have also cut down travel period and accommodation expenses.

Thailand's tourism industry will face big challenges in 2018 chiefly due to competition with several countries which focus more on tourism marketing. Other risks include foreign exchange rates and geopolitical incidents across the world. Thailand this year will put emphasis on local tourism and secondary destinations, to spread business opportunities and revenue to provinces, in line with the Cabinet's approval of tax incentives to promote tourism in 55 secondary cities.

## 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.

### Competition

The retail industry is expected to face fiercer competition chiefly from online vendors. The trend will become clearer in 2018 when e-commerce will create a significant impact on the conventional retail business. As the renovation of shopping malls have been completed, the vacancy rate may fall further from 5%. About 300,000sqm of additional retail space is expected to hit the market in 2018, against 100,000sqm in 2017, which will spur competition for new tenants and shoppers. Meanwhile, vendors are offered with a greater variety of marketing channels, offline and online, and may require less space for their offline business. Both retailers and shopping mall operators are required to adjust their strategies, to offer shoppers with special experience as well as convenience that could not be found in online channels.



## SECURITIES AND HOLDERS

### 1. Common shares

Accounting year	31 Dec. 2014	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017
Registered capital				
- Value (Bt)	10,737,610,610	7,900,000,000	9,000,000,000	9,000,000,000
- No. of shares	10,737,610,610	7,900,000,000	9,000,000,000	9,000,000,000
Registered capital				
- Value (Bt)	5,782,951,655	7,667,826,432	7,667,826,432	8,667,826,432
- No. of shares	5,782,951,655	7,667,826,432	7,667,826,432	8,667,826,432
- Par value (Bt. /Shares)	1.00	1.00	1.00	1.00

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 Grande 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.
  - 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 a piece 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.

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

1. 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 par 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.
2. Raise the registered capital by Bt1,332,173,568 from Bt7,667,826,432 to Bt9,000,000,000, through the issuance of 1,332,173,568 shares with Bt1 par value.

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

On 26 December 2016 and 15 February 2017, the Board of Directors approved the private placements of 300 million and 700 million newly-issued shares, respectively. The shares were offered at Bt1 par value. The shares were paid up on 28 December 2016 and 10 March 2017, respectively.

As of 31 December 2017, the Company's paid-up capital was raised to Bt8,667,826,432 (8,667,826,432 common shares at Bt1 par value), following the private placements. The newly-allocated shares were registered with the Commerce Ministry on 9 January 2017 and 15 March 2017, respectively.

## 2. Shareholder

### Major shareholders

As of 31 December 2017, 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 Bt8,667,826,432 (8,667,826,432 shares at Bt1 par value)

Rank	The first 10 largest shareholders	No. of shares	%
1	Andaman Longbeach Resort Company Limited/1	894,068,441	10.32
2	Mr. Chainid Adhyanasakul	580,659,675	6.70
3	Ms. Kannika Adhyanasakul	579,404,792	6.68
4	Viriyah Public company Limited	500,000,000	5.77
5	Andaman Villa Co., Ltd. /2	389,705,300	4.50
6	Thai NVDR Co., Ltd.	319,239,503	3.68
7	Mrs. Porntip Hembree	300,000,000	3.46
8	Ms. krissanee Techachaiwong	222,016,825	2.56
9	Mr. Vivat Vithoontien	207,000,000	2.39
10	Bualuang Long Term Equity Fund	177,289,866	2.05

Data from Thailand Securities Depository Co., Ltd.

#### Note

/1 Andaman Long Beach Resort Company Limited is 100% owned by Resort Holding Company Limited, which is in turn owned by 1) Mr. Chaiwat Aswintrangkul (55.2%) and 2) Mr. Methee Tanmanatrakul (45%). 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 Resort Holding Company Limited and Andaman Long Beach Resort Company Limited.

(Ms. Vipha Tanmanatrakul also holds 552,300 shares in her own account in Andaman Long Beach Resort Co., Ltd..)

/2 Andaman Villa Company Limited has 3 shareholders — Ms. Napaporn Buraprateep (holding 40%), Ms. Rudee Noranitpadungkarn (40%), and (3) Mr. Vichai Jitseree (20%). Ms. Rudee and Mr. Vichai are the company's authorized 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 2017 are as follows;

##### (1) Unsecured Debentures No.3/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited #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+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

##### (2) Unsecured Debentures No.5/2015

Specific name	: Unsecured debentures of Property Perfect Public Company Limited #5/2015, maturing in 2019
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 3,000,000 units
Face value	: 1,000Baht
Issue size	: Bt.3,000million
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+ Stable” by Tris Rating Co., Ltd.
Trustee	: Krung Thai Bank Public Company Limited
Registrar	: Krung Thai Bank Public Company Limited

**(3) Unsecured Debentures No.1/2016**

Specific name	: Unsecured debentures of Property Perfect Public Company Limited 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	: Bt3,000 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+ Stable” by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

**(4) Unsecured Debentures No.2/2016#1**

Specific name	: Unsecured debentures of Property Perfect Public Company Limited #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	: Bt1,550 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+ Stable” by Tris Rating Co., Ltd.
Trustee	: None
Registrar	: Krung Thai Bank Public Company Limited

**(5) 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	: Bt1,450 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+ Stable" by Tris Rating Co., Ltd.
Trustee	: None
Registrar	: Krung Thai Bank Public Company Limited

**(6) 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	: Bt1,200 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+ Stable" by Tris Rating Co., Ltd.
Trustee	: None
Registrar	: Krung Thai Bank Public Company Limited

**(7) 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	: Bt1,200 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+ Stable" by Tris Rating Co., Ltd.
Trustee	: None
Registrar	: Krung Thai Bank Public Company Limited

**(8) 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	: 1,000Baht
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 year 11 Months 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+ Stable" by Tris Rating Co., Ltd.
Trustee	: None
Registrar	: Krung Thai Bank Public Company Limited

**(9) Unsecured Debentures No.2/2017 #1**

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No. 2/2017#1, maturing in 2019
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 428,300 units

Face value	: 1,000 Baht
Issue size	: Bt. 428.30 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 7 July 2017
Maturity	: 2 years from issue date
Maturity date	: 7 July 2019
Interest rate	: Fixed 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+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

#### (10) Unsecured Debentures No.2/2017 #2

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No. 2/2017#2, maturing in 2018
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 724,400 units
Face value	: 1,000 Baht
Issue size	: Bt. 724.40 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 7 July 2017
Maturity	: 3 years and 9 months from issue date
Maturity date	: 7 April 2021
Interest rate	: Fixed 5.7% 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+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

#### (11) Unsecured Debentures No.3/2017

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No. 3/2017, maturing in 2021
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 1,509,600 units
Face value	: 1,000 Baht
Issue size	: Bt.1,509.60 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 22 September 2017
Maturity	: 4 years from issue date

Maturity date	: 22 September 2021
Interest rate	: Fixed 5.9% 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 2.5:1
Credit rating	: "BB+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Krung Thai Bank Public Company Limited

#### (12) Unsecured Debentures No.4/2017

Specific name	: Unsecured debentures of Property Perfect Public Company Limited No. 4/2017, maturing in 2021
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 1,195,700 units
Face value	: 1,000 Baht
Issue size	: Bt.1,195.70 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 30 November 2017
Maturity	: 4 years from issue date
Maturity date	: 30 November 2021
Interest rate	: Fixed 5.9% 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 2.5:1
Credit rating	: "BB+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

#### (13) 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 months 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	: None
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

#### (14) 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.150million
Offering method	: Offered to no more than 10 investors within 4 months
Issue date	: 16 March 2016
Maturity	: 2 years 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
Other significant condition	: Debt to equity ratio must be maintained at no more than 3:1
Credit rating	: None
Trustee	: None
Registrar	: Bank of Ayudhya Public Company Limited

#### (15) 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.200million
Offering method	: Offered to no more than 10 investors within 4 months
Issue date	: 27 May 2016
Maturity	: 2 years 11 months 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
Credit rating	: None
Trustee	: None
Registrar	: Bank of Ayudhya Public Company Limited

**(16) 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 with trustee
No. of debentures	: 300,000 units
Face value	: 1,000Baht
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
Credit rating	: None
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

**(17) Unsecured Debentures No. 1/2017**

Specific name	: Unsecured debentures of Grande Asset Hotels and Property Plc. No. 1/25017, maturing in 2020
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 261,000 units
Face value	: 1,000 Baht
Issue size	: Bt.261 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 26 January 2017
Maturity	: 2 years ,11 months and 28 days from issue date
Maturity date	: 23 January 2020
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
Credit rating	: None
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

**(18) Unsecured Debentures No. 2/2017**

Specific name	: Unsecured debentures of Grande Asset Hotels and Property Plc. No. 2/25017, maturing in 2019
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 380,000 units

Face value	: 1,000 Baht
Issue size	: Bt.380 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 5 April 2017
Maturity	: 2 years and a half from issue date
Maturity date	: 5 October 2019
Interest rate	: Fixed 5.75 % 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	: "BB+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

#### (19) Unsecured Debentures No. 3 /2017

Specific name	: Unsecured debentures of Grande Asset Hotels and Property Plc. No. 3/25017, maturing in 2020
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 491,700 units
Face value	: 1,000 Baht
Issue size	: Bt.491.70 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 22 June 2017
Maturity	: 3 years from issue date
Maturity date	: 22 June 2020
Interest rate	: Fixed 5.95 % 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	: "BB+/Stable" by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

#### (20) Unsecured Debentures No. 4/2017

Specific name	: Unsecured debentures of Grande Asset Hotels and Property Plc. No. 4/25017, maturing in 2020
Type	: Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	: 467,900 units
Face value	: 1,000 Baht
Issue size	: Bt.467.90 million
Offering method	: Offered to institutional investors and/or big-time investors
Issue date	: 19 October 2017
Maturity	: 3 years from issue date

Maturity date	: 19 October 2020
Interest rate	: Fixed 6.25 % 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 3:1
Credit rating	: “BB+/Stable” by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registrar	: Bank of Ayudhya Public Company Limited

The combined value of remaining debentures on 30 December 2017; book value is Bt 21,359.78million.

### 3.3 Perpetual Subordinated Bonds

#### (1) Perpetual subordinated bonds No.1/2017

Specific name	: The first issuance of Property Perfect's subordinated bonds redeemable when the company ceases business. The company can redeem the bonds prior to maturity and postpone interest payment unconditionally
Type	: Perpetual subordinated bonds offering one-time principal repayment. The unsecured and unconvertible bonds with a trustee are redeemable when the company ceases business. The company can redeem the bonds prior to maturity, postpone interest payment and pay the accumulated unpaid interest any day.
No. of bonds	: 447,700 units
Face value	: 1,000 Baht
Issue size	: Bt 447.70 million
Offering method	: Offered to institutional and/or big-time investors
Issue date	: 27 April 2017
Maturity	: Perpetual
Maturity date	: Perpetual
Interest rate	: Year 1-5 : 9.5% per annum Year 6-25 : 7.61% above 5-year government bond yield Year 26 onward : 8.3% above 5-year government bond yield The coupon rate will be adjusted every 5 years in line with government bond yields.
Principal repayment	: Full repayment on maturity date
Early redemption	: The company holds the right to redeem the bonds on maturity date, 5 years from the issue date or under other conditions specified in the prospectus
Credit rating	: “BB+/Stable” by Tris Rating Co., Ltd.
Trustee	: Bank of Ayudhya Public Company Limited
Registra	: Bank of Ayudhya Public Company Limited

### 3.4 Bills (Bill of Exchange and Promissory Notes)

As of 31 December 2017, the Company and subsidiaries own a total to Bt 437.68 million through the issuance of bills of exchange which offer the interest rate of 3.90—3.95 % per annum. They will come due within March and April 2018. Net value of promissory notes worth Bt351.68 million

## 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	2017	2016	2015
Net profit per share (Baht) <sup>1/</sup>	0.0761	0.06668	0.04752
Dividend per share (Baht) <sup>2/</sup>	0.05	0.04	0.03
Dividend payout (%) <sup>3/</sup>	64.40	67.78	83.18

Note

<sup>1/</sup> Earnings per share is the earnings specified in the statements of comprehensive income.

<sup>2/</sup> Dividend per share is dividend paid out each year per company filings to the Stock Exchange of Thailand.

<sup>3/</sup> Dividend payout ratio is the ratio of annual dividend to net profits.

# MANAGEMENT AND AUTHORIZED PERSON OF THE COMPANY

## AS OF 31 DECEMBER 2017

	Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
						Timing	Designation	
1	<b>Dr. Tawatchai Nakhata</b> Chairman Authorized Signatory Directors	70	<ul style="list-style-type: none"> <li>Ph.D. University of Illinois</li> <li>Audit Committee Program (ACP) 13/2006; Director Accreditation Program (DAP) 52/2006; Thai Institute of Directors (IOD)</li> </ul>	0.150%		1992 — Present 2008 — May 2017 2012 — Present 2012 — Present 2011 — Present 2010 — Present	Chairman Chief Executive Director Director Director Chairman Chairman of Nominating and Remuneration Committee	Property Perfect Plc. Property Perfect Plc. Property Perfect International Pte. Ltd. Kiroro Resort Holdings Co., Ltd. We Retail Plc. Khonburi Sugar Plc.
2	<b>Mr. Chainid Adhyanasakul</b> Director Vice Chairman Chief Executive Officer Chief Executive Director Authorized Signatory Directors	63	<ul style="list-style-type: none"> <li>Bachelor of Laws, Chulalongkorn University</li> <li>Thai Barrister-at-Law, Thai Bar Association</li> <li>Director Accreditation Program (DAP) 114/2015; Thai Institute of Directors (IOD)</li> </ul>	6.699%		1985 — Present 2017 — Present 2014 — Present 2012 — Present 2011 — Present 2015 — Present 2007 — Present 2007 — 2015 2002 — Aug. 2014 1999 — 2015	Chief Executive Officer / Chief Executive Director Director Director Director Director Director Director Director Director Director	Property Perfect Plc. Grand Star Co., Ltd. Property Perfect International Pte. Ltd. Kiroro Resort Holdings Co., Ltd. We Retail Plc. Grande Asset Hotels and Property Plc. Centrepoint Shopping Mall Co., Ltd. / Property Development Bright Development Bangkok Co., Ltd. / Property Development Property Development Krungthep Land Plc. / Property Development Estate Perfect Co., Ltd. / Property Development

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
3 <b>Mr. Vidhya Nativvat</b> Director Chairman of Nominating and Remuneration Committee	63	<ul style="list-style-type: none"> <li>Master of Laws, The Gorge Washington University, USA</li> <li>Bachelor of Laws, Thammasart University</li> <li>Director Accreditation Program (DAP) 77/2009; Thai Institute of Directors (IOD)</li> </ul>	1.243%		June 2014 — Present 2004 — Present 1986 — Present 2004 — June 2014	Chairman of Nominating and Remuneration Committee Non-Executive Director Managing Director Nominating and Remuneration Committee	Property Perfect Plc. Property Perfect Plc. Bunchong and Vidhya Law Office Ltd. / Law Property Perfect Plc.
4 <b>Mrs. Nuanual Swadikul-Na-Ayudhaya</b> Director Independent Director Audit Committee	69	<ul style="list-style-type: none"> <li>Bachelor of Laws, Thammasat University</li> <li>Member of Thai Bar, Bureau of Legal Studies of the Council of Thai Bar Member</li> <li>MINI MBA Thammasat University</li> <li>Financial Institute for Executive V Thai Banker Association</li> <li>Wor.Por.Ror.Oor. Class 411, National Defense College</li> <li>Director Accreditation Program (DAP) 114/2015; Thai Institute of Directors (IOD)</li> </ul>	0.000%		2015 — Present 2009 — 2015 2010 — 2014 1996 — 2008 1994 — 1996 1992 — 1994 1991 — 1992 1990 — 1991	Independent Director / Audit Committee Independent Director / Chairman of Risk Management Committee Independent Director / Nominating and Remuneration Committee Executive Vice President Senior Manager for Commercial Finance and Construction Finance Commercial Finance Manager Industrial and Commercial Finance Manager Business Development Manager	Property Perfect Plc. Property Perfect Plc. Property Perfect Plc. TMB Bank Plc. TMB Bank Plc. TMB Bank Plc. TMB Bank Plc. TMB Bank Plc.

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
5 <b>Ms. Sirrat Wongwattana</b> Director Executive Director Chief Financial Officer Act for Chief Supporting Officer Authorized Signatory Directors	56	<ul style="list-style-type: none"> <li>Master of Science in Finance, University of Houston – Clear Lake, USA</li> <li>B.A. of Science, Economics &amp; Business Administration-Finance, Kasetsart University</li> <li>Director Certification Program (DCP) 126/2009; Thai Institute of Directors (IOD)</li> </ul>	0.000%		2015 - Present  2011 — Present  2015 — Present 2015 — Present 2015 — Present	Director / Nominating and Remuneration Committee Director / Executive Director & Secretary of Executive Director / Chief Financial Officer / Act for Chief Supporting Officer Director Director Director	Property Perfect Plc.  Property Perfect Plc.  Estate Perfect Co., Ltd. Bright Development Bangkok Co., Ltd. Residence Number Nine Co., Ltd.
6 <b>Mr. Wicharn Sirivejwarawut</b> Director Executive Director Chief Operating Officer 1 Authorized Signatory Directors	56	<ul style="list-style-type: none"> <li>Master of Business Administration, Chulalongkorn University</li> <li>Bachelor of Civil Engineer, Chulalongkorn University</li> <li>Director Certification Program (DCP) 126/2016; Thai Institute of Directors (IOD)</li> </ul>	0.000%		2014 — Present  2011 — 2014  2003 — 2010  2016 — Present 2014 — Present 2014 — Present	Director / Executive Director / Chief Operating Officer 1 Executive Director / Act for Chief Operating Officer 1 / Deputy Chief Operating Officer 1 Assistant Chief Operating Officer Officer Director Managing Director Managing Director	Property Perfect Plc.  Property Perfect Plc.  Property Perfect Plc.  Bright Development Bangkok Co., Ltd. Estate Perfect Co., Ltd. Perfect Prefab Co., Ltd.

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
7 Mr. Pornswat Katechulasriroj Director Executive Director Chief Operating Officer 2 Authorized Signatory Directors	51	<ul style="list-style-type: none"> <li>Bachelor of Engineer, King Mongkut's Institute of Technology Ladkrabang</li> <li>Director Certification Program (DCP) 129/2016; Thai Institute of Directors (IOD)</li> </ul>	0.000%		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 / Chief Operating Officer 2	Estate Perfect Co., Ltd.

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
8 <b>Mr. Wongsakorn Prasitvipart</b> Managing Director Director Executive Director Authorized Signatory Directors	57	<ul style="list-style-type: none"> <li>• Master of Business Administration, Chulalongkorn University</li> <li>• Bachelor of Architect, Chulalongkorn University</li> <li>• Real Estate Course (RECU#10) Chulalongkorn University</li> <li>• Director Certification Program (DCP) 126/2016; Thai Institute of Directors (IOD)</li> </ul>	0.000%		2017 — Present	Managing Director	Property Perfect Plc.
					2015 — Present	Director	Property Perfect Plc.
					2014 — Present	Executive Director	Property Perfect Plc.
					2014 — 2017	Chief Business Development Officer	Property Perfect Plc.
					2014 — Present	Managing Director	Chiang Mai Development Co., Ltd.
					2011 — 2014	Executive Director / Act for Chief Business Development Officer / Deputy Chief Business / Development Officer	Property Perfect Plc.
					2008 — 2010	Assistant Chief Business Development Officer	Property Perfect Plc.

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
9 <b>Prof. Dr. Suchatvee Suwansawat</b> Director Independent Director Chairman of Risk Management Committee	45	<ul style="list-style-type: none"> <li>• Ph.D. in Civil and Environmental Engineering, Massachusetts Institute of Technology (MIT), USA</li> <li>• Master of Science (MS.) in Technology and Policy, Massachusetts Institute of Technology (MIT), USA</li> <li>• Master of Science (MS.), in Civil and Environmental Engineering, The University of Wisconsin-Madison, USA</li> <li>• Bachelor of Engineer (B.Eng.), in Civil Engineering, King Mongkut's Institute of Technology Ladkrabong</li> <li>• Audit Committee Program (ACP) 27/2009; Director Certification Program (DCP) 105/2008; Thai Institute of Directors (IOD)</li> <li>• Certified of Top Executives in Business and Industrial Development, Institute of Business and Industrial Development. (#1)</li> <li>• Certificate of Real Estate Development (#43)</li> <li>• Certified of Top Executives, Capital Market Academy (#13)</li> <li>• University Governance, Programmed : UGP (#9)</li> <li>• Executive Development Program (#11)</li> <li>• Thai Listed Companies Association</li> <li>• Monitoring Fraud Risk Management, MFM</li> <li>• Financial Statement for Directors, FSD</li> <li>• Monitoring the Internal Audit Function, MIA</li> </ul>	0.000%		2014 — Present  2015 — Present  2014 — 2016  2011 — 2015 2012 — 2013  2009 — 2010	Independent Director and Chairman of the Risk Management Committee  President  President of the Association of Engineering Institute of Thailand  Director of Board  President of National Housing Authority  Chairman of the Airport Rail Link Monitoring Committee	Property Perfect Plc.  King Mongkut's Institute of Technology Ladkrabong  The Association of Engineering Institute of Thailand (EIT)  Board of Investment of Thailand  National Housing of Thailand  SRT Electrified Train Co., Ltd. (Airport Rail Link)

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
10 <b>Mr. Ekamol Kiriwat</b> Director Independent Director	73	<ul style="list-style-type: none"> <li>• M.B.A. (Finance), Harvard Graduate School of Business Administration, U.S.A.</li> <li>• B.A. Magna Cum Laude (Economics), Dartmouth College, U.S.A.</li> <li>• Director Certificate Program (DCP) 2005, Thai Institute of Directors (IOD)</li> </ul>	0.000%		2015 — Present 2011 — Present 2005 — 2015 2008 — 2011 1997 — 2000	Director and Independent Director Independent Director Chairman and Independent Director Chairman and Independent Director Director Member of Court of Governors	Property Perfect Plc. The Siam Commercial Bank Plc. K.C. Property Plc. Seamico Securities Plc. Bank of Thailand
11 <b>Mr. Banlue Chantadisai</b> Director Independent Director Chairman of Audit Committee	68	<ul style="list-style-type: none"> <li>• M.B.A., University of Chicago Business School, U.S.A.</li> <li>• B.Sc., Massachusetts Institute of Technology, U.S.A</li> <li>• Joint Public-Private Sector Course, Class 15, National Defense College</li> <li>• Director Certification Program (DCP) 2001, Thai Institute of Directors (IOD)</li> <li>• Advanced Audit Committee Program 2017, Thai Institute of Directors (IOD)</li> <li>• Leadership Program, Class 5, 2007 Capital Market Academy (CMA)</li> <li>• Financial Institutions Directors' Education Programme 2018, The Iclif Leadership and Governance Centre, Malaysia</li> </ul>	0.006%		2015 — Present 2017 - Present 2013 - Present 2006 - Present 2010 — 2015 2006 — 2010 1998 — 2006	Independent Director and Chairman of Audit Committee Independent Director, Risk Management Committee and Chairman of Audit Committee Member of University Affair Promotion Board Chairman Independent Director and Chairman of Audit Committee Senior Executive Vice President, Corporate Accounting & Finance Executive Vice President, Investment Banking	Property Perfect Plc. Bangkok Bank Berhad, Malaysia Navamindradhiraj University Lynn Philips Mortgage Credit Foncier Co., Ltd. Grande Asset Hotels and Property Plc. IRPC Plc. Bangkok Bank Plc.

	Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
						Timing	Designation	
12	<b>Mr. Manit Suthaporn</b> Director Independent Director Audit Committee	64	<ul style="list-style-type: none"> <li>Master of Laws, Chulalongkorn University</li> <li>Bachelor of Laws, Thammasat University</li> <li>National Defense College #399, National Defense College</li> <li>Executive Training Course: Vision and Moral Leader of the Civil Service Commission.</li> <li>Office of the Civil Service Commission</li> <li>Director Certification Program (DCP) , 134/2010, Thai Institute of Directors (IOD)</li> <li>Advanced Security Management Program No.2, The Association National Defence College of Thailand under the Royal Patronage of His Majesty the King</li> <li>Thammasat Leadership Program (TLP) (1st) Thammasat University</li> </ul>	0.000%		2015 — Present 2015 — Present 2007 — 2014 2004 — 2006	Independent Director and Audit Committee Legal Consultant Senior Executive Vice President, Corporate Legal Deputy Permanent Secretary, Head of the mission of Justice Promotion Cluster	Property Perfect Plc. IRPC Plc. IRPC Plc. Ministry of Justice
13	<b>Mr. Thongchai Jira-alongkorn</b> Director	58	<ul style="list-style-type: none"> <li>Bachelor of Business Administration, Major Marketing, Bangkok University</li> <li>Director Accreditation Programme (DAP) Thai Institute of Directors (IOD)</li> </ul>	0.000%		2017 2013 — Present 2013 — Present 2009 — Present 1997 — Present 1996 — Present 1994 — Present 1987 — Present	Director Director Director Deputy Managing Director Managing Director Director and Managing Director Director and Managing Director General Manager	Property Perfect Plc. Bangkok Dusit Medical Service Plc. Sansiri Plc. Viriyah Insurance Plc. Viriyah International Broker Co.,Ltd. Thonburi Automotive Commercial Co.,Ltd. Thonburi Panich Leasing Co., Ltd. Viriyah Leasing Co.,Ltd.

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
14 <b>Mr. Pramote Remyindee</b> Company Secretary	63	<ul style="list-style-type: none"> <li>Bachelor of Laws, Chulalongkorn University</li> <li>Thai Barrister-at-Law Thai Bar Association Graduate Diploma in Business Law, Thammasat University</li> <li>Director Certification Program (DCP) 69/2006, Director Accreditation Program (DAP) 43/2005</li> <li>Finance for Non-Finance Director; Thai Institute of Directors(OD)</li> </ul>	1.581%		1998 — Present 1992 — Present  1994 — 1997  1993	Company Secretary Partner Manager  Executive Director  Executive Director	Property Perfect Plc. Ordinary Partnership, Thammathit Law Office / Law Saphamrong Securities Limited. / Financial Institution Sri Nakorn Credit Foncier Limited / Financial Institution
15 <b>Mr. Phairat Senachak</b> Director Executive Director Advisor to Chief Executive Officer	68	<ul style="list-style-type: none"> <li>MINI MBA, Thammasat University</li> <li>Bachelor of Business Administration, Assumption University</li> <li>Director Certification Program (DCP) 74/2006, Director Accreditation Program (DAP) 30/2004; Thai Institute of Directors (IOD)</li> </ul>	0.000%		2017 — Present 2015 — Present  2011 — 2015 1996 — 2010	Director Executive Director / Advisor to Chief Executive Officer Director / Executive Director Deputy Chief Operating Officer	Property Perfect Plc. Property Perfect Plc.  Property Perfect Plc. Property Perfect Plc.

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
16 <b>Ms. Wilawun Leongnarkthongdee</b> Advisor to Chief Executive Officer	59	<ul style="list-style-type: none"> <li>Master of Business Administration, Sasin Graduate Institute of Business Administrator of Chulalongkorn University</li> <li>Master of Financial Economic, National Institute of Development Administration</li> <li>Diploma in Professional Studies in Accounting, Chulalongkorn University</li> <li>Bachelor of Arts in Accounting, Thammasart University</li> <li>Director Certification Program (DCP), 72/2006 Thai Institute of Directors (IOD)</li> <li>Executive Development Program Class of 2<sup>nd</sup>, Thai Listed Companies Association Experiences</li> </ul>	0.000%		2015 — Present 2015 — Present 2015 — Present 2013 — 2014 2012 — 2014 2002 — 2014 2002 — 2012	Assistant Chief Executive Officer Director / Executive Director Director Executive Director Chief Financial Officer Director Assistant Chief Executive Officer Financial / Assistant Managing Director	Property Perfect Plc. Grande Asset Hotels and Property Plc. Centrepoint Shopping Mall Co., Ltd. Krungthep Land Plc. Krungthep Land Plc. Krungthep Land Plc. Krungthep Land Plc.
17 <b>Mr. Surasak Vacharapongprecha</b> Executive Director Deputy Chief Financial Officer	53	<ul style="list-style-type: none"> <li>Master of Business Administration, Thammasart University</li> <li>Bachelor of Accountancy, Thammasart University</li> <li>Certified Public Accountant</li> </ul>	0.044%		2014 — Present 2010 — 2014 2013 — 2014	Director / Deputy Chief Financial Officer Assistant Chief Financial Officer Director	Property Perfect Plc. Property Perfect Plc. Bright Development Bangkok Co., Ltd.

Note : At 2017 annual general meeting on April 2017, the Board of appointed Mr.Thongchai Jira-Alongkorn and Mr.Phairat Senachak as directors.

PROPERTY PERFECT PLC., SUBSIDIARY AFFILIATES AND RELATED COMPANY AS OF 31 DECEMBER 2017

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

## DETAILS OF DIRECTORS OF SUBSIDIARIES, AFFILIATES AND RELATED COMPANY

AS OF 31 DECEMBER 2017

Company's Name	Subsidiary, affiliates and related company															
	EP	BD	R9	CMD	TPROP	PED	MPH	See-Peak	GRAND	PPI	KRH	KA	KH	KRD	WR	Center Point
Name																
1. Dr. Tawatchai Nakhata										/	/	/	/	/	X	
2. Mr. Charinid Adhyanasakul									/	/	/	/	/	/	/	/
3. Mr. Bhichai Rattakul										X	X					
4. Mr. Ooi Boon Aun											/					
5. Mr. Phairat Senachak																/
6. Mr. Pramote Remyindee					/	/	/								/	
7. Mr. Pornswat Katechulasitroj	/	/	/	/	/	/	/	/							/	/
8. Mr. Wicharn Siriwetwarawut	/	/														/
9. Mr. Wongsakorn Prasitvipat				/												/
10. Ms. Sirirat Wongwattana	/	/	/	/												
11. Mr. Wason Srirattaphong	/			/												/
12. Mr. Sumet Suwathanakorn		/														
13. Mr. Krittapas Pongpakawat	/	/													/	/
14. Mr. Krishnaveni d/o Sandanam									/							
15. Mr. Yoshiro Ito											/					
16. Mr. Eizo Morita											/	X				
17. Mr. Meifree Tanmanatragul											/	/				
18. Mr. Kampol Tatiyakavee															/	
19. Mr. Chidsak Kukiattinun															*, XXX	
20. Mr. Virayuk Puntupetch															*	
21. Mr. Pornchai Ketlek		/														
22. Mr. Sanpetch Sukkasem		/														

Company's Name	Subsidiary, affiliates and related company																							
	EP	BD	R9	CMD	TPROP	PED	MPH	Sce-Peak	GRAND	PPI	KRH	KA	KH	KRD	WR	Center Point	ALL-D	RM	U&I	P-PREFAB	PSC	Uniloft	T-Utilities	G-Star
23. Mr. Prakrit Rerkpreedapong																			/	/				
24. Mr. Pipat Nitayakosol																			/					
25. Mr. Sombat Bovornsombat																			/					
26. Dr. Warasak Jakrapayanun																				/				
27. Mr. Vichaya Watananukit																				/				
28. Mr. Puwit Phaengsuk																				/				
29. Mr. Kongsak Kaewsuriyathamrong																				/				
30. Mr. Roongroj Singhattanatigie																				/				
31. Mr. James Stevenson Warboys																						/		
32. Mr. Saranyu Adhyanasakul																						/		
33. Mr. Natthaphon Sueb-Am																						/		
34. Mr. Pathompop Inbanrung																						/		
35. Dr. Bhicht Rattakul				/	/	/			/														/	
36. Mr. Prasong Waratanakul				/											* , ///									
37. Mr. Likit Somnuantad				/																				
38. Mr. Wichai Thongtang									/															
39. Mr. Vitavas Vibhagool									/				/											/
40. Ms. Wilawun Leongnarkthongdee									/							/								
41. Mr. Suradej Narula									/															
42. Mr. Amarin Narula									/															
43. Mr. Paisit Kaenchan									/															
44. Mr. Pornchai Kittpanyangam									/															
45. Mr. Wattana Suthipinijtham									/															
46. Mr. Amarit Pansiri									/															
47. Ms. Phomsiri Manoharn									/															

Company's Name Name	Subsidiary, affiliates and related company															
	EP	BD	R9	CMD	TPROP	PED	MPH	See-Peak	GRAND	PPI	KRH	KA	KH	KRD	WR	Center Point
48. Mr. Benjamin Lam											/	/		X		
49. Mr. Ian Mackenzie												X				
50. Mr. Pisit Poosanakhom																/
51. Ms. Sopit Poosanakhom																/
52. Mr. Noppol Mlinthanggoon																/
53. Ms. Aunada Phruttharakom																/
54. Mr. Nandhapon Patongpanit																/
55. Mr. Chalkorn Boonlapapat															/	
56. Mr. Nathawee Jirawechanon															/	
57. Mr. Kenji Inui																/
58. Mr. Kazuhiko Mataka																/

Note : Ms. Phornisri Manoharn was resign on 31 December 2017

1.	EP	= Estate Perfect Company Limited	BD	= Bright Development Bangkok Company Limited
	R9	= Residence Number Nine Company Limited	CMD	= Chiangmai Development Company Limited
	TPROP	= Thai Property Public Company Limited	PED	= Pacific Estate Development Company Limited
	MPH	= Metro Premier Holding Company Limited	See-Peak	= Scenery Peak Company Limited
	GRAND	= Grande Asset Hotel and Property Public 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 Hotels Co., Ltd.	KRD	= Kabushiki Kaisha Kiroro Resort Development Co., Ltd.
	WR	= We Retail Public Company Limited	Center Point	= Centre Point Shopping Mall Company Limited
	ALL-D	= All Discount Company Limited	RM	= Raminta Mall Company Limited
	U & I	= U & I Construction Bangkok Company Limited	P-PREFAB	= Perfect Prefab Company Limited
	PSC	= Perfect Sport Club Company Limited	Uniloft	= Uniloft Service (Thailand) Company Limited
	T-Utilities	= T Utilities Company Limited	G-Star	= Grand Star Company Limited
2.	X	= Chairman		
	XX	= Chief Executive Director		
	XXX	= Chairman of Audit Committee		
	*	= Independent Director		
	/	= Director		
	//	= Executive Director		
	///	= Audit Committee		

# CORPORATE GOVERNANCE

## 1. Corporate Governance

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](mailto:ir@pf.co.th), or [www.pf.co.th/ir](http://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.

## Section 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 14 experienced, knowledgeable and capable directors as follows:

- Executive Director 7 persons
- Non-Executive Director 2 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 Baht2 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, five sub-committees reporting to the Board of Directors - the Audit Committee, the Nomination Committee, the Remuneration and Human Resources Committee, the Risk Management Committee and the executive committee.

### **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 Nominating and Remuneration Committee to consider remuneration principles and policies for managing director, 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 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
		2017	2016	2015	
<b>Subsidiary</b> Estate Perfect Company Limited (EP)  <b>Relationship:</b> The company holds 100%. - The company's executives (Mr. Wicharn Siriwetwarawut, Mr. Pornswat Katechulasingroj Ms. Sirirat Wongwattana) are directors. - The company's executive (Mr. Wason Srirattanapong) is a director. - The company's employees (Mr. Kritpas Pongpakawat) is a director.	Loan	1,417.57	634.27	246.20	The Company loaned to EP, 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.  <b>Audit Committee's comment</b>  The transactions serve as financial assistance to subsidiaries, which are believed to fully repay the loans. They are charged with the interest rate of 25 basis points per annum, equivalent to the interest rate levied on other subsidiaries.
	Loan 1 Jan. Extra (repayment) 31 Dec.	- (745.83)	795.00 (11.70)	608.00 (219.93)	
		671.74	1,417.57	634.27	
	Interest Received 1 Jan. Extra (repayment) 31 Dec.	32.11 65.55 (94.17) 3.49	0.95 69.46 (38.30) 32.11	2.95 28.07 (30.07) 0.95	
	Land Sale	3.42	8.70	0.17	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.  <b>Audit Committee's comment</b> 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 Land Costs	6.10	7.93	0.50	

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Estate Perfect Company Limited (EP) (Continued)	Land Sale	Revenue from Land Sale Land Costs	2.62 2.62	- -	- -	<p>The Company sold land to EP to support the subsidiary's land acquisition plan.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction is to support the Subsidiary's operations.</p> <p>2) Services Chart is a jointly-agreed price.</p> <p>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.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction benefits the Company's operations, deemed normal among property developers.</p> <p>2) The Company and the subsidiary jointly agreed on the price.</p> <p>The Company was contracted to develop projects for EP, which was charged a similar monthly payment.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction is to support the Subsidiary's operations.</p> <p>2) Services Chart is a jointly-agreed price.</p> <p>The Company was contracted to develop projects for EP, which was charged a similar monthly payment.</p> <p><b>Audit Committee's comment</b></p> <p>The Company and the subsidiary jointly agreed on the price.</p> <p>The Company hired a contractor for curtain and lamp installation in EP's show houses, and charged EP at cost.</p> <p><b>Audit Committee's comment</b></p> <p>- The transaction at cost</p>
	Land Purchase	Land Costs	0.25	-	-	
	Project Development	Revenue from administration Debtor	0.66 -	5.01 1.06	6.10 2.18	
	Sale Management and Administration	Revenue from administration Debtor	5.22 -	33.03 8.38	28.55 10.18	
	Home Decoration Cost	Others income Debtor	- -	- -	0.06 -	

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Estate Perfect Company Limited (EP) (Continued)	Sale Products	Others income Debtor	0.02 0.02	0.03 0.02	0.01 -	The Company sold products to EP which in turn offered the products as gifts to customers. <b>Audit Committee's comment</b> - The transaction at cost
	Quarantee	Amount	3,323.15	3,735.64	3,997.92	The company guaranteed a loan from financial institutions to a subsidiary, without charging any fee. <b>Audit Committee's comment</b> The transactions are reasonable, in support of the operations of subsidiaries which must comply with financial institutions' loan conditions.
	Devided	Devided Income	150.00	-	-	The Company received a dividend payment from EP. <b>Audit Committee's comment</b> The transaction was in line with a resolution of EP's board of directors.
Bright Development Bangkok Company Limited (BD) <b>Relationship:</b> - The company holds 100%. - The company's executives (Mr. Wicharn Siriwetwarawut, Mr. Pornswat Katechulasirroj and Ms. Sirirat Wongwattana) are directors. - The company's employees (Mr. Kripas Pongpakawat) is a director.	Loan	Loan 1 Jan. Extra (repayment) 31 Dec.	2,935.42 165.23 (671.89) 2,428.76	1,705.42 1,230.00 - 2,935.42	1,683.56 295.00 (273.14) 1,705.42	The Company loaned to wholly-owned BD, for land purchase, project development and working capital, charging the interest of +25 basis points above the Company's average financial cost. <b>Audit Committee's comment</b> Necessary financial assistance to a subsidiary, which are believed to fully repay the loans. The interest charge, +25 basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
		Interest Received 1 Jan. Extra (repayment) 31 Dec.	110.46 132.43 (168.11) 74.78	24.14 136.32 (50.00) 110.46	5.75 95.25 (76.86) 24.14	
	Land leasing	Revenue from Leasing Debtor	- -	0.23 -	0.69 0.12	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. <b>Audit Committee's comment</b> 1) Normal business transaction to support the subsidiary's operations. 2) The jointly-agreed fee is comparative to market rate.

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Bright Development Bangkok Company Limited (BD) (Continued)	Electrical and water bill	Other income Debtor	-	0.07	0.22	The Company charged BD for the utilities service fees at cost. <b>Audit Committee's comment</b> - The transaction at cost.
			-	-	0.04	
	Land leasing	Other income Debtor	0.10	0.22	1.14	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). <b>Audit Committee's comment</b> 1) Normal business transaction to support the subsidiary's operations. 2) The jointly-agreed fee is comparative to market rate.
			-	0.04	0.04	
	Advance payment for Land purchase.	Debtor	1.50	1.50	1.50	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. <b>Audit Committee's comment</b> 1) The transaction was to support the subsidiary's operations and in line with the lending institutions' criteria. 2) Transaction at cost.
	Sale Products	Other income Debtor	0.01	0.04	0.62	The Company sold products to BD which in turn offered the products as gifts to customers. <b>Audit Committee's comment</b> - The transaction at cost
			0.01	0.01	0.01	
	Vehicle Rental	Other income Debtor	0.08	-	-	The Company charged BD with the car rental fee at cost price. <b>Audit Committee's comment</b> - The transaction at cost
			0.09	-	-	
	Furniture Sale	Other income Debtor	1.01	-	-	The Company sold furniture to BD. <b>Audit Committee's comment</b> - The transaction at cost
			-	-	-	
	Fee Income	Other income Debtor	0.02	-	-	The Company charged BD the credit card usage fee at cost price. <b>Audit Committee's comment</b> - The transaction at cost
			0.01	-	-	

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Bright Development Bangkok Company Limited (BD) (Continued)	Project Development	Revenue from administration Debtor	0.11	1.19	2.06	<p>The Company was contracted to develop projects for BD, which was charged a similar monthly payment.</p> <p><b>Audit Committee's comment</b></p> <p>1) Normal business transaction to support the subsidiary's operations</p> <p>2) The Company and the subsidiary jointly agreed on the price.</p>
			-	0.18	0.74	
	Sale	Revenue from administration Debtor	2.72	27.34	45.28	
	Management Administration		-	4.37	16.15	
	Quarantee	Amount	3,174.90	1,800.61	3,887.86	<p>The Company guaranteed a loan from financial institutions to a subsidiary without charging fee.</p> <p><b>Audit Committee's comment</b></p> <p>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.</p>
Residence Number Nine Company Limited (R9)	Loan	Loan	285.00	170.00	175.00	<p>The Company extended a working capital loan to wholly-owned R9, charging the interest of 25 basis points above R9's average financial cost.</p> <p><b>Audit Committee's comment</b></p> <p>The transaction served as a financial support among the Company and subsidiaries. The levied interest at 0.25%.</p>
		1 Jan. Extra (repayment)	100.00 (100.91)	490.00 (375.00)	197.00 (202.00)	
		31 Dec.	284.09	285.00	170.00	
		Interest Received				
<p>- The company holds 100%.</p> <p>- The company's directors and executives (Mr.Pornswat Katechulasriroj and Ms.Sirirat Wongwattana) are directors.</p> <p>- The company's employees (Mr. Pornchai Ketlekand Mr.Sanpetch Sukkasem) are directors.</p>		1 Jan. Extra (repayment)	6.86	0.32	5.37	
		31 Dec.	20.64 (26.85)	13.46 (6.92)	11.19 (16.24)	
			0.65	6.86	0.32	

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Residence Number Nine Company Limited (R9) (Continued)	Sale Products	Other income	0.01	-	0.01	The Company sold products to R9 which in turn offered the products as gifts to customers. <b>Audit Committee's comment</b> - The transaction at cost
	Vehicle Rental	Other income	0.03	-	-	. The Company charged R9 with the car rental fee. <b>Audit Committee's comment</b> - The transaction at cost
	Project Development	Revenue from administration Debtor	0.95	5.42	3.42	The Company was contracted to develop projects for R9, which was charged a similar monthly payment. <b>Audit Committee's comment</b> 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	Revenue from administration Debtor	3.45	22.47	20.83	The Company was contracted to handle sale and admin operations for R9, which was charged a similar monthly payment. <b>Audit Committee's comment</b> 1) Normal business transaction to support the subsidiary's operations. 2) The Company and the subsidiary jointly agreed on the price.
	Guarantee	Amount	799.97	856.97	932.97	The Company guaranteed a loan from financial institutions to a subsidiary without charging fee. <b>Audit Committee's comment</b> 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.
	Divided	Divided Income	50.00	-	-	The company receive dividend from R9 <b>Audit Committee's comment</b> The transaction was in line with the resolution of R9's board of directors.

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Chiangmai Development Company Limited (CD) <b>Relationship:</b> - The company holds 100%. - The company's executives (Mr. Wongsakorn Prasitvipat, Mr. Pornswat Katechulasirroj and Ms. Sirirat Wongwattana) are directors. - Estate's employee (Mr. Wason Sirattanapong) is a director.	Loan	Loan	157.83	150.33	17.33	The Company loaned to CD, 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. <b>Audit Committee's comment</b> The transactions serve as financial assistance to subsidiaries, which are believed to fully repay the loans. The levied interest at 0.25%. Equivalent to the interest rate levied on other subsidiaries.
		1 Jan. Extra (repayment)	27.00	7.50	133.00	
		31 Dec.	184.83	-	-	
		Interest Received	-	157.83	150.33	
We Retail Public Company Limited (WR) <b>Relationship:</b> - The company holds 94.97% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Director of the company (Mr. Chainid Adhayanasakul) is a director. - The company's executive (Mr. Pramote Rernyindee) is a director. - Sub-Committee* of the company (Mr. Cherdasak Kookiatnunt) is a director.	Loan	Loan	12.09	3.48	0.29	The Company loan to WR, a 94.97%-owned subsidiary, for land purchase, project development and working capital, and the Company's retail business invested through the subsidiary, charging the interest of 25 basis points above the Company's average financial cost. <b>Audit Committee's comment</b> Necessary financial assistance to a subsidiary, which are believed to fully repay the loans. 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)	9.02	8.61	3.19	
		31 Dec.	-	-	-	
		Interest Received	21.11	12.09	3.48	
Land leasing Note: * Risk Management committee	Land leasing	Leasing cost	-	-	774.99	The Company charged WR for the utilities service fees at cost. <b>Audit Committee's comment</b> The transaction at cost.
		Guarantee	200.00	-	245.00	
		Extra (repayment)	-	-	(1,019.99)	
		31 Dec.	200.00	-	-	
		Interest Received	-	-	32.67	The Company leased space from WR, to locate its sale office for projects in nearby areas. <b>Audit Committee's comment</b> 1) Normal business transaction to support the subsidiary's operations 2) The price and condition is the same as those offered to outsiders.
		1 Jan. Extra (repayment)	5.10	-	40.27	
		31 Dec.	-	-	(72.94)	
		Leasing cost	5.10	-	-	
		Guarantee	1.02	1.05	0.10	The Company charged WR for the utilities service fees at cost. <b>Audit Committee's comment</b> The transaction at cost.
		Creditor	0.34	0.34	0.29	
		Other Income	0.06	0.09	0.10	
		Electrical and water bill	-	-	-	

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
We Retail Public Company Limited (WR) (Continued)	Guarantee	Amount	-	-	223.00	The Company guaranteed a loan from financial institutions to a subsidiary without charging fee. <b>Audit Committee's comment</b> 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) <b>Relationship:</b> - The company holds 100%. - Chief Executive Director of the company (Mr.Chainid Adhayanasakul) is a director. - The company's executive (Mr.Pramote Remyindee) is a director.	Loan	Loan 1 Jan. Extra (repayment) 31 Dec.	29.50 12.00 - 41.50	- 29.50 - 29.50	- - - -	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. <b>Audit Committee's comment</b> Necessary financial assistance to a subsidiary, which are believed to fully repay the loans. The interest charge, 25basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
		Interest Received 1 Jan. Extra (repayment) 31 Dec.	0.91 2.16 - 3.07	- 0.91 - 0.91	- - - -	
Property Perfect International Pte.Ltd. (PPI) <b>Relationship:</b> - 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	Loan 1 Jan. Extra (repayment) 31 Dec.	834.00 - - 834.00	1,314.64 164.83 (645.47) 834.00	1,013.16 301.48 - 1,314.64	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.
		Interest Received 1 Jan. Extra (repayment) 31 Dec.	0.16 - - 0.16	94.64 15.75 (110.23) 0.16	48.41 46.23 - 94.64	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.

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2017	2016	2015	
Property Perfect International Pte. Ltd (PPI) (Continued)					<b>Audit Committee's comment</b> 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.
	Advance Payment on Operating Expense	Debtor	10.09	4.45	3.00
Kiroro Resort Holdings Co., Ltd. * (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - The company holds in PPI 100% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanaskul) is a director. - The company's Consultant (Mr.Bhichai Rattakul) is a director.	Advance Payment on Operating Expense	Debtor	1.56	1.82	27.83
	Loan	Loan	1,721.54 454.90 (409.99)* 1,766.45	200.00 1,721.54 (200.00) 1,721.54	- 200.00 - 200.00
Note * Renamed from Share Group Co., Ltd.		Interest Received	4.82	1.31	-
		1 Jan. Extra (repayment) 31 Dec.	64.82 (10.64) 59.00	34.29 (30.78) 4.82	1.31 - 1.31

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2017	2016	2015	
<p>Kiroro Resort Holdings Co., Ltd. * (KRH) (Continued)</p> <p><i>Note</i></p> <p><i>* Including the conversion of PPI's loan worth 1,205 million yen (approximately Bt409.54 million) to KRH's common shares.</i></p>					<p><b>Audit Committee's comment</b></p> <p>The transaction served as financial assistance to a subsidiary, which is charged 0.25% per annum above the Company's average financial cost. The interest rate was applied with other subsidiaries. And from 2016 onwards, the subsidiary is charged equivalent to the Company's baht-denominated bonds' coupon rate, converted under the cross currency swap contract plus the extra 0.25% charge per annum. The management is confident in KRH's ability to repay the loan.</p>
<p>Perfect Sport Club Company Limited (PSC)</p> <p><b>Relationship:</b></p> <ul style="list-style-type: none"> <li>- The company holds 100%.</li> <li>- The company's director and executive (Mr. Phairat Senachack) is a director.</li> <li>- The company's employee (Mr. Kritpas Pongpakawat and Mr. Natawee Jiravetchanon) are director.</li> </ul>	Land Sale	-	-	0.06	<p>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.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction benefits the Company's operations, deemed normal among property developers.</p> <p>2) The Company and the subsidiary jointly agreed on the price.</p>
	Revenue from land sale Cost of Land	-	-	0.06	
	Electrical and water bill	0.12 0.05	0.15 0.03	0.09 0.01	<p>The Company leased space in projects' sports clubs to PSC, to locate 7-Eleven stores.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction was to support the Company's operations.</p> <p>2) The price and condition is the same as those offered to outsiders.</p>
	Buy Products	-	0.02	0.09	
	Sale Expense Creditor	-	-	0.01	<p>The Company sold products to PSC which in turn offered the products as gifts to customers.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction was to support the Company'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
			2017	2016	2015	
Perfect Sport Club Company Limited (PSC) (Continued)	Land leasing	Revenue from leasing Debtor	2.38 0.26	2.54 0.05	0.05 0.01	The Company leased space in projects' sports clubs to PSC, to locate 7-Eleven stores. <b>Audit Committee's comment</b> 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) <b>Relationship:</b> - The company holds 100%. - The company's employees (Mr.Kritpas Pongpakawat and Mr.Prakit Rerkpreedapong) are directors. - Estate 's employee (Mr.Pipat Nitayakosol) is director.	Loan	Loan 1 Jan. Extra (repayment) 31 Dec.	360.00 23.80 (306.50) 77.30	90.00 350.00 (80.00) 360.00	100.00 - (10.00) 90.00	The Company extended a working capital loan to wholly-owned subsidiary U&I , charging the interest of 25basis points above the Company's average financial cost. <b>Audit Committee's comment</b> Necessary financial assistance to a subsidiary, which are believed to fully repay the loans. The interest charge, 25-150 basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
		Interest Received 1 Jan. Extra (repayment) 31 Dec.	0.22 10.63 (10.72) 0.13	0.10 11.78 (11.66) 0.22	2.08 5.72 (7.70) 0.10	
		Value of Contract Construction Cost Advance Payment Contractor Trade Creditor	10.94 2.92 0.04 0.69	21.61 21.78 - 1.79	38.09 32.03 - 6.46	The Company hired U&I to construct houses and condominiums developed by the Company and subsidiaries. <b>Audit Committee's comment</b> 1) The transaction was to support the Company's operations. 2) The service fee is jointly specified, based on the management cost and profit.
		Other income Debtor	0.04 0.03	0.01 -	0.17 0.09	The Company charged U&I for the utilities service fees at cost. <b>Audit Committee's comment</b> - The transaction at cost.
	Electrical and water bill					

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy	
		2017	2016	2015		
Perfect Prefab Company Limited (P-PREFAB) <b>Relationship:</b> - The company holds 51% - The company's executive (Mr. Wicharn Siriwetwarawut) is a director . - The company's employee (Mr. Rungroj Singhathanakij and Dr. Warasak Chakrapriyanant and Mr. Prakrit Rekrpreedapong) are directors	Loan	Loan 1 Jan. Extra (repayment) 31 Dec.	41.88 - (11.88) 30.00	50.00 - (8.12) 41.88 50.00	60.00 - (10.00) 50.00	The Company extended a loan to P-PREFAB, a 51%-owned subsidiary, to help expand the latter's business and working capital, charging 25basis points per annum above the Company's average financial cost. <b>Audit Committee's comment</b> Necessary financial assistance to a subsidiary, which are believed to fully repay the loans. The interest charge, 25basis points per annum above the Company's average financial cost, Equivalent to the interest rate levied on other subsidiaries.
		Interest Received 1 Jan. Extra (repayment) 31 Dec.	0.07 1.77 (1.28) 0.56	0.72 2.54 (3.19) 0.07	6.61 3.24 (9.13) 0.72	
	contracted P-PREFAB companies for the production and installation of prefab materials	Value of Contract	242.50	204.24	90.32	The Company hired P-PREFAB to produce, assemble and install pre-fabricated construction materials for the Company's development projects.
		Construction Cost	141.08	180.60	88.01	
		Advance Payment Contractor	0.12	-	0.02	<b>Audit Committee's comment</b> 1) The transaction was to support the Company's operations. 2) The transaction price and condition was reasonable and comparative to market price.
		Trade Creditor	12.74	10.55	12.12	
	electrical and water bill	Other Income Debtor	0.05 0.01	0.01 -	0.01 -	The Company charged P-PREFAB for the utilities service fees at cost.
						<b>Audit Committee's comment</b> - The transaction at cost.
	Advance Payment on Operating Expense	Debtor	-	-	0.90	The Company made advance payment for KA, an indirect subsidiary through the 97.27 %, on several items like-travel expenses and PR activities, as the activities took place in Thailand.
						<b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2017	2016	2015	
Kabushiki Kaisha Kiroro Associates Co., Ltd (KA) (Continued) - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.					
Kabushiki Kaisha Kiroro Hotel Co.Ltd. (KH) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Advance Payment on Operating Expense  Debtor	0.13	-	-	The Company made advance payment for KRH, 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. <b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost
Kabushiki Kaisha Kiroro Resort Development Co., Ltd (KRD) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - 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	1.65	0.37	-	The Company made advance payment for KRH, an indirect subsidiary through the 97.27 %, on several items like - travel expenses and PR activities, as the activities took place in Thailand. <b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost

Legal Entity / Relationship	Transaction		Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Grande Asset Hotel and Property Public Company Limited (GRAND) <b>Relationship:</b> - MPH holds 35.53% - TPROP holds MPH 100% and hold GRAND 5.09% - PF hold TPROP 94.60% and hold GRAND 1.70% - 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* (Mr.Bhichai Rattakul) is a director. <i>*Resigned on February 2017</i>	Purchase Product	Sale Expense Creditor	0.08 0.05	0.32 0.13	0.10 0.03	The Company bought products to from GRAND which in turn offered the products as gifts to customers. <b>Audit Committee's comment</b> 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	Other income Debtor	- -	0.19 0.20	- -	

## 1.2 Transactions between the Company and connected individuals, entities

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2017	2016	2015	
<b>Related Person</b> Mr.Pramote Remyindee (Mr.Pramote) <b>Relationship:</b> - The company's executive	Advance payment for Land purchase.	1 Jan. Interval imbursement (interval payment) 31 Dec.	-	-	0.01 119.62 (119.63)	The Company made an advance payment to Mr. Pramote, for the accumulation of land on Chaiyapruke Road purchased for future development. <b>Audit Committee's comment</b> The transaction was to support Company's operations and approved by CEO.
			-	-	-	
			-	-	-	
			-	-	-	
Mr.Wicham Siritwetwarawut (Mr.Wicham ) <b>Relationship:</b> - The company's executive	Buy a unit of condominium	Sale Expense Deposit and Down Payment	-	-	-	Reservation of 1 unit in The Sky Sukhumvit condominium project <b>Audit Committee's comment</b> Normal business transaction, under the welfare condition to award a discount to staff.
			-	-	3.24	
<b>Related other Legal Entity</b> Center of Standard Precast Co., Ltd. (CSP) <b>Relationship:</b> - 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 P-PREFAB companies for the production and installation of prefab materials	Value of Contract Construction Cost Advance Payment Trade Creditor	48.32 36.92 3.20 2.61	85.98 88.26 5.72 3.73	45.40 31.11 11.91 9.15	CSP was contracted to produce, assemble and install construction materials for the Company's housing projects <b>Audit Committee's comment</b> 1) The transaction was to support the Company's operations. 2) The transaction price and condition was reasonable and comparative to market price.

### 1.3 Connected transactions of subsidiaries

Legal Entity / Relationship		Transaction	Amount (Million Baht)			Pricing policy
			2017	2016	2015	
Connected transactions of subsidiaries						
Estate Perfect Company Limited (EP) <b>Relationship:</b> - PF holds 100% - The company's directors and executives (Mr. Wicharn Sriwetwarawut and Ms. Sirirat Wongwattana) are directors. - The company' executives (Mr.Wason Sirattanapong) is a director. - The company's employees (Mr.Kripas Pongpakawat) is director.	We Retail Public Company Limited (WR) Relationship : - The company holds 94.97% - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Director of the company (Mr.Chainid Adhayanasaku) is a director. - The company's executive (Mr.Pramote Remyindee) is a director. - Sub-Committee * of the company (Mr.Chersak Kookiatnunt) is a director. <i>Note:</i> * Risk Management committee	EP give land leasing rights to WR	51.19	53.11	55.03	EP leased a land plot to WR covering 16 Rai and 29 sqquare Wah, on Sukhumvir road for 30-year period, for development into shopping mall. ** <b>Audit Committee's comment</b> 1) The transaction was to support WR's operations. 2) The Company and the subsidiary jointly agreed on the price.  <i>Note</i> **The land lease contract was abolished in February 2018, requiring EP to pay compensation worth Bt120 million to WR. The Audit Committee viewed the value was agreed upon by the two subsidiaries, based on the evaluation by SEC-endorsed evaluators.
		Advance Received	6.81	6.81	6.79	
		Revenue from Leasing				
		Debtor	11.99	9.99	7.61	
	U&I construction Bangkok Co., Ltd. (U&I) Relationship : - The company holds 100%. - The company's employees (Mr.Kripas Pongpakawat) is a director. - Estate 's employee (Mr.Pipat Nitayakosol) is director.	EP contracted U&I for the houses construction	76.04	68.58	32.95	EP hired U&I, established as a contractor for the Company and subsidiaries, to construct houses for EP. <b>Audit Committee's comment</b> 1) The transaction was to support EP's operations. 2) The service fee was jointly determined, considering cost and profit.
		Value of Contract	34.78	57.62	43.78	
		Construction Cost	0.06	0.08	0.12	
		Advance Payment				
		Contractor				
		Trade Creditor	5.82	6.89	3.36	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Estate Perfect Company Limited (EP) (Continued)	Perfect Prefab Company Limited (P-PREFAB)	EP contracted P-PREFAB companies for the production and installation of prefabricated materials	Value of Contract Construction Cost Advance Payment Contractor Trade Creditor	37.11 24.10 0.03 - 9.49	11.05 10.34 - - 0.24	25.21 29.62 - - 0.15	EP hired P-PREFAB to produce, assemble and install construction materials for EP's housing projects.
	<b>Relationship :</b> - The company holds 51% - The company's director and executive (Mr. Wicham Siriwetwarawut) is a director. - The company's employee (Mr. Rungroj Singhathanakij, Dr. Warask Chakrapanyanant and Mr. Prakrit Rekreedapong) are directors.						<b>Audit Committee's comment</b> 1) The transaction was to support EP's operations. 2) The transaction price and condition was reasonable and comparative to market price.
Bright Development Bangkok Company Limited (BD)	Residence Number Nine Company Limited (R9)	BD loan to R9	Loan 1 Jan. Extra (repayment) 31 Dec.	- - - -	- - - -	- 53.65 (53.65) -	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.
	<b>Relationship :</b> - The company holds 100%. - The company's executives (Mr. Wicham Siriwetwarawut, Mr. Pornswat Katechulasitroj and Ms. Sirirat Wongwattana) are directors. - The company's employees (Mr. Kritpas Pongpakawat) is director.		Interest Received 1 Jan. Extra (repayment) 31 Dec.	- - - -	- - - -	- 0.13 (0.13) -	<b>Audit Committee's comment</b> The transaction was financial assistance to a subsidiary, subjecting to the interest rate that BD shouldered.
	Chiangmai Development Company Limited (CD)	BD loans to CD	Loan 1 Jan. Extra (repayment) 31 Dec.	- - - -	- - - -	- 119.60 (119.60) -	BD retired CD 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.
	<b>Relationship :</b> - The company holds 100%.						

Legal Entity / Relationship	Transaction	Amount (Million Baht)			Pricing policy
		2017	2016	2015	
Bright Development Bangkok Company Limited (BD) (Continued)	<ul style="list-style-type: none"> <li>- The company's directors and executives (Mr. Wongsakorn Prasitvipat, Mr. Pornswat Katechularitroj and Ms. Sirirat Wongwattana) are directors.</li> <li>- Estate's executives (Mr. Wason Sritattanapong) is a director.</li> </ul>	Interest Received 1 Jan. Extra (repayment) 31 Dec.	- - - -	- 1.72 (1.72) -	<b>Audit Committee's comment</b> The transaction was financial assistance to a subsidiary, subjecting to the interest rate that BD shouldered.
	U&I construction Bangkok Co., Ltd. (U&I) <b>Relationship :</b> <ul style="list-style-type: none"> <li>- The company holds 100%.</li> <li>- The company's employees (Mr. Kritpas Pongpakawat) is a director.</li> <li>- Estate 's employee (Mr. Pipat Nitayakosol) is a director.</li> </ul>	Value of Contract Construction Cost Advance Payment Contractor Trade Creditor	12.01 25.01 0.80 1.85	47.67 162.22 0.34 0.08	
	Perfect Sport Club Company Limited (PSC) <b>Relationship:</b> <ul style="list-style-type: none"> <li>- The company holds 100%.</li> <li>- The company 's director and executive (Mr. Phairat Senachack) is a director .</li> <li>- The company's employee (Mr. Kritpas Pongpakawat and Mr. Natawee Jiravetchanon) are director.</li> </ul>	Purchase Products  Sale Expense Creditor	- - 0.01 -	- 0.01	
					<b>Audit Committee's comment</b> 1) The transaction was to support BD's operations. 2) The price and condition is the same as those offered to outsiders

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Residence Number Nine Company Limited (R9) <b>Relationship :</b> - The company holds 100%. - The company's directors and executives (Mr.Pornswat Katechulasriroj and Ms.Sirirat Wongwattana) are directors. - The company's employees (Mr.Pornchai Ketek and Mr.Sanpetch Sukkasem) are directors.	U&I construction Bangkok Co., Ltd. (U&I) <b>Relationship :</b> - The company holds 100%. - The company's employees (Mr.Kritpas Pongpakawat) is a director. - Estate 's employee (Mr.Pipat Nitayakoso) is director.	R9 contracted U&I for the houses construction	Value of Contract Construction Cost Trade Creditor	0.58 4.89 0.72	13.56 37.82 1.45	18.87 20.09 1.36	R9 hired U&I, established as a contractor for the Company and subsidiaries, to construct houses for R9.  <b>Audit Committee's comment</b> 1) The transaction was to support R9's operations. 2) The service fee is jointly specified, based on the management cost and profit.
	Perfect Prefab Company Limited (P-PREFAB) <b>Relationship :</b> - The company holds 51% - The company's director and executive (Mr.Wicharn Siriwetwarawut) is a director . - The company's employee (Mr.Fungroj Singhathanakij, Dr.Warasak Chakrapiyanant and Mr.Prakit Rerkpreedapong) are directors.	R9 contracted P-PREFAB companies for the production and installation of prefab materials	Value of Contract Construction Cost Trade Creditor	- 0.18 -	11.85 11.68 0.02	- - -	R9 hired P-PREFAB to produce, assemble and install construction materials for R9's housing projects.  <b>Audit Committee's comment</b> 1) The transaction was to support R9's operations. 2) The transaction price and condition was reasonable and comparative to market rates.

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Property Perfect International Pte.Ltd (PPI) <b>Relationship:</b> - 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.	Kiroro Resort Holdings Co., Ltd.* (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - 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.Chainid Adhayanasakul) is a director.	PPI loans to KRH	Loan 1 Jan. Extra (repayment) 31 Dec.  Interest Received 1 Jan. Extra (repayment) 31 Dec.	-	795.62	795.62	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 <b>Audit Committee's comment</b> The transaction is financial assistance for hotel business acquisition overseas. The step interest rates are reasonable and supportive to the subsidiary's operations.
				-	-	-	
				-	(795.62)*	-	
				-	-	795.62	
Kiroro Resort Holdings Co., Ltd.* (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - 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.Chainid Adhayanasakul) is a director.	Kiroro Resort Holdings Co., Ltd.* (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - 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.Chainid Adhayanasakul) is a director.	PPI charge consultant fee from KRH	Others Income	3.18	3.09	3.23	PPI charge consultant fee for Hotel and ski Resort from KRH. <b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost
				-	-	-	
				-	(113.78)	-	
				-	-	94.51	
Kiroro Resort Holdings Co., Ltd.* (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - 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.Chainid Adhayanasakul) is a director.	Kabushiki Kaisha Kiroro Associates Co.,Ltd (KA) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - 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 Interest Received Interest Receivables	404.28	417.27	319.08	KRH extended a working capital loan to KA, charging 2% per annum. <b>Audit Committee's comment</b> The transaction was to financial assistance to KA
				15.02	15.74	11.83	
				43.93	49.17	33.32	
				-	-	-	
Kiroro Resort Holdings Co., Ltd.* (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - 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.	Kiroro Resort Holdings Co., Ltd.* (KRH) <b>Relationship:</b> - PF holds 31.42% - PPI holds 66.71% - 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.	KRH pay advance for adminstraion cost to KA	Revenue from Leasing	54.48	58.44	93.52	KRH leased asset to KA to operate hotel business. <b>Audit Committee's comment</b> 1) The transaction was to support KA's operations. 2) The leasing fee was jointly determined.
				-	-	-	
				-	-	-	
				-	-	-	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Kiroo Resort Holdings Co., Ltd.* (KRH) (Continued)	Kabushiki Kaisha Kiroo Hotel Co.Ltd. (KH) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Service Cost	Administrative Cost	0.02	0.08	1.93	KRH used KA's ski services. <b>Audit Committee's comment</b> 1) The transaction was to support KRH 's operations. 2) Service fee was jointly determined.
			Creditors	0.19	0.18	0.20	
		KRH pay advance for administraion cost to KA	Creditors	0.11	-	-	
		KRH pay advance for administraion cost to KRH	Debtor	20.70	21.08	20.27	
		KRH loans to KH	Loan	328.34	253.43	23.97	KRH extended a working capital loan to KH, charging 2% per annum. <b>Audit Committee's comment</b> 1) The transaction was actual, 2) KA was charged at cost.
			Interest Received	4.36	2.32	0.04	
			Interest Receivables	6.28	-	0.04	
		KRH leased assets to KH	Revenue from leasing	145.28	155.85	14.17	
		Service Cost	Administraion cost	0.78	2.47	0.94	
		KRH pay advance for administraion cost to KH	Debtor	6.32	7.59	3.79	KRH advanced the operating expenses for KH. <b>Audit Committee's comment</b> 1) The transaction was actual, 2) The transaction was at cost.

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Kiroo Resort Holdings Co., Ltd. (KRH)(Continued)	Kabushiki Kaisha Kiroo Hotel Co., Ltd (KH) (Continued)	KA pay advance for administration cost to KRH	Creditor	10.20	5.12	10.69	KH advanced the operating expenses for KRH <b>Audit Committee's comment</b> 1) The transaction was actual, 2) The transaction was at cost.
		KRH loans to KRH	Loan	3.19	3.39	-	
		KRD	Interest Received	0.07	-	-	
	Kabushiki Kaisha Kiroo Resort Development Co., Ltd (KRD) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.		Interest Receivables	0.07	-	-	<b>Audit Committee's comment</b> The transaction was to financial assistance to KRH.
		KRH pay advance for real estate development cost to KRD	Debtor	129.40	56.33	-	
	Kabushiki Kaisha Kiroo Associates Co.,Ltd (KA) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Service Revenue	Service Revenue	1.30	-	-	KH used KA's ski services. <b>Audit Committee's comment</b> 1) The transaction was to support KA 's operations. 2) Service fee was jointly determined.
		KA pay advance for administration cost to KH	Debtor	7.28	7.31	27.31	
	Kabushiki Kaisha Kiroo Associates Co.,Ltd (KA) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chairman of the company (Dr. Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	KH pay advance for administration cost to KA	Creditor	6.63	8.96	31.26	KH pay advance for administration cost to KA <b>Audit Committee's comment</b> 1) The transaction was actual, 2) The transaction was at cost.

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Kabushiki Kaisha Kiroo Associates Co., Ltd. (KA) (Continued)	Kabushiki Kaisha Kiroo Resort Development Co., Ltd (KRD) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chairman of the company (Dr.Tawatchai Nakhata) is a director. - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	KA pay advance for administraiton cost to KRD	Debtor	0.26	-	-	KA pay advance for administraiton cost to KRD <b>Audit Committee's comment</b> 1) The transaction was actual, 2) The transaction was at cost.
		Service Revenue	Service Revenue Debtor	0.01 -	0.06 0.06	- -	
Kabushiki Kaisha Kiroo Hotel Co.Ltd. (KH) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	Kabushiki Kaisha Kiroo Resort Development Co., Ltd (KRD) <b>Relationship:</b> - KRH holds 100% - PPI holds KRH 66.71% - PF holds PPI 100% and holds KRH 31.42% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director.	KH pay advance for administraiton cost to KRD	Debtor	0.28	0.18	-	KH pay advance for administraiton cost to KRD <b>Audit Committee's comment</b> 1) The transaction was actual, 2) The transaction was at cost.
		Service Revenue	Service Revenue	0.10	-	-	

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
U&I construction Bangkok Co., Ltd. (U&I)	Centrepoint Shopping Mall Co., Ltd. (Centre point)	Center Point contracted U&I to construct sale office	Value of Contract Advance Payment Contractor	- - -	11.50 1.15 -	- - -	U&I, established to provide house and condominium construction services to the Company and subsidiaries, was contracted to build a sale office for Center Point's shopping mall.
<b>Relationship :</b> - The company holds 100%. - The company's employees (Mr. Kritpas Pongpakawat) is a director. - Estate 's employee (Mr.Pipat Nitayakoso) is director.		<b>Relationship :</b> - WR holds 100%. -the company holdsWR 94.97% - Chief Executive Officer of the company (Mr.Chainid Adhayanasakul) is a director. - The company's directors and executives (Mr.Wongsakorn Prasitvipat and Mr.Pornswat Katechulasriro) are directors. - The company's executive (Mr. Pramote Remyindee and Ms.Wilawan Leongnarktongdeea) are directors.					<b>Audit Committee's comment</b> 1) The transaction was to support Centrepoint'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
				2017	2016	2015	
Dr.Boontiwa Ngowsirimanee (Dr.Boontiwa)	U&I construction Bangkok Co., Ltd. (U&I)	Space Leasing	Revenue from Leasing	-	0.07	0.23	Dr. Boontiwa leased her condominium in iCondo Sukhaphiban 2 project to BD, serving as its sale office. <b>Audit Committee's comment</b> 1) The transaction is in line with normal business practices. BD and Dr. Boontiwa jointly set the price and entered into a written agreement. 2) The rent and condition is reasonable and comparative to market rate.
<b>Relationship:</b> Dr.Tawatchai Nakhata 's sister, Chairman of the company and The company's employees.	<b>Relationship :</b> - The company holds 100%. - The company's employees (Mr. Kripas Pongpakawat) is a director. - Estate 's employee (Mr.Pipat Nitayakosol) is director.						
<b>Related Person</b> Estate Perfect Company Limited (EP) <b>Relationship:</b> - PF holds any's directors and executives (Mr.Wicharn Siriwetwarawut and Ms.Sirirat Wongwattana) are directors. - The company' executives (Mr.Wason Srirattanapong) is a director. - The company's employees (Mr.Kripas Pongpakawat) is a director.	Center of Standard Precast Co., Ltd. (CSP) <b>Relationship:</b> - 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	EP contracted CSP for the production and installation of prefab	Value of Contract Construction Cost Advance Payment Contractor Trade Creditor	10.77 9.39 0.01 4.47	8.57 8.36 0.01 0.18	7.01 9.96 - 1.74	EP hired CSP to produce, assemble and install construction materials for EP's housing projects. <b>Audit Committee's comment</b> 1) The transaction was to support EP 's operations. 2) The transaction price and condition was reasonable and comparative to market price

Legal Entity / Relationship		Transaction		Amount (Million Baht)			Pricing policy
				2017	2016	2015	
Residence Number Nine Company Limited (R9)	Center of Standard Precast Co., Ltd. (CSP)	Value of Contract	EP contracted CSP for the production and installation of prefabricated	-	6.36	-	R9 hired CSP to produce, assemble and install construction materials for R9's housing projects. <b>Audit Committee's comment</b> 1) The transaction was to support R9's operations. 2) The transaction price and condition was reasonable and comparative to market price.
<b>Relationship:</b> - The company holds 100%. - The company's directors and executives (Mr. Pornswat Katechulasriroj and Ms. Sirirat Wongwattana) are directors. - The company's employees (Mr. Pornchai Ketlek and Mr. Sanpetch Sukkasem) are directors.	<b>Relationship:</b> - 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.	Construction Cost		0.38	5.98	-	
U&I construction Bangkok Co., Ltd. (U&I)	Queen frozen Fruit Co., Ltd. (Queen Frozen)	Value of Contract	Frozen contracted U&I to construct cold storage.	5.48	16.37	122.32	<b>Audit Committee's comment</b> The service fee was jointly set, taking into considering the cost and targeted profits.
<b>Relationship :</b> - The company holds 100%. - The company's employees (Mr. Kriepas Pongpakawat) is a director. - Estate 's employee (Mr. Pipat Nitayakosol) is director.	<b>Relationship :</b> - Legal Entity, Miss Kannika Adhayanasakul, Mr. Chainid Adhayanasakul 's wife, Chief Executive officer is a director and major Share holder.	Construction Revenue		32.32	87.63	7.93	
		Advance Payment Debtor		0.75	4.70	16.03	
				78.42	90.63	25.12	

## 1.5 Information on other subsidiaries and joint ventures which made no connected transactions with the Company and subsidiaries during 2015 -2017

Legal Entity	Relationship	Transaction
<b><u>The subsidiaries</u></b>		
Uniloft Service (Thailand) Co., Ltd. (UNILOFT)	<ul style="list-style-type: none"> <li>- The company holds 100</li> <li>- The company's employees (Mr.Saranyu Adhayanasakul, Mr.Natthaphon Sueb-A, and Mr.James Stevenson Worboys) are directors.</li> <li>- EPemployees ((Mr.Prathompob Intr-Bumrong) is a director.</li> </ul>	None
<b><u>Joint Venture</u></b>		
T Utilities Co., Ltd. (TU)	<ul style="list-style-type: none"> <li>- PF holds 45%</li> <li>- Chief Executive Director of the company (Mr.Chainid Adhayanasakul) is a director.</li> <li>- The company's consultant (Dr.Bhichit Rattakul) is a director.</li> </ul>	None
TU1 Co., Ltd. (TU1)	<ul style="list-style-type: none"> <li>- TU holds 100%</li> <li>- PF holds TU 45%</li> </ul>	None
TU2 Co., Ltd. (TU2)	<ul style="list-style-type: none"> <li>- TU holds 100%</li> <li>- PF holds TU 45%</li> </ul>	None
TU3 Co., Ltd. (TU3)	<ul style="list-style-type: none"> <li>- TU holds 100%</li> <li>- PF holds TU 45%</li> </ul>	None
TU5 Co., Ltd. (TU5)	<ul style="list-style-type: none"> <li>- TU holds 100%</li> <li>- PF holds TU 45%</li> </ul>	None
TU6 Co., Ltd. (TU6)	<ul style="list-style-type: none"> <li>- TU holds 100%</li> <li>- PF holds TU 45%</li> </ul>	None
Southern Utilities Holding Co., Ltd.	<ul style="list-style-type: none"> <li>- TU holds 51%</li> <li>- PF holds TU 45%</li> </ul>	None
Grand Star Co., Ltd. (GSTAR)	<ul style="list-style-type: none"> <li>- PF holds 11%</li> <li>- GRAND holds 40%</li> <li>- Chief Executive Director of the company (Mr.Chainid Adhayanasakul) is a director.</li> </ul>	None
<b><u>The Affiliates</u></b>		
Real Service Co., Ltd. (RS)	<ul style="list-style-type: none"> <li>- PF holds 19%</li> <li>- The company's employees (Mr. Sanphet Sukkasem and Mr.Chainang Ngernsopa) are directors</li> </ul>	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		Separate		Pricing
	2017	2016	2017	2016	
<b>Transactions with subsidiaries</b> (Excluded from consolidated statements) Interest receivables	-	-	16	18	6.25 % and 9% per year and 12-month fixed deposit rate
<b>Transactions with connected parties</b> Service fee	34	43	-	-	Specified in contract

The outstanding value of transactions between the Company, subsidiaries and connected parties at the end of 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	2017	2016	2017	2016
Subsidiaries	-	-	645	555
Joint Venture	22,241	-	-	-
Real Estate Investment Trust (REIT)	119	-	-	-
Trade debtor and others - related businesses	22,360	-	645	555
<b>Rent guarantee contract - Real Estate Investment Trust (REIT)</b>	88,000	-	-	-
<b>Trade debtor and others - related businesses</b>				
Subsidiaries	-	-	8	-
Related businesses	2,911	2,781	-	-
Real Estate Investment Trust (REIT)	31,819	-	-	-
Total of trade creditor and others - related businesses	34,730	2,781	8	-

### Loans to subsidiaries and related businesses

The outstanding loans to subsidiaries and related businesses 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 2016	During the year		Outstanding as of 31 Dec 2017
		Increase	Decrease	
<b>Consolidated</b>				
<b>Short-term loans and accrued interest receivable from subsidiaries from joint venture</b>				
Grand Star Co., Ltd. <sup>1)</sup>	-	2,594,614	(2,142,303)	452,311
<b>Non-consolidated</b>				
<b>Short-term loans and accrued interest receivable from subsidiaries From subsidiaries</b>				
Metro Premier Holding Co., Ltd. <sup>2)</sup>	709,241	6,657	-	715,898
Grande Asset Hotels and Property Plc. <sup>3)</sup>	40,917	108,703	-	149,620
Total	750,158	115,360	-	865,518
<b>Long-term loans and accrued interest receivable from subsidiaries From subsidiaries</b>				
Scenery Peak Limited <sup>4)</sup>	75,447	773	-	76,220

1) The non-collateralized loan to be repaid when asked, carrying the interest rate based on the average borrowing rate of a subsidiary.

2) Due date is on 1 December 2018, subjected to 12-month fixed interest rate, uncollateralized

3) Due date is on 31 March 2018, subjected to 6.5% and 9% interest rate per annum, uncollateralized

4) 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, uncollateralized

## Directors and executives remuneration

During 2016 and 2017, the Company paid out the following sums to directors and executives.

(Unit: Million Baht)

	Consolidated		Separate	
	2017	2016	2017	2016
Short-term benefits	65	52	10	11
End-of-contract payment	1	1	-	-
Total	66	53	10	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		Separate		Pricing
	2017	2016	2017	2016	
<b>Connected transactions with subsidiaries</b>					
(Excluded from consolidated statements)	-	-	21	8	Specified in contract
Administrative fee	-	-	86	70	5.12 - 9.25% per annum
Interest receivables	-	-	3	4	0.25% above 12-month fixed deposit rate
Interest expenses	-	-	-	-	-
<b>Transactions with connected parties</b>					
Interest expenses	9	10	9	10	6.25% and 9% per annum
Management Revenue	-	-	13	-	Specified in contract

The outstanding loans, the Company extended to subsidiaries and related businesses as of 31 December 2016 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	2017	2016	2017	2016
<b>Trade debtor and others - related businesses</b>				
Subsidiaries	-	-	3,787	1,161
Joint Venture	22,241	-	22,241	-
Real Estate Investment Trust (REIT)	119	-	-	-
Trade debtor and others - related businesses	22,360	-	26,028	1,161

(Unit: Thousand Baht)

	Consolidated		Separate	
	2017	2016	2017	2016
<b>Rent guarantee contract - Real Estate Investment Trust (REIT)</b>	88,000	-	-	-
<b>Trade creditor and others - related businesses</b>				
Subsidiaries	-	-	1,156	1,502
Real Estate Investment Trust (REIT)	31,819	-	-	-
<b>Total of trade creditor and others - related businesses</b>	31,819	-	1,156	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 2017 as well as changes in the period are as follows:

(Unit: Thousand Baht)

	Outstanding as of 31 Dec 2016	During the year		Outstanding as of 31 Dec 2017
		Increase	Increase	
<b>Consolidated</b>				
<b>Short-term loans to joint venture and interest receivables</b>				
Grand Star Co., Ltd. <sup>1)</sup>	-	2,594,614	(2,142,303)	452,31 <sup>1</sup>
<b>Short-term loans to connected parties and interest receivables</b>				
Thai Property Plc. <sup>3)</sup>	40,917	108,703	-	149,620
<b>Non-consolidated</b>				
<b>Short-term loans to subsidiaries and interest receivables</b>				
Honor Business Co., Ltd. <sup>1)</sup>	1,340,264	52,417	(1,392,681)	-
Owndel Co., Ltd. <sup>1)</sup>	-	47,128	-	47,128
<b>Total</b>	1,340,264	99,545	(1,392,681)	47,128
<b>Short-term loans to joint venture and interest receivables</b>				
Grand Star Co., Ltd. <sup>1)</sup>	-	2,594,614	(2,142,303)	452,31 <sup>1</sup>
<b>Short-term loans to connected parties and interest receivables</b>				
Grand Equity Development Co., Ltd. <sup>2)</sup>	271,254	3,467	(2,708)	272,013
Thai Property Plc. <sup>3)</sup>	40,917	108,703	-	149,620
<b>Total</b>	312,171	112,170	(2,708)	421,633

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. Unsecured, carrying the interest rates of 6.25% and 9% per annum, to be repaid in March 2017

#### Directors and executives remuneration

During 2017 and 2016, the Company paid out the following sums to directors and executives:

(Unit: Million Baht)

	Consolidated and Separate	
	2017	2016
Short-term benefits	55	41
End-of-contract payment	1	1
Total	56	42

#### Guarantee obligations extended to related businesses

The Company's guarantee obligation to a subsidiary

## 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: Thousand Baht)

	Consolidated		Separate		Pricing
	2017	2016	2017	2016	
<b>Transactions with the Company</b>					
Revenue from rental and service	988	987	988	987	Specified in contract
Interest expenses	5,103	-	5,103	-	5.37 - 5.58 % per year
<b>Transactions with subsidiaries</b>					
(Excluded from consolidated statements)					
Interest receivables	-	-	59,338	60,018	5.12 - 5.64 % per year
<b>Connected transactions</b>					
Building management fee	33,191	42,189	33,191	42,189	Specified in contract
Interest receivables	9,175	1,192	9,175	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 ,subsidiaries and connected parties as of 31 December 2017 and 2016 are as follows;

(Unit: Thousand Baht)

	Consolidated		Separate	
	2017	2016	2017	2016
<b>Trade credit and others — connected parties</b>				
The Company	65	94	65	94
Subsidiaries	-	-	254,986	195,648
Connected parties (joint ownership)	10,465	4,106	10,462	4,106
Total trade credit and others — connected parties	10,530	4,200	265,513	199,848
<b>Other credits —connected parties</b>				
The Company	5,437	334	5,437	334
Total other credits — connected parties	5,437	334	5,437	334

#### Short-term loans to connected parties

The outstanding value of short-term loans between the Company and subsidiaries at the end of 2017 and 2016 as well as movement during the year is as follows:

(Unit: Thousand Baht)

	Consolidated				
Loans	Relationships	Outstanding as of 31 Dec 2016	During the year		Outstanding as of 31 Dec 2017
			Increase	Decrease	
All Discount Co., Ltd.	Connected party	60,000	165,000	-	225,000
Total		60,000	165,000	-	225,000

(Unit: Thousand Baht)

	Separate				
Loans	Relationships	Outstanding as of 31 Dec 2016	Separate		Outstanding as of 31 Dec 2017
			Increase	Decrease	
Centrepoint Shopping Mall co., Ltd.	Subsidiaries	1,096,492	47,000	-	1,143,492
All Discount Co., Ltd.	Connected party	60,000	165,000	-	225,000
Total		1,156,492	212,000	-	1,368,492

### Long-term loans to connected parties

The outstanding value of long-term loans between the Company and subsidiaries at the end of 2017 and 2016 as well as movement during the year is as follows:

(Unit: Thousand Baht)

Loans	Relationships	Consolidated / Separate			
		Outstanding as of 31 Dec 2016	During the year		Outstanding as of 31 Dec 2017
			Increase	Decrease	
Property Perfect Plc.	The company	-	200,000	-	200,000
Total		-	200,000	-	200,000

### Directors and executives remuneration

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

(2016: Bt.1.8 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 realization 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 Bt7,298 million, as of 31 December 2017.

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 2017, the Company's current liabilities stood at Bt10,677.47 million. Key items are debentures with less than 1 year in maturity, worth totally Bt5,194.68 million; loans with maturity less than 1 year worth Bt1,012.94 million, and trade and other credits worth Bt2,461.86 million.

Based on the available amount of loans in all credit facilities of the Company and subsidiaries worth Bt7,403 million as of 31 December 2017 and cash and equivalents worth Bt3,947 million as shown in the fourth-quarter financial statements, the Group has sufficient cash flow to finance recurring debts and support business expansion.

#### 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 2017, the Company's interest-bearing liabilities stood at Bt27,722.16 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 Bt5,573.03 million. In this part, an increase of 1 percentage point in interest rate would raise the interest expense by approximately Bt 56 million

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

The Company is obligated to maintain the debt to equity ratio at 2.0:1 and it has ably reduced the ratio from 1.96:1 in 2016 to 1.58:1 at the end of 2017, thanks to the issuance of 300 million and 700 million shares in 2016 and 2017, respectively. The shares at Bt1 par value were sold in private placements at par. The proceeds were booked 28 December 2016 and 10 March 2017, respectively. The higher equity helped cut the debt to equity ratio. The issuance of perpetual subordinated bonds worth Bt447.7 million on 27 April 2017 further reduced the ratio.

Meanwhile, Property Perfect Public Company Limited specified that it would maintain the net debt to equity ratio at no more than 2.5:1 at the end of quarter or end of year, for the new bonds No.3/2017 and No.4/2017 which will mature in 2021.

\* 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, not included in the consolidated statements but disclosed in the statements' notes and excluding the obligations involving bank guarantees for land or utilities developments or others. The net debt is deducted by cash and cash equivalents as appeared in the consolidated statements, including the issuers' deposit accounts placed with any individuals as guarantees. To prevent any doubts, the net debt excludes trade receivables, income received in advance, or interest-free loans.

## 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, our group envisages business restructuring. While the Company will be the core unit for low-rise and high-rise residential development, We Retail will take charge of commercial and rental office development. Grande Asset will oversee the development and management of existing and future hotel properties. The clear structure will assist cross-management and support executives and employees' capacity. This also highlights the businesses each group is specialized in, allowing all units to draw out their best potential.

### **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 controls

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.

### **Prompt evaluation and report on internal control discrepancies to responsible persons, high-level executives and the Board of Directors**

The internal control unit, supervised by Ms. DuangpornRermyindee, 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 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 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 follows 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. Subcontractors
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 2016, for the period of 3 years, which requires surveillance audit annually.

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 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 ponds on a monthly basis, the outsourcing of the inspection of water quality in the treatment ponds every 6 months and coordinate with related agencies in cleaning weed in public canals near housing projects.

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

**Community health projects** including the quarterly "Waste Recycle", 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. 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 deeply 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 constructed a road in the Chaeng Wattana Chaiyaphruek project costing over Bt400 million. Named **“Hor Karn Kha Thai”** Road, the road connects Chaiyaphruek Road and Nonthaburi Bridge-Bang Bua Thong Road. The 4-km-long road spans over an area of 80 rai, serving as a shortcut to Chaeng Wattana Road via Rama IV Bridge. The road not only serves the project’s residents but also commuters in general who enjoy greater convenience and shorter travel time. The Company also hosted a charitable bike event named **“Journey to the new road”** in cooperation with SC Asset Corporation, Sansiri Public Company Limited, Pruksa Real Estate Public Company Limited, Advanced Info Service Public Company Limited and Nation TV. The journey to 5 children homes in Pak Kret was accompanied with the donation of cash and necessary items.

To address the shortage of medical tools and supplies at many hospitals particularly those in provinces that serve a large number of patients, the Company took part in the charitable concert **“Faith for Life”**, donating Bt1 million to Chao Phraya Abhaibhubejhr Hospital which serves patients in Prachin Buri and nearby. The donation was to equip the hospital with modern medical equipment, to boost its medical service capability.

Meanwhile, the Company proceeded with **“Perfect Happy Giving”**, the all-year-round blood-donation activity in support of the Thai Red Cross Society. The activity was hosted at the club houses of the Company’s projects. Another activity was to raise funds for Wat Pra Baht Nam Phu in Lop Buri and encouraged residents to donate necessary items including dry food, clothes, and medical supplies. In support of the National Children Day, the Company also provided toys to children in the communities near the Company’s project sites.

### 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 (MD&A)

## 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 project):** 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) and The Villa.
- **Condominium (High-rise project):** 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 Hyde, The Sky, Metro Sky, Metro Luxe, 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 managed Pacific Place and Two Pacific Place office buildings. In March 2016, the Company invested in a joint venture, All Discount Company Limited, to operate All D-branded discount stores. At present, 8 outlets have been opened in suburban areas — Bang Phli, Navanakorn, Suksawad, Lat Krabang, Chalongkrung, Sukhumvit, Nonthaburi and Bang Khunthien. All Discount plans to open 60 outlets within 2018. Under discussion with a major shopping mall developer, the Company also plans a mega-shopping mall development project on Ratchadapisek Road. It is expected that the project would be commercially opened about 2-3 years after the negotiation is over.

## 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 2014, the consolidated revenue stood at Bt 12,785.35 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 Bt 844.71 million from hotel business and Bt369.25 million from other activities. The consolidated property development cost stood at Bt 7,833.77 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 Bt 3,069.22 million while financial expenses stood at Bt 611.25 million. The net profit was Bt 402.26 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; Bt15.05 million from construction business; Bt529.96 million in one-time gain from business acquisition; and Bt326.57 million 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 Bt13.51 million. 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 Bt 267.01 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 Bt69.30 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.

In 2017, the consolidated revenue stood at Bt16,730.71 million: Bt13,445.76 million from the real estate development business; Bt2,323.28 million from the hotel business; Bt344.14 million from rents and service fees; Bt32.47 million from the construction business; Bt104.80 million from the sale of land purchase rights; Bt107.01 million from investment in joint ventures; and Bt373.25 million from other businesses. The consolidated cost of the real estate development business was registered at Bt8,797.03 million, while that of the hotel business, rents and service business and the construction business was Bt1,605.83 million, Bt348 million and Bt39.11 million, generating the gross profit margins of 34.57%, 30.88%, -1.12% and -20.42%, respectively. The consolidated net profit was Bt316.27 million or 1.89% 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, Buddhamonthon 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. During 2015-2017, Uniloft Salaya generated better returns than targeted, freeing the Company from setting aside additional provisions. The rent guarantee contract is now expired and the Company is consigned only to operate the project.

### **Revenue**

During 2015 and 2017, 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 Grande 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						
	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of land and houses	7,454.7	44.6%	6,614.0	42.5%	6,624.4	51.3%
Revenue from sales of condominium units	4,765.6	28.5%	4,987.6	32.1%	3,159.6	24.5%
Revenue from sale of land	1,225.5	7.3%	863.7	5.6%	501.4	3.9%
Revenue from hotel operations	2,323.3	13.9%	2,193.9	14.1%	1,523.6	11.8%
Revenue from rental and service	344.1	2.1%	361.3	2.3%	224.7	1.7%
Revenue from construction	32.5	0.2%	88.9	0.6%	15.0	0.1%
Other Incomes						
One-time acquisition gain	-	0.0%	-	0.0%	530.0	4.1%
Gain from sale of land-purchase rights	104.8	0.6%	118.7	0.8%	-	0.0%
Gain from liquidation of investment in joint ventures	107.0	0.6%	-	0.0%	-	0.0%
Gain from loss of control in subsidiaries	8.7	0.1%	-	0.0%	-	0.0%
Interest Received	82.4	0.5%	29.1	0.2%	83.0	0.6%
Dividends	6.5	0.0%	7.4	0.0%	7.6	0.1%
Others	275.6	1.6%	287.9	1.9%	236.0	1.8%
<b>Total revenue</b>	<b>16,730.7</b>	<b>100.0%</b>	<b>15,552.5</b>	<b>100.0%</b>	<b>12,905.3</b>	<b>100.0%</b>

### 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 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 revenue, 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.

In 2017, the consolidated revenue from land and house sale totaled Bt7,454.71 million or 44.56% of total revenue, an increase of Bt840.68 million or 12.71% from the previous year, thanks to the economic recovery in the third quarter following the property market contraction in the previous four quarters.

- Revenue from condominium sales**

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.

In 2017, the consolidated revenue from condominium sale totaled Bt4,765.61 million or 28.48% of total revenue, a decrease of Bt222 million or -4.45% from the previous year. This is because in 2016, 6 projects were completed and ready for delivery on top of 9 ongoing projects while in 2017, the Company reaped revenue from only 3 new projects and 14 ongoing projects.

- **Revenue from land sales**

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 SoiSukhumvit 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.

In 2017, the consolidated land sales revenue reached Bt1,225.457 million or 7.32% of total, up by Bt361.78 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.

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 Grande Sukhumvit, Sheraton Hua Hin Resort and Spa, and Sheraton Hua Hin Pranburi Villa, some Bt 604.36 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 Bt 1,079.00 million, thanks to the acquisition of Thai Property Public Company Limited in June 2015. Thai Property owns 3 hotels - The Westin Grande 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 Bt 2,193.95 million in revenue, an increase of Bt 670.33 million from the previous year.

In 2017, the hotel business overseas generated Bt1,230.16 million in revenue, up by Bt115.22 million or 10.33% from the previous year, while the hotel business in Thailand generated Bt1,093.12 million, an increase of Bt14.11 million or 1.31%. The combined revenue stood at Bt2,323.28 million, an increase of Bt129.33 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 - Uniloft Salaya 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.

In 2017, the consolidated rental and service fees were registered at Bt344.14 million or 2.06% of total revenue, a decrease by Bt17.15 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 2015-2017, the consolidated cost from the property development business totaled Bt 7,105.75 million, Bt8,145.14 million and Bt8,797.02 million, respectively.

	Consolidated financial statements					
	2017		2016		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of land and house sales	4,838.67	55.00	4,280.66	52.56	4,409.30	62.05
Cost of condominium sales	3,050.78	34.68	3,166.08	38.87	2,361.81	33.24
Cost of land sale	907.57	10.32	698.40	8.57	334.64	4.71
<b>Total</b>	<b>8,797.02</b>	<b>100.00</b>	<b>8,145.14</b>	<b>100.00</b>	<b>7,105.75</b>	<b>100.00</b>

##### • 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 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% from the previous 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.

In 2017, the consolidated cost of low-rise residential projects stood at Bt4,838.67 million, showing an increase of Bt558.00 million or 13.04% from the previous year. This is in line with an increase in sale revenue in the same period.

- **Cost of condominium sales**

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.

In 2017, the consolidated condominium sale cost was Bt3,050.78 million, a decrease by Bt115.30 million or 3.64% from the previous year, in line with a decrease in condominium sale revenue in the corresponding periods.

- **Cost of land sale**

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.

In 2017, the consolidated cost totaled Bt907.58 million, up by Bt209.18 million from the previous year.

#### **Gross profit and gross profit margin of property development business**

Single Detached houses and Townhouses	2017	2016	2015
Profit (Million Baht)	2,616.04	2,333.36	2,215.07
Gross profit margin (%)	35.09	35.28	33.44

In 2015, the consolidated gross profit margin of the property development business was 33.44%, down slightly from 34.90% in 2014, due to the continued increase in the operating cost since 2013. The development cost of the Group increased chiefly because of the increases in land prices, labor cost, raw material prices.

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

In 2017, the consolidated gross profit margin was 35.09%, down slightly from 35.28% in 2016.

Condominium	2017	2016	2015
Profit (Million Baht)	1,714.82	1,821.52	797.79
Gross profit margin (%)	35.98	36.52	25.25
No. of revenue-generating projects	17 Projects	15 Projects	11 Projects

The gross profit margin in 2015 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.

In 2017, the consolidated gross profit margin was 35.98%, down slightly from 36.52% in 2016, due to the differing number of projects and gross profit margin of each project.

Land bank	2017	2016	2015
Profit (Million Baht)	317.87	165.28	166.77
Gross profit margin (%)	25.94	19.14	33.26

In 2015, the Company and subsidiaries' margin was 33.26%. In 2016, the Company and subsidiaries' margin was 19.14%. In 2017, the Company and subsidiaries' margin was 25.94%.

#### **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.

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. The special business tax and transfer fees declined by Bt95.60 million from 2014 as a result of lower transfers. The administrative expense also increased by Bt312.84 million from the operations of Thai Property which has acquired in June 2015

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.

In 2017, the consolidated sale cost was Bt1,572.44 million or 9.74% of total revenue (excluding other revenues), an increase of Bt265.85 million from the previous year, partly due to an increase in sale revenue which raised the special business tax and the expenses involved with the transfer of completed units and promotional campaigns. The cost increased also because of the fees paid to sale agents overseas.

#### **Administrative expenses**

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

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. The administration expense also increased by Bt312.84 million from the operations of Thai Property which was acquired in June 2015

In 2016, the consolidated administrative cost totaled Bt2,583.49 million or 17.10% of revenue (excluding other revenue), an increase by Bt289.00 million from 2015, partly due to the Bt219.26 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.)

In 2017, the consolidated administrative cost stood at Bt2,732.80 million or 16.93% of total revenue (excluding other revenue), an increase of Bt149.31 million from the previous year. The increase was partly due to the launch of new projects which boosted the expenses on staff and others as well as amortization.

## 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 - 2017.

- **Loss from asset sale to REIT**

On 2 October 2017, the Office of Securities and Exchange Commission approved Grand Hospitality Real Estate Investment Trust (GAHREIT).

On 12 October 2017, HONOR (a subsidiary) struck contracts which contained the following key elements:

A. A buy-sale contract involving Sheraton Hua hin Resort and Spa Hotel

HONOR entered into a buy-sell contract worth Bt1,695 million with Bualuang Asset Management Co., Ltd. (BBLAM), which is the trustee of GAHREIT. HONOR received the full payment and transferred the property ownership on 12 October 2017.

B. A buy-sell agreement involving Sheraton Hua Hin Resort and Spa

HONOR entered into a buy-sell contract worth Bt55 million with Bualuang Asset Management Co., Ltd. (BBLAM), which is the trustee of GAHREIT. The value was tax inclusive. HONOR received the full payment and transferred the property ownership on 12 October 2017.

The Bt71 million loss from asset sale was booked in the 2017 comprehensive income statement as “Loss from asset sale to REIT”. The cost of the sold asset was equivalent to the book value at Bt1,074 million.

Detail of the transaction:

	(Unit: Million Baht)
	Consolidated financial statement
Sell price	1,746
Cost	(1,074)
Gain from asset sale	672
Minus: sale expensens	(109)
Gain from asset sale	563
Minus: asset fair value at the transaction date	(634)
Loss from asset sale to GAHREIT on the delivery date	(71)

- Financial expenses**

During 2015-2017, the consolidated financial expenses totaled Bt635.28 million, Bt866.99 million and Bt941.11 million, respectively. It comprises interest expenses and financial charges.

Interest expenses during 2015-2017 amounted to Bt611.06 million, Bt842.55 million and Bt901.11 million, respectively. The interest expenses increased Bt.65.09 million in 2015 as the Company and subsidiaries increased borrowing to finance the purchases and rent of land for future residential development projects due to the interest expenses also derived from loans borrowed to finance business expansion. In 2016, the interest expenses increased by Bt231.49 million, partly due to the delivery of completed units from 6 newly-completed 6 condominium projects and which required the booking of the incurred interest as expenses. Moreover, the Group's continued expansion incurred additional interest burden. In 2017, the interest expenses increased by Bt58.56 million, partly due to the delivery of completed units from 3 newly-completed condominium projects which required the booking of the incurred interest as expenses.

Financial fees during 2015-2017 stood at Bt24.22million, Bt24.44million and Bt40.00million, respectively.

- 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 2015-2017 was Bt12.64million, Bt285.31million and Bt234.20million, respectively.

## Hotel business

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 Grande Sukhumvit, Sheraton Hua Hin Resort and Spa, and Sheraton Hua Hin 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 Grande 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.

In 2017, the overseas hotel business, covering Kiroro Ski Resort in Japan, generated Bt1,230.16 million in revenue or Bt307.45 million in gross profit, an increase of Bt58.57 million or 23.54% from the previous year. Meanwhile, revenue from 3 hotels in Thailand — Westin Grande Sukhumvit, Sheraton Hua Hin Resort and Spa and Sheraton Hua Hin Pranburi Villas — generated Bt1,093.12 million in revenue or Bt410.00 million in gross profit, an increase of Bt38.56 million or 10.38% from the previous year.

### 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 2014-2017, EBITDA of the Company and subsidiaries totaled Bt1,414.52 million, Bt1,349.78 million Bt2,231.78 million and Bt2,250.33 million, respectively, representing the profit margin of 11.06%, 10.46%, 14.35 % and 13.45%, 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.

In 2017, the consolidated EBITDA totaled Bt2,250.33 million, generating the profit margin of 13.45 % of total revenue. The EBITDA increased by Bt18.55 million from 2016.

### Net profits and gross profit margin

The consolidated net profits during 2015-2017 are as follows:

	(Unit: Million Baht)		
	2017	2016	2015
Net profit	316.27	332.29	267.01
Shareholders' equity	284.76	399.50	360.74
Subsidiaries' non-controlling shareholders' equity	31.51	(67.21)	(93.73)
Gross profit margin (%)	1.89	2.14	2.07

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.

In 2017, the consolidated net profit was registered at Bt316.27 million, down by Bt16.02 million or 4.82% from the previous year.

#### Return on earnings

In 2015- 2017, the Company and subsidiaries' return on earnings (ROE) stood at 2.36%, 2.41% and 2.19%, 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.

(Unit: Million Baht)

Consolidated financial statements	2017	2016	2015
Net Profit	316.27	332.29	267.01
Paid-up capital	8,667.83	7,667.83	7,667.83
Shareholders' equity	14,991.84	13,936.78	13,663.50
ROE (%)*	2.19	2.41	2.36

Note: \* Including the subsidiary's non-controlling interest.

## 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
As of 31 December 2017	47,428.47	32,436.64	14,991.83

### Assets

The consolidated assets at the end of 2014–2017 were valued at Bt31,406.16 million, Bt43,277.02 million, Bt48,709.22 million, and Bt47,428.47 million, respectively. The annualized assets showed an increase of Bt734.54 million in 2014, Bt11,870.86 million in 2015 and Bt5,513.20 million in 2016, but decreased by Bt1,361.75 million in 2017. The assets increased rapidly during 2014–2016 because of the large number of development projects that include single houses, townhouses and condominiums as well as land acquisition to support business expansion particularly in the condominium and townhouse segments. The assets jumped in 2015 after the Company took over Thai Property Public Company Limited and its subsidiary. Moreover, the Company and subsidiaries entered into land lease contracts, prepared for the development of shopping malls and commercial properties for rent.

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 on 31 December 2015, 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, Bt25,303.78 million, accounted for 51.86% 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 Bt6,433.41 million or 13.19% of total; cash and cash equivalents, Bt2,448.83 million or 5.02%; property for investment purposes, Bt2,225.88 million or 4.55%; and lease rights, Bt2,024.61 million or 4.15%.

As of 31 December 2017, the consolidated assets were valued at Bt47,428.47 million, a decrease by Bt1,361.75 million from the previous year. By value, more than half, 51.21% was property development cost worth Bt24,289.28 million; 14.01% was land bank worth Bt5,886.02 million and advance land-purchase payments worth B760.15 million; 11.21% was buildings and equipment worth Bt5,318.43 million; 8.32% was cash and equivalents worth Bt3,947.30 million; 3.67% was investment property worth Bt1,742.34million; and 3.91% was lease rights worth Bt1,855.41 million.

## 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 cost at the end of 2014-2017 stood at Bt17,524.61 million, Bt21,659.51 million, Bt25,303.74 million, and Bt24,289.28 million, respectively. The cost showed an increase by Bt597.82 million in 2014, Bt4,134.90 million in 2015 and Bt3,644.23 million in 2016 but decreased by Bt-1,014.46 million in 2017. The value of property development cost during 2014-2017 accounted for 55.80%, 55.05% 51.86% and 51.21% 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 Bt21,659.51 million.

As of 31 December 2016, the consolidated property development cost totaled Bt25,303.74 million, an increase by Bt3,664.23 million from the previous year. The value accounted for 51.90% of total assets.

As of 31 December 2017, the consolidated property development cost was valued at Bt24,289.28 million, down by Bt1,014.16 million from the previous year. The value accounted for 51.21% of total assets. (Details of each project are available in Property for business operations: Asset 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 2014-2017 had value of Bt4,453.05 million, Bt5,895.88million and Bt6,621.25million and Bt.5,886.02 million, respectively. The value of land bank in 2014 decreased by Bt1,609.19 million from the previous year, but in 2015 - 2016 it increased by Bt1,442.83 million and Bt.725.37 million, respectively. In 2016 decreased by Bt-735.22 million from the previous year. The value during 2014-2017 accounted for 14.18% and 13.62%,13.57% and 12.41%of total assets, respectively. The ratio had been falling because 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 2017, the net land bank of the Group was valued at Bt5,886.02 million, down by Bt-735.22 million from the previous year partly due to the disposal of some land plots. The value accounted for 12.41% 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 – 2017 totaled Bt444.64 million, Bt677.99 million, Bt921.25 million and Bt760.15 million, respectively. The value in 2014 –2016 increased by Bt215.49 million, Bt233.36million and Bt243.25 million, respectively. In 2017, the value down by Bt161.10 million on year. The ratio of advance payment to total assets was at 1.42%, 1.57% and 1.89% and 1.60% in 2014 – 2017, respectively.

At the end of 2017, the advance payment or Bt760.15 million decreased by Bt161.10million from 2016. The ratio of advance payment to total assets on 31 December 2017 was 1.60%.

As of 31 December 2017, the payments contained the following details.

- Advance payment to landlords, worth Bt640.15 million, in accordance with sale/purchase agreements, signed by the Company and subsidiaries and landlords.
- Advance payment to agents, worth Bt120.00 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, Bt5,436.05 million , Bt6,433.41million and Bt. 5,318.43 million at the end of 2014 – 2017 , respectively. The 2014 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. In 2016, the value rose by Bt981.29 million and in 2017 it decreased by Bt1,114.99 million. The value of land, buildings and equipment during 2014–2017 accounted for 3.07%, 12.56%, 13.19% and 11.21%, respectively.

As of 31 December 2017, the net value of land, buildings and equipment totaled Bt5,318.43 million, down by Bt1,114.99 million at the end of 2016, or 11.21% of total assets, partly due to the sale of a hotel in Hua Hin to a trust.

### Cash and cash equivalents

Cash and cash equivalents stood at Bt2,490.53 million, Bt3,040.54million, Bt2,448.83million and Bt3,947.30million at the end of 2014 – 2017, respectively. The 2014 amount rose by Bt1,255.31 million due to an increase in cash flow from investing activities in the year. In 2015, the amount rose by Bt550.01 million due to financing activities. The value dropped by Bt591.72% in 2016 due to operating and financing activities. The value rose by Bt1,498.47 million in 2017 due to operating activities. The consolidated cash and cash equivalents accounted for 7.98%, 7.03%, 5.02% and 8.32% of total assets in 2014, 2015, 2016 and 2017, respectively.

As of 31 December 2017, cash and cash equivalents totaled Bt3,947.30 million, up by Bt1,498.47 million from the previous year, or 8.32% 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– 2017 was valued at Bt1,540.39 million and Bt2,286.87 million, Bt2,222.88 million and Bt1,742.34 million, respectively. The value of investment property increased by Bt573.25 million and Bt746.47 million in 2014 and 2015, but declined by Bt60.99 million and Bt483.53 million in 2016 and 2017. The investment property value

during the four years accounted for 4.90%, 5.28%, 4.56% and 3.67%, respectively.

At the end of 2017, the investment properties were valued at Bt1,742.34 million, down by Bt483.53million from the previous year, or 3.67% of total assets, partly due to the sale of a hotel in Hua Hin to a trust. (Details are available in Properties for business operations: Investment Property.)

### Leasing rights

The consolidated leasing rights were valued at Bt1,313.11 million, Bt2,150.60 million, Bt2,024.61 million and Bt1,855.41 million at the end of 2014-2017, respectively. The leasing rights value in 2014 and 2015 rose by Bt23.71million and Bt837.50 million, 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. The value decreased by Bt125.99 million and Bt169.20 million in 2016 and 2017. During 2014-2017, the annualized value of the lease rights accounted for 4.18%, 4.97%, 4.15% and 3.91%, respectively.

As of 31 December 2017, the consolidated leasing rights were valued at Bt1,855.41million, down by Bt169.20million from the previous year, or 3.91% of total assets. (Details of the leasing rights are included in Item: Leasing Rights)

### Investment in joint ventures

The investment is poured into the companies jointly controlled by the Company and other companies. Details are as follows:

(Unit: Thousand Baht)

Joint Ventures	Consolidated statements		Separate	
	Accounting value by equity method		Cost	
	2017	2016	2017	2016
Dara Harbor Company Limited **	-	127,753	-	130,000
T Utilities Company Limited	44,894	6,099	59,063	12,000
Grand Star Company Limited	607,144	-	132,000	-
Total	652,038	133,852	191,063	142,000

The investment in joint ventures by equity method, under “List of reserves under equity method for investment in joint ventures” is as follows:

(Unit: Thousand Baht)

Jointly controlled enterprises	Consolidated statements	
	2017	2016
Grand Star Company Limited	65,857	2,936
Total	65,857	2,936

\*\* In July 2017, the Company liquidated the stake in Dara Harbor at the price of Bt292 million. The Bt107 million gain after expenses was booked in a separate item in the comprehensive income statements. (The value was Bt103 million in the non-consolidated statements.)

## 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 2014-2107 stood at Bt6.77 million, Bt4.06 million, Bt4.06 million and Bt4.85million, respectively. Property-related trade receivables in 2014 dropped by Bt5.27 million, while the 2015 level dropped by Bt2.71 million. The receivables stayed unchanged in 2016 but rose by Bt0.79 million in 2017. The ratio of property-related trade receivables to total assets at the end of 2014-2017 stood at 0.02%, 0.01, 0.01%, and 0.01%, respectively. As of 31 December 2015 2017, provisions worth Bt4.06 million were set aside against property-related trade receivables, automatically writing off the amount. As of 31 December 2017, property-related trade receivables were valued at Bt0.8 million.

- **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.

As of 31 December 2017, construction-related trade receivables were valued at B77.68 million or 0.16% of total assets, entirely overdue for more than 3 months. The subsidiary did not set aside provisions for the loans because of confidence that it will be fully repaid.

(Construction-related trade receivables first appeared in 2016 and thus there was no data for 2014 and 2015.)

- **Overseas hotel business**

Trade receivables in the hotel business stood at Bt120.09 million, Bt108.38 million, Bt156.22 and Bt150.10million at the end of 2014- 2017 respectively. The 2014 amount showed decrease of Bt2.34 million and the 2015 decrease of Bt11.71 million. In 2016, the amount increased by Bt47.84 million. While in 2016 increase of Bt.47.84 million. In 2017 decrease of Bt.6.11 million. The amounts accounted for 0.38%, 0.25%, 0.45% and 0.32% of total assets at the end of the four years.

As of 31 December 2015, consolidated trade receivables in the business overdue for over three months totaled Bt38.44million. 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.

At the end of 2017, a subsidiary's trade receivables in the overseas hotel business amounted to Bt49.94 million. The amount of loans less than 3 months overdue totaled Bt98.83million, while the amount of loans 3-6 months overdue stood at Bt1.33 million. It set aside Bt0.02 million as loan-loss provision. The combined trade receivables in the overseas hotel business totaled Bt150.08 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.

As of 31 December 2017, a subsidiary's trade receivables in the domestic hotel, rental office and shopping mall business amounted to Bt142.76 million, or 0.30% of total assets. The amount of loans more than 3 months overdue totaled Bt85.41million, while the rest was loans less than 3 months overdue. It set aside Bt82.99 million as loan-loss provision. The combined trade receivables were thus valued at Bt59.77 million.

#### **Other debtors**

Other debtors of the Company and subsidiaries at the end of 2014-2017 owed Bt66.75million, Bt84.09million, B50.46million and Bt.87.23million, respectively. The 2014 level showed an increase of Bt1.94 million and the 2015 level rose by B17.34 million on year. The amount decreased by Bt33.63 million in 2016 and increase by Bt.36.77 million in 2017 .The amounts accounted for 0.21%, 0.19%, 0.15% and 0.18% of total assets at the end of the years, respectively. 0.15%

#### **Land receivables (promissory notesland)**

At the end of 2013 and 2014, the consolidated land receivables totaled Bt200.66 million and Bt955.74 million. In 2014, the amount jumped by Bt755.08 million from the previous year. The receivables accounted for 0.65% and 3.05% of total assets in 2013 and 2014, respectively. The value increased as the Company and subsidiaries sold parts of land bank during 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 worth Bt531.4 million, discounted by its average interest burden, in Item: Land Receivables" in the consolidated financial statements. The Company and the subsidiary have been fully repaid.

As of 31 December 2017, the land receivables were valued at Bt337.24 million. Details are as follows:

On 10 August 2017, the Company entered into a buy-sell contract with a non-related company, to sell a land plot for Bt691 million. The land was transferred and paid for by Bt350 million in cash and Bt341 million in promissory notes which will come due in June 2018. The Company booked the value of the promissory notes with a discount based on the average interest burden.

### Liabilities

The consolidated liabilities at the end of 2014 -2017 stood at Bt22,434.57 million, Bt29,613.52million, Bt34,853.44 million and Bt32,436.64 million, respectively. The 2014 level rose Bt395.24 million, the 2015 level rose Bt7,178.95 million and the 2016 level rose Bt5,239.92 million. In 2017 level decrease Bt.2,416.80 million. The liabilities to assets ratio at the end of 2014-2017 was 71.43%, 68.43%, 71.44 % and 68.39%, respectively.

During 2015, the liabilities showed the following significant changes.

1. 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.
2. 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:

1. 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.
2. 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 2017 were valued at Bt32,436.64 million, a decrease by Bt2,416.80 million from the previous year. The liabilities accounted for 68.39% of total assets. Major changes during 2017 are as follows:

1. The liabilities increased due to the issuance of Bt455.60 million debentures; short-term borrowing from financial institutions worth Bt331.687 million; term loans worth Bt357.16 million; overdue corporate tax payment worth Bt112.72 million; and reserves under equity method for investment in joint ventures worth Bt62.92 million.
2. The liabilities decreased as the Company owned bills of exchange worth Bt3,289.35 million; trade receivables and other receivables worth Bt401.78 million; and deferred income tax worth Bt177.35 million.

As of 31 December 2017, the consolidated liabilities consisted of debentures, 65.85%; long-term loans, 17.18%; trade receivables and others, 7.59%; short-term loans from financial institutions, 1.08%; down payments and advance payments from customers, 2.32%; promissory notes, 1.35%; and reserves for long-term employee benefits, 0.79%; deferred income tax, 0.70%; current liabilities, 1.44%; and non-current liabilities, 1.70%. Details are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	As of 31 December 2017	Total liabilities	As of 31 December 2016	Total liabilities	As of 31 December 2015	Total liabilities
Debentures	31,359.78	65.85	20,904.18	59.98	15,570.00	52.58
Long-term loans	5,573.02	17.18	5,215.87	14.97	6,306.98	21.30
Trade and other payables	2,461.87	7.59	2,863.65	8.20	2,828.14	9.55
Bills of exchange payable	437.68	1.35	3,727.03	10.69	2,456.40	8.29
Short-term loans from financial institutions	351.68	1.08	20.00	0.06	372.02	1.26
Deposits and cash received in advance	751.75	2.32	757.68	2.17	699.21	2.36
Provisions of long-term employee benefits	256.00	0.79	257.74	0.74	240.54	0.81
Pending tax payments	225.70	0.70	403.05	1.16	450.90	1.52
Other current liabilities	466.83	1.44	258.36	0.74	267.66	0.90
Other non-current liabilities	552.32	1.70	445.88	1.28	421.66	1.42
<b>Total liabilities</b>	<b>32,436.63</b>	<b>100.00</b>	<b>34,853.44</b>	<b>100.00</b>	<b>29,613.51</b>	<b>100.00</b>

## Debentures

The outstanding value of debentures issued by the Company and subsidiaries stood at Bt13,578.72 million, Bt15,570.00, Bt20,904.18 million, and Bt21,359.78 million in 2014, 2015, 2016 and 2017, respectively. The value increased by Bt2,330.64 million in 2014, Bt1,991.29 million in 2015, Bt5,334.18 million in 2016, and Bt455.60 million in 2017. The debentures accounted for 60.53%, 52.58%, 59.98% and 65.85% of total liabilities in 2014, 2015, 2016 and 2017, 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 2017, the consolidated value of debentures was tuned at Bt21,359.78million, up by Bt5455.60 million from the previous year. The value accounted for 65.85% 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 2017:

	Value (Million Baht)	Issue Date	Maturity Date	Condition
<b>Unsecured debentures No.3/2015</b> Bt3,000 million, interest 5.15% per annum, payable every 3 months	2,997.05	20 August 2015	20 August 2015	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No.5/2015</b> Bt3,000 million, interest 5.50% per annum, payable every 3 months	2,994.78	5 November 2015	5 May 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No.1/2016</b> Bt3,000 million, interest 5.60% per annum, payable every 3 months	2,992.98	28 January 2016	28 January 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No.2/2016#1</b> Bt1,550 million, interest 4.70%, payable every 3 months	1,548.10	2 June 2016	2 December 2018	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 2/2016#2</b> Bt1,450 million, interest 5.50%, payable every 3 months	1,446.09	2 June 2016	2 June 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 3/2016# 1</b> Bt1,200 million, interest 4.85%, payable every 3 months	1,197.72	22 September 2016	22 September 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 3/2016#2</b> Bt1,200 million, interest 5.30%, payable every 3 months	1,196.38	22 September 2016	22 September 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 4/2016</b> Bt200 million, interest 4.30%, payable every 3 months	199.82	1 September 2016	30 August 2018	The ratio of total loans to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 2/2017#1</b> Bt428.30 million, interest 5.00%, payable every 3 months	426.90	7 July 2017	7 July 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 2/2017#2</b> Bt724.40 million, interest 5.70%, payable every 3 months	721.67	7 July 2017	7 April 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2:1
<b>Unsecured debentures No. 3/2017</b> Bt1,509.60 million, interest 5.90%, payable every 3 months	1,504.29	22 September 2017	22 September 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1
<b>Unsecured debentures No. 4/2017</b> Bt1,195.70 million, Interest 5.9%, payable every 3 months	1,191.10	30 November 2560	30 November 2564	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1
<b>Total</b>	18,416.88			

	Value (Million Baht)	Issue Date	Maturity Date	Condition
<b>Unsecured debentures No1/2016</b> Bt700 million, interest 5.70% per annum, payable every 3 months	698.56	17 February 2016	14February 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No2/2016</b> Bt150 million, interest5.20% per annum, payable every 3 months	149.94	16 March 2016	19 March 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No3/2016</b> Bt200 million, interest5.35% per annum, payable every 3 months	199.69	27 May 2016	20 May 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:11
<b>Unsecured debentures No4/2016</b> Bt300million, interest 5.20% per annum, payable every 3 months	299.78	14 July 2016	14 December 2018	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.1/2017</b> Bt261 million, interest5.35% per annum, payable every 3 months	260.27	25 January 2017	25 January 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.2/2017</b> Bt380 million, interest5.75% per annum, payable every 3 months	378.76	5 April 2017	6 October 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.3/2017</b> Bt491.70million, interest5.95% per annum, payable every 3 months	489.86	22 June 2017	22 June 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.4/2017</b> Bt467,90 million, Interest 6.25% per annum, payable every 3 months	466.04	19 October 2017	19 October 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
Total- Debenture of subsidiaries [Grande Asset Hotels and Property Plc.]	2,942.90			
<b>Total</b>	<b>21,359.78</b>			

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 2014 - 2017, long-term loans of the Companies and subsidiaries stood at Bt4,293.61 million, Bt6,306.98 million, Bt5,215.87 million and Bt5,573.03 million, respectively. The value of term loans in 2014 showed an decreased by Bt2,013.36 million on year. In 2015, the value of long-term loans increased by Bt2,013.36 million in 2015 and decreased by Bt1,091.11 million in 2016. It increased by Bt357.16 million in 2017. Long-term loans accounted for 19.14%, 21.30%, 14.97% and 17.18% of total liabilities in 2014, 2015, 2016 and 2017, respectively. The loans were borrowed to finance project development and increase the working capital.

At the end of 2017, the loans with maturity of less than 1 year were worth Bt1,012.97 million and long-term net of current portion were worth Bt 4,560.05 million. The details are as follow:

(Unit: Million Baht)

	Consolidated financial statements		
	As of 31 December 2017	As of 31 December 2016	As of 31 December 2015
Long - term loans	5,573.03	5,215.87	6,306.98
Minus- amount due within 1 year	(1,012.97)	(726.62)	(597.48)
Long - term loans (Net)	4,560.05	4,489.25	5,709.50

## Trade payables and others

The Company and subsidiaries' trade payables and others stood at Bt2,289.35 million, Bt2,972.05 million, Bt 2,863.65 million and Bt. 2,461.87 million at the end of 2014 - 2017, respectively. The 2014 amount showedand decrease of Bt375.25million, while 2015 level increased by Bt682.70million. In 2016 level increase by Bt35.51 million and decrease by Bt.401.78 million in 2017. Trade payables and others accounted for 12.10 %, 10.20 % and 10.04% in the years 2013-2015, respectively.

As of 31 December 2017, the consolidated trade payables and others were valued at Bt2,461.87 million, down by Bt401.78 million from the previous year. The amount accounted for 7.59% of total liabilities.

## Short-term loans from financial institutions

The value of short-term loans borrowed by the Company and subsidiaries stood at Bt724.40 million, Bt372.20 million, Bt20.00 million and Bt351.68 million at the end of 2014, 2015, 2016 and 2017, respectively. The loans increased in 2017 by Bt211.91million and decreased by Bt352.20 million in 2015 and Bt352.20 million in 2016. The loans increased by Bt331.68 million in 2017. The promissory notes accounted for 3.23%, 1.26%, 0.06% and 1.08% of total liabilities in the years.

As of 31 December 2017, the consolidated short-term loans were valued at Bt351.68 million, up by Bt331.68 million from the previous year, or 1.08% of total liabilities.

## Bills of exchange

The Company and subsidiaries's outstanding bills of exchange were valued at Bt636.24 million, Bt2,456.40 million, Bt3,727.03 million and Bt437.68 million at the end of 2014, 2015, 2016 and 2017, respectively. The value accounted for 2.84%, 8.29%, 10.69% and 1.35% of total liabilities, respectively. The bills will come due in the first and second quarters of 2018.

As of 31 December 2017, the value of bills of exchange stood at Bt437.68 million, down by Bt3,289.35 million from the end of 2016. The amount accounted for 1.35% of total liabilities. The bills are due in the first and second quarters of 2018.

### Shareholders' equity

The consolidated shareholders' equity at the end of 2014-2017 stood at Bt8,971.60 million, Bt13,663.50 million, Bt13,936.78 million and Bt14,991.84 million, respectively. The shareholders' equity, in 2014 increased by Bt325.21 million, while in 2015 it increased by Bt4,691.90 million. In 2016 increased by Bt.273.28 million and increase by Bt. 1,055.05 million in 2017. The shareholders' equity to asset ratio in 31 December 2014 -31 December 2017 were 28.57% and 31.57%, 28.56% and 31.61 %, respectively.

The following is details of the annual changes in the shareholders' equity.

#### 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' uncontrolling shareholders, the realization of annual net profit and other income worth Bt360.74 million, and the realization of other comprehensive income worth Bt49.17 million 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.

#### As of 31 December 2017

The shareholders' equity of the Company and subsidiaries as of 31 December 2017 stood at Bt14,991.84 million, up by Bt1,055.05 million from the previous year. The equity changed due to the 2017 net profit worth Bt284.76 million, a Bt29.36 million loss in the gross/loss profit, a change in the controlling stake in subsidiaries which incurred a Bt10.08 million loss, and a Bt42.01 million gain from loss of controlling stake in subsidiaries, the proceeds from the private placement of 700 million shares on 10 March 2017, the issuance of Bt447.70 million perpetual subordinated bonds, a share loss of Bt16.20 million, Bt346.71 million dividend payment, and a Bt17.06 million dividend for the perpetual subordinated bonds,

## Shareholders' equity structure

(Unit: Million Baht)

	Consolidated financial statements		
	As 31 December 2017	As 31 December 2016	As 31 December 2015
Paid-up capital	8,667.82	7,667.82	7,667.82
Share loss	(89.73)	(73.52)	(73.52)
Perpetual subordinated bonds	447.70	-	-
Cash received in advance, the stock value.	-	300.00	-
Retained earnings appropriated as legal reserve	334.60	300.60	274.60
Unappropriated retained earnings	3,208.80	3,298.72	3,155.25
Revaluation surplus (deficit) from investments	(3.68)	(0.06)	(6.88)
Differential on subsidiaries' share swap	(46.09)	(46.09)	(46.09)
Share loss from adjustment in subsidiaries' investment	(97.93)	(87.85)	(52.87)
Currency conversion differential	(19.78)	29.04	32.54
Non-controlling interest in subsidiaries	2,590.13	2,548.12	2,712.65
<b>Consolidated shareholders' equity</b>	<b>14,991.84</b>	<b>13,936.78</b>	<b>13,663.50</b>

## 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
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 Group's debt to equity ratio tended to decline in the past 4 years. At the end of the years 2014-2017, the ratio stood at 2.50:1, 2.17:1, 2.50:1 and 2.16:1, respectively.

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.

At the end of 2017, the Group's debt to equity ratio dropped to 2.16:1 due to the issuance of Bt700 million common shares on 10 March 2017 and the issuance of perpetual subordinated bonds worth Bt447.70 million in April 2017 which boosted the shareholders' equity.

## 2.3 Analysis of consolidated cash flow

Statements of cash flow in 2015 - 2017 were as follows:

(Unit: Million Baht)

Consolidated financial statements	2017	2016	2015
Cash flow from operating activities			
Cash flow from investment activities	(494.76)	(3,629.66)	(3,912.66)
Cash flow from financing activities	(1,491.04)	4,934.55	5,104.33
Lower difference on financial statement translation	50.43	(5.13)	(6.08)
<b>Net cash flow increase (decrease)</b>	<b>1,498.47</b>	<b>(591.72)</b>	<b>550.01</b>

- 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.

In 2017, the Group registered positive cash flow worth Bt3,433.84 million from operating activities, partly due to the completion of 2 high-rise condominium projects which were ready for unit transfer. In this year, the Company has no high-rise condominium project.

- **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 Bt2,183.24 million. 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.

In 2017, the Group witnessed negative consolidated cash flow from investing activities, at minus Bt494.76 million, chiefly because of land acquisition for future development projects. The advance payment for land purchase was valued at Bt805.57 million, land worth Bt605.53 million was sold, the value of buildings and equipment rose by Bt863.86 million, loans to related companies increased by Bt605.53 million, investment in joint ventures went up by Bt669.20 million, net investment in REIT rose by Bt174.65 million, down payments for common shares were valued at Bt144.83 million, cash from asset sale to REIT was valued at Bt1,637.35 million, the sale of land purchase rights was worth Bt219.29 million and cash from the sale of investment was valued at Bt334.02 million.

- **Cash flow from financing activities**

Cash flow from financing activities in 2014-2017. 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.

n 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.

In 2017, the Group posted negative cash flow from financing activities, at minus Bt1,491.04 million. The components of the financing activities covered Bt331.68 million short-term loans from financial institutions, net increase in long-term loans worth Bt349.50 million, additional debentures worth Bt426.25 million, the issuance of common shares worth Bt684.63 million, the issuance of perpetual subordinated bonds worth Bt442.81 million, net redemption to bill of exchange worth Bt3,343.61 million, Bt345.97 million dividend payment, Bt21.32 million dividend to the perpetual subordinated bonds, and the loan repayment under hire-purchase and financial lease contracts worth Bt15.02 million.

#### 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
2016	0.040	346.71	26 May 2017

On 22 February 2017, the Board of Directors approved the dividend payment of Bt0.05 per share, payable on 25 May 2017.

## 2.4 Obligations and contingent liabilities

As of 31 December 2017, the Group's future obligations and liabilities are as follows:

- **Obligations on capital expenditure**

- The Group's obligations on capital expenditure were valued about Bt 2,353 million and 157 million yen (non-consolidated statements: Bt682 million), against Bt3,310 million and 530 million yen in 2016 (non-consolidated statements: Bt485 million). The amount concerned the construction, design and consulting fee for the development of single house, condominium and hotel projects as well as the improvement of buildings and purchases of condominium units and equipment.
- The Group is committed to buy land worth about Bt2,706 million.
- A subsidiary is committed to a land lease for property development worth approximately Bt10 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	31 December 2017	31 December 2016
1 year	Bt312million and 1 million yen	Bt168 millionand 3 million yen
2-5 years	Bt1,002 million and 1 million yen	Bt457million and 2 million yen
5 years up	Bt5,817 million	Bt4,651 million

- **Obligations on long-term service contracts**

Under a service contract, a subsidiary is obliged to shoulder minimum payments as follows:

Payments due within	31 December 2017	31 December 2016
1 year	Bt27 million	Bt30 million
2-5 years	Bt16 million	Bt20 million

- **Other loan guarantees**

A) The Company's combined loan guarantee to subsidiaries was valued at Bt7,298 million. The subsidiaries are Estate Perfect, Bt 3,323 million; Bright Development Bangkok, Bt3,175 million and Residence Number Nine Bt800 million. 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		Separate	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Infrastructure	1,360	1,084	946	699

- **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 2015-2017, UniloftSalaya’s revenue was well above target. Hence, no additional provision against the rent guarantee is necessary. The rent guarantee contract is expired and the Company only manages the project.

# 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 2017, 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 2017, 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 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.

### 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***

Since revenues from sales of real estate, which comprise revenues from sales of land and houses, condominiums and land, are significant to the financial statements, I focused my audit on the correctness of the recognition of revenues from sales of real estate in accordance with the Group's policy, as described in the notes to the financial statements.

I have worked with the auditors of subsidiaries to assess the Group's internal controls with respect to revenues from sales of real estate, by making enquiry of responsible executives and gaining an understanding of the designed controls. Particular importance was attached to the examination of supporting documents for sales transactions occurring during the year, including the conditions stipulated in the sale and purchase agreements, in order to assess whether revenue recognition corresponded with the transfer of the significant risks 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***

Since revenues from hotel operations, which comprise room revenues, food and beverage revenues and revenue from auxiliary activities, are significant to the financial statements, I focused my audit on the correctness of the recognition of revenues from hotel operations in accordance with the Group's policy, as described in the notes 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 order to assess whether revenue recognition complied with the subsidiaries' policy. 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 loan/debenture agreements***

The amounts of the Group's bills of exchange, loans from financial institutions and debentures form a highly significant portion of total liabilities. As discussed in the notes to the financial statements, under the loan/debenture agreements, the Group needs to comply with certain financial covenants. If the Group is unable to comply with those covenants, it may result in the loans and debentures being called by the lenders/ debenture holders, and the reclassification of the liabilities from non-current liabilities to current liabilities, impacting on the going concern of the Group.

I have worked with the auditors of the subsidiaries to assess the management's monitoring of compliance with the covenants stipulated in the loan/debenture 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 loan/debenture agreements. In addition, we have assessed the disclosures made with respect to covenants in the notes to the financial statements.

## 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.

I am responsible for the audit resulting in this independent auditor's report.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 22 February 2018

# STATEMENT OF FINANCIAL POSITION

PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT 31 DECEMBER 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,947,296,539	2,448,825,209	1,350,869,488	1,048,558,564
Trade and other receivables	7	375,545,827	339,750,970	189,420,913	201,924,825
Receivable from the Revenue Department		62,975,094	101,260,539	-	-
Receivable from sales of land	8	337,239,877	531,416,448	337,239,877	-
Inventories	9	40,998,649	34,903,565	-	-
Project development costs	10	24,289,283,621	25,303,740,369	13,911,779,109	14,923,194,633
Short-term loan to related parties	6	665,528,220	60,000,000	-	-
Advances to contractors		89,793,663	231,911,222	43,399,057	73,973,675
Other current assets		196,066,050	157,483,058	58,908,837	50,623,333
<b>Total current assets</b>		<b>30,004,727,540</b>	<b>29,209,291,380</b>	<b>15,891,617,281</b>	<b>16,298,275,030</b>
<b>Non-current assets</b>					
Pledged and restricted withdrawal bank deposits		125,627,551	101,605,399	90,943,356	53,353,877
Long-term loans to related parties	6	-	-	6,234,575,895	7,497,739,578
Deposits for acquisition of shares and assets in other companies	11	184,375,823	40,000,000	-	-
Investments in subsidiaries	12	-	-	7,758,764,409	7,377,742,173
Investments in joint ventures	13	652,037,957	133,851,579	191,062,500	142,000,000
Other long-term investments	14	181,178,628	109,408,380	5,678,628	109,408,380
Land held for development	15	5,886,024,845	6,621,249,088	4,918,236,371	5,168,130,883
Advances for purchases of land	16	760,145,133	921,248,550	646,735,535	464,748,550
Investment properties	17	1,742,341,164	2,225,875,450	-	-
Property, plant and equipment	18	5,318,427,501	6,433,413,373	131,609,888	94,598,636
Intangible assets	19	46,560,938	51,836,653	9,293,694	12,451,595
Leasehold rights	20	1,855,408,474	2,024,613,449	40,675,500	45,386,594
Compensation guarantee	21	-	19,000,000	-	-
Deposits for hotel construction		85,287,347	177,323,685	-	-
Guarantee for lease agreement	6, 32	88,000,000	-	-	-
Deferred tax assets	34	313,142,065	353,931,068	139,712,985	155,303,788
Other non-current assets		185,185,758	367,569,101	125,737,195	286,459,983
<b>Total non-current assets</b>		<b>17,423,743,184</b>	<b>19,580,925,775</b>	<b>20,293,025,956</b>	<b>21,407,324,037</b>
<b>Total assets</b>		<b>47,428,470,724</b>	<b>48,790,217,155</b>	<b>36,184,643,237</b>	<b>37,705,599,067</b>

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 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	22	351,677,352	20,000,000	20,000,000	20,000,000
Trade and other payables	23	2,461,866,349	2,863,648,980	1,175,949,053	1,423,143,851
Bills of exchange payable	24	437,676,284	3,727,030,894	188,231,019	2,794,356,383
Short-term loan from related party	6	-	-	284,086,326	285,000,000
Current portion of debentures	25	5,194,688,486	5,002,722,105	4,744,970,823	5,002,722,105
Current portion of long-term loans	26	1,012,974,758	726,617,581	-	77,590,043
Deposits and cash received in advance		751,748,947	757,677,315	117,337,582	159,718,947
Income tax payable		153,087,675	40,366,098	43,082,872	-
Other current liabilities		313,747,795	217,995,090	125,582,218	75,947,535
<b>Total current liabilities</b>		<b>10,677,467,646</b>	<b>13,356,058,063</b>	<b>6,699,239,893</b>	<b>9,838,478,864</b>
<b>Non-current liabilities</b>					
Debentures, net of current portion	25	16,165,090,991	15,901,454,655	13,671,908,892	14,555,572,684
Long-term loans, net of current portion	26	4,560,053,928	4,489,254,076	3,411,710,963	2,336,594,561
Provision for long-term employee benefits	27	256,003,496	257,742,557	110,825,145	154,033,804
Provisions	28	160,440,592	147,693,604	126,447,374	117,996,779
Provision for transaction under equity method of investment in joint venture	13	65,857,103	2,936,390	-	-
Unearned lease rights		73,131,413	80,920,500	41,723,099	38,678,680
Deferred tax liabilities	34	225,699,812	403,046,118	-	-
Other non-current liabilities		252,890,505	214,329,725	-	-
<b>Total non-current liabilities</b>		<b>21,759,167,840</b>	<b>21,497,377,625</b>	<b>17,362,615,473</b>	<b>17,202,876,508</b>
<b>Total liabilities</b>		<b>32,436,635,486</b>	<b>34,853,435,688</b>	<b>24,061,855,366</b>	<b>27,041,355,372</b>

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 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
<b>Shareholders' equity</b>					
Share capital	29				
Registered					
9,000,000,000 ordinary shares of Baht 1 each		9,000,000,000	9,000,000,000	9,000,000,000	9,000,000,000
Issued and fully paid					
8,667,826,432 ordinary shares					
(2016: 7,667,826,432 ordinary shares)					
of Baht 1 each		8,667,826,432	7,667,826,432	8,667,826,432	7,667,826,432
Share discount		(89,727,550)	(73,524,495)	(89,727,550)	(73,524,495)
Subordinated perpetual debentures	30	447,700,000	-	447,700,000	-
Share subscription received in advance	29	-	300,000,000	-	300,000,000
Retained earnings					
Appropriated - statutory reserve	31	334,600,000	300,600,000	334,600,000	300,600,000
Unappropriated		3,208,798,168	3,298,722,624	2,766,073,849	2,469,400,953
Other components of shareholders' equity		(167,491,557)	(104,960,768)	(3,684,860)	(59,195)
Equity attributable to owners of the Company		12,401,705,493	11,388,663,793	12,122,787,871	10,664,243,695
Non-controlling interests of the subsidiaries		2,590,129,745	2,548,117,674	-	-
<b>Total shareholders' equity</b>		<b>14,991,835,238</b>	<b>13,936,781,467</b>	<b>12,122,787,871</b>	<b>10,664,243,695</b>
<b>Total liabilities and shareholders' equity</b>		<b>47,428,470,724</b>	<b>48,790,217,155</b>	<b>36,184,643,237</b>	<b>37,705,599,067</b>

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2017	2016	2017	2016
<b>Profit or loss:</b>				
<b>Revenues</b>				
Revenues from sales of land and houses	7,454,705,599	6,614,021,620	4,951,746,236	4,402,114,835
Revenues from sales of residential condominium units	4,765,606,160	4,987,604,766	2,357,589,099	3,003,215,326
Revenues from sales of land	1,225,446,714	863,671,495	692,612,203	115,832,649
Revenues from hotel operations	2,323,280,281	2,193,947,244	-	-
Rental and service income	344,139,664	361,287,877	37,314,113	47,401,413
Revenues from construction	32,474,418	88,870,789	-	-
Other income				
Management income 6	-	-	13,318,000	94,443,000
Gains on sales of rights in land purchases 16	104,796,681	118,723,397	104,796,681	118,723,397
Gains on sales of investment in a joint venture 13	107,005,946	-	103,368,325	-
Gain associated with the loss of control in subsidiary 13	8,747,303	-	-	-
Interest income	82,412,797	29,093,135	333,310,081	300,660,582
Dividend income	6,484,812	7,386,408	206,484,812	7,386,408
Others	275,608,794	287,911,188	120,469,618	127,532,875
<b>Total revenues</b>	<b>16,730,709,169</b>	<b>15,552,517,919</b>	<b>8,921,009,168</b>	<b>8,217,310,485</b>
<b>Expenses</b>				
Cost of sales of land and houses	4,838,668,225	4,280,664,748	3,193,479,584	2,846,396,024
Cost of sales of residential condominium units	3,050,783,015	3,166,083,605	1,514,473,405	1,975,913,003
Cost of sale of land	907,575,720	698,391,841	510,585,249	74,476,803
Cost of hotel operations	1,605,830,846	1,573,634,890	-	-
Cost of rental and related services	347,996,727	368,001,155	36,188,777	45,215,867
Cost of construction	39,105,099	69,304,084	-	-
Loss on sales of assets to trust 32	71,351,919	-	-	-
Selling expenses	1,572,439,903	1,306,590,127	852,577,352	733,694,386
Administrative expenses	2,732,802,099	2,583,493,654	1,038,533,719	1,011,552,036
<b>Total expenses</b>	<b>15,166,553,553</b>	<b>14,046,164,104</b>	<b>7,145,838,086</b>	<b>6,687,248,119</b>
<b>Profit before share of loss from investments in joint ventures, finance cost and income tax expenses</b>	<b>1,564,155,616</b>	<b>1,506,353,815</b>	<b>1,775,171,082</b>	<b>1,530,062,366</b>
Share of loss from investment in joint venture 13	(72,578,272)	(21,769,271)	-	-
<b>Profit before finance cost and income tax expenses</b>	<b>1,491,577,344</b>	<b>1,484,584,544</b>	<b>1,775,171,082</b>	<b>1,530,062,366</b>
Finance cost	(941,105,915)	(866,986,679)	(951,737,399)	(862,114,391)
<b>Profit before income tax expenses</b>	<b>550,471,429</b>	<b>617,597,865</b>	<b>823,433,683</b>	<b>667,947,975</b>
Income tax expenses 34	(234,202,112)	(285,310,439)	(150,462,887)	(156,428,305)
<b>Profit for the year</b>	<b>316,269,317</b>	<b>332,287,426</b>	<b>672,970,796</b>	<b>511,519,670</b>

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
Note	2017	2016	2017	2016
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent</i>				
Exchange differences on translation of financial statements in foreign currency	(48,405,296)	(3,498,083)	-	-
Gain (loss) on changes in value of available-for-sale investments - net of income tax	(3,625,665)	6,825,886	(3,625,665)	6,825,886
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(52,030,961)	3,327,803	(3,625,665)	6,825,886
 Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Actuarial gain - net of income tax	23,089,034	-	21,472,664	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	23,089,034	-	21,472,664	-
<b>Other comprehensive income for the year</b>	(28,941,927)	3,327,803	17,846,999	6,825,886
<b>Total comprehensive income for the year</b>	287,327,390	335,615,229	690,817,795	518,345,556
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company	284,757,074	399,501,635	672,970,796	511,519,670
Non-controlling interests of the subsidiaries	31,512,243	(67,214,209)		
	316,269,317	332,287,426		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	255,396,246	402,829,438	690,817,795	518,345,556
Non-controlling interests of the subsidiaries	31,931,144	(67,214,209)		
	287,327,390	335,615,229		
<b>Earnings per share</b>	35			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0306	0.0521	0.0761	0.0667

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 2017

(Unit: Baht)

Consolidated financial statements															
	Equity attributable to owners of the Company														
						Retained earnings		Other comprehensive income							
						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	Total other components of shareholders' equity	Total equity attributable to owners of the Company		
													Equity attributable to non-controlling interests of the subsidiaries		
													Total shareholders' equity		
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	-	-	-	-	-	-	-	-	-	-	(22,876,753)	(22,876,753)	(22,876,753)	(109,429,250)	(132,306,003)
Effect of change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-	(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 31)	-	-	-	-	26,000,000	26,000,000	(26,000,000)	-	-	-	-	-	-	-	-
Dividend paid (Note 38)	-	-	-	-	-	-	(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	300,600,000	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.

## PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2017

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
	Issued and fully paid share capital	Share discount	Subordinated perpetual debentures	Share subscription received in advance	Retained earnings		Other comprehensive income				Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Statutory reserve	Unappropriated	Other comprehensive income			Total other components of shareholders' equity				
							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 1 January 2017	7,667,826,432	(73,524,495)	-	300,000,000	300,600,000	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
Profit for the year	-	-	-	-	-	284,757,074	-	-	-	-	-	284,757,074	31,512,243	316,269,317
Other comprehensive income for the year	-	-	-	-	-	23,089,034	(3,625,665)	(48,824,197)	-	-	(52,449,862)	(29,360,828)	418,901	(28,941,927)
Total comprehensive income for the year	-	-	-	-	-	307,846,108	(3,625,665)	(48,824,197)	-	-	(52,449,862)	255,396,246	31,931,144	287,327,390
Effect of change in ownership interests in subsidiary (Note 12.4)	-	-	-	-	-	-	-	-	-	(10,080,927)	(10,080,927)	(10,080,927)	10,080,927	-
Issuance of new ordinary shares (Note 29)	1,000,000,000	(12,293,960)		(300,000,000)	-	-	-	-	-	-	-	687,706,040	-	687,706,040
Issuance of new subordinated perpetual debenture (Note 30)	-	(3,909,095)	447,700,000	-	-	-	-	-	-	-	-	443,790,905	-	443,790,905
Unappropriated retained earnings transferred to statutory reserve (Note 31)	-	-	-	-	34,000,000	(34,000,000)	-	-	-	-	-	-	-	-
Dividend paid (Note 38)	-	-	-	-	-	(346,711,354)	-	-	-	-	-	(346,711,354)	-	(346,711,354)
Dividend paid of subordinated perpetual debentures														
- net of income tax (Note 30)	-	-	-	-	-	(17,059,210)	-	-	-	-	-	(17,059,210)	-	(17,059,210)
Balance as at 31 December 2017	8,667,826,432	(89,727,550)	447,700,000	-	334,600,000	3,208,798,168	(3,684,860)	(19,781,374)	(46,091,945)	(97,933,378)	(167,491,557)	12,401,705,493	2,590,129,745	14,991,835,238

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 2017

(Unit: Baht)

	Separate financial statements							
	Issued and fully paid share capital	Share discount	Subordinated perpetual debentures	Share subscription received in advance	Retained earnings		Other components of equity	
					Statutory reserve	Unappropriated	Other comprehensive income	Total other components of shareholders' equity
<b>Balance as at 1 January 2016</b>	7,667,826,432	(73,524,495)	-	-	274,600,000	2,213,912,715	(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
Total comprehensive income for the year	-	-	-	-	-	511,519,670	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 31)	-	-	-	-	26,000,000	(26,000,000)	-	-
Dividend paid (Note 38)	-	-	-	-	-	(230,031,432)	-	(230,031,432)
<b>Balance as at 31 December 2016</b>	7,667,826,432	(73,524,495)	-	300,000,000	300,600,000	2,469,400,953	(59,195)	10,664,243,695

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	550,471,429	617,597,865	823,433,683	667,947,975
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of loss from investments in joint ventures	72,578,272	21,769,271	-	-
Depreciation and amortisation	758,751,572	747,197,564	34,363,606	29,990,748
Allowance for doubtful accounts	4,538,053	3,709,749	-	-
Amortisation of prepaid expenses	79,303,912	46,175,486	62,924,421	46,175,486
Withholding tax deducted at source and receivable from the Revenue Department written-off	4,760,807	10,324,171	3,900,948	-
Trade and other receivables written-off	4,089,712	-	-	-
Amortisation of debenture issuing cost	29,348,924	23,923,276	25,866,131	21,837,992
Unearned rental revenue recognition	(17,401,756)	(20,929,047)	(2,928,646)	(2,936,670)
Changes in fair value of current investments in trading securities	(61,542)	(86,564)	(61,542)	(86,564)
Reversal of reduction of cost to net realisable value	(9,272,814)	(7,934,094)	(9,272,814)	(7,934,094)
Allowance for impairment of land held for development	3,810,244	8,704,175	245,000	-
Loss on investment properties written-off	659,745	-	-	-
Allowance for impairment of investment properties	-	11,500,000	-	-
Loss on sales of assets to trust	71,351,919	-	-	-
Loss on disposal of property, plant and equipment	1,604,952	15,985,255	25,809	1,645,591
Gains on sales of rights in land purchases	(104,796,681)	(118,723,397)	(104,796,681)	(118,723,397)
Gain on sales of investment in a joint venture	(107,005,946)	-	(103,368,325)	-
Gain from sales of investment in available-for-sale securities	(2,167,457)	-	(2,167,457)	-
Loss on a compensation guarantee written-off	8,119,000	-	8,119,000	-
Loss of subsidiary before change of status	13,603,486	-	-	-
Gain associated with the loss of control in subsidiary	(8,747,303)	-	-	-
Dividend income	(6,484,812)	(7,386,408)	(206,484,812)	(7,386,408)
Warranty provision for real estate projects (reversal)	16,064,677	(29,601,005)	8,132,408	1,894,225
Provision for long-term employee benefits (reversal)	33,821,146	39,473,379	(14,363,829)	15,307,178
Interest income	(82,412,797)	(29,093,134)	(333,310,081)	(300,660,582)
Interest expenses	901,113,143	842,547,246	916,672,209	839,731,548

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit from operating activities before changes in operating assets and liabilities	2,215,639,885	2,175,153,788	1,106,929,028	1,186,803,028
Decrease (increase) in operating assets				
Trade and other receivables	(27,344,474)	(77,785,175)	17,891,156	36,958,829
Receivable from sales of land	194,176,571	(531,416,448)	(337,239,877)	-
Receivable from the Revenue Department	38,285,445	(46,782,370)	-	-
Inventories	(6,095,084)	7,130,134	-	-
Project development costs	3,000,381,062	(1,820,969,018)	1,191,677,358	(371,769,857)
Advances to contractors	56,209,469	146,945,197	30,574,618	160,076,409
Guarantee for lease agreement	(88,000,000)	-	-	-
Other current assets	(133,890,040)	(49,737,888)	(71,148,382)	(64,338,908)
Other non-current assets	123,296,728	(42,351,272)	95,309,907	(44,519,907)
Increase (decrease) in operating liabilities				
Trade and other payables	(404,999,846)	(100,610,433)	(243,748,164)	(311,886,048)
Deposits and cash received in advance	(5,928,368)	58,464,186	(42,381,365)	(86,456,898)
Other current liabilities	86,410,506	(55,236,434)	41,502,274	(10,061,143)
Other non-current liabilities	53,901,577	19,939,627	12,419,661	(23,548,362)
Net cash from (used in) operating activities	5,102,043,431	(317,256,106)	1,801,786,214	471,257,143
Cash paid for interest expenses	(1,579,873,842)	(1,355,076,766)	(1,252,775,783)	(1,125,567,843)
Cash paid for corporate income tax	(268,621,708)	(256,109,317)	(82,496,322)	(149,129,386)
Cash received from interest income	65,334,648	21,227,981	43,000,983	14,341,492
Cash received from corporate income tax	114,960,035	15,729,963	79,491,983	-
<b>Net cash from (used in) operating activities</b>	<b>3,433,842,564</b>	<b>(1,891,484,245)</b>	<b>589,007,075</b>	<b>(789,098,594)</b>

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Increase in pledged and restricted withdrawal bank deposits	(24,022,152)	(16,569,659)	(37,589,480)	(10,785,789)
Increase in loans to related parties	(605,528,220)	(60,000,000)	(882,931,000)	(3,541,208,020)
Decrease in loans to related parties	-	-	1,765,072,447	299,812,685
Cash received from interest income	-	-	284,921,854	132,487,129
Cash received from dividend income	6,484,812	7,386,408	206,484,812	407,386,408
Decrease in deposits for acquisition of assets in other companies	-	10,000,000	-	-
Net cash paid for purchases of investments in subsidiaries	-	-	-	(132,306,002)
Cash paid for purchases of investments in joint ventures	(669,202,500)	(24,500,000)	(189,202,500)	(12,000,000)
Cash received from sales of investments in joint ventures	233,508,325	-	233,508,325	-
Cash received from sales of investments in available-for-sale securities	100,512,000	-	100,512,000	-
Decrease (increase) in other long-term investments	(174,646,872)	243,450	853,128	243,450
Decrease (increase) in land held for development	642,162,590	(1,603,605,055)	537,044,815	(1,544,201,229)
Increase in investment properties	(4,655,203)	(9,683,200)	-	-
Cash received from sales of investment properties	1,066,352	-	-	-
Increase in advances for purchases of land	(805,567,549)	(579,636,050)	(407,188,385)	(171,993,050)
Net cash received from sales of rights in land purchases	219,289,081	182,709,171	219,289,081	182,709,171
Increase in leasehold rights	-	(27,500,000)	-	(500,000)
Increase in property, plant and equipment	(863,865,945)	(1,383,691,397)	(62,641,330)	(31,889,618)
Increase in intangible assets	(5,231,747)	(11,792,361)	(87,653)	(7,922,409)
Increase in deposits for hotel construction	(38,811,172)	(117,256,700)	-	-
Increase in deposits for acquisition of shares in other company	(144,375,823)	-	-	-
Cash received from sales of assets to trust	1,637,354,278	-	-	-
Cash received from sales of property, plant and equipment	767,729	4,235,821	186,916	1,588,785
<b>Net cash from (used in) investing activities</b>	<b>(494,762,016)</b>	<b>(3,629,659,572)</b>	<b>1,768,233,030</b>	<b>(4,428,578,489)</b>

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institutions	2,777,596,500	20,000,000	1,112,865,000	20,000,000
Repayment for short-term loans from financial institutions	(2,445,919,148)	(372,022,000)	(1,112,865,000)	(189,745,000)
Cash received from bills of exchange payable	2,029,389,450	6,866,279,570	1,240,587,461	5,095,562,335
Repayment for bills of exchange payable	(5,373,000,000)	(5,720,000,000)	(3,885,000,000)	(3,690,000,000)
Cash received from long-term loans	5,969,257,622	2,836,398,644	2,780,272,856	1,866,782,674
Repayment for long-term loans	(5,619,752,641)	(3,931,026,422)	(1,782,746,497)	(2,865,368,590)
Cash received from debentures	5,436,253,793	9,910,252,187	3,842,718,795	8,566,455,500
Repayment for debentures	(5,010,000,000)	(4,600,000,000)	(5,010,000,000)	(4,600,000,000)
Cash received from short-term loans from related parties	-	-	100,000,000	490,000,000
Repayment for short-term loans from related parties	-	-	(100,913,674)	(375,000,000)
Cash received from issuance of new ordinary shares	684,632,550	300,000,000	684,632,550	300,000,000
Cash received from issuance of subordinated perpetual debentures	442,813,631	-	442,813,631	-
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	(15,017,638)	(12,011,156)	-	-
Cash paid for dividend of subordinated perpetual debentures	(21,324,012)	-	(21,324,012)	-
Dividend paid	(345,970,291)	(231,006,249)	(345,970,291)	(231,006,249)
<b>Net cash from (used in) financing activities</b>	<b>(1,491,040,184)</b>	<b>4,934,558,571</b>	<b>(2,054,929,181)</b>	<b>4,387,680,670</b>
Increase (decrease) in translation adjustment	50,430,966	(5,132,954)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,498,471,330</b>	<b>(591,718,200)</b>	<b>302,310,924</b>	<b>(829,996,413)</b>
Cash and cash equivalents at beginning of year	2,448,825,209	3,040,543,409	1,048,558,564	1,878,554,977
<b>Cash and cash equivalents at end of year</b>	<b>3,947,296,539</b>	<b>2,448,825,209</b>	<b>1,350,869,488</b>	<b>1,048,558,564</b>

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 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Transfer advances for purchases of land to land held for development	116,505,120	336,381,311	110,709,000	245,044,500
Transfer advances for purchases of land to project development costs	735,673,446	-	-	-
Transfer project development costs to land held for development	-	-	176,686,303	-
Transfer project development costs to property, plant and equipment	52,313,602	-	989,605	-
Transfer deposit for construction to project development costs	85,908,091	-	-	-
Transfer deposit for hotel construction to property, plant and equipment	130,847,510	-	-	-
Transfer of property, plant and equipment to intangible assets	6,942,281	-	-	-
Transfer of property, plant and equipment to investment properties	-	8,041,803	-	-
Transfer of investment properties to project development costs	115,009,378	-	-	-
Transfer of investment properties to land held for development	233,554,561	-	-	-
Transfer land held for development to project development costs	439,311,091	1,114,579,296	-	951,825,074
Amortisation of leasehold rights as cost of investment properties	-	12,162,857	-	-
Increase in investment properties as a result of accrued land rental expenses	-	28,259,261	-	-
Payable of acquisition of equipment	29,345,737	29,202,196	-	-
Payable of acquisition of leasehold rights	-	14,500,000	-	14,500,000
Increase in investment in subsidiary as a result of conversion of debt to equity	-	-	381,022,236	-

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

# NOTES TO CONSOLIDATED FINANCIAL

## PROPERTY PERFECT PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2017

### 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 11 October 2016, 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	
			2017	2016
			%	%
<b>Subsidiaries directly owned by the Company</b>				
Thai Property Public Company Limited	Property development	Thailand	94.60	94.60
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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			%	%
<b>Subsidiaries directly owned by the Company (Continued)</b>				
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
<b>Subsidiaries which the Company owns through Thai Property Public Company Limited ("TPROP")</b>				
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
<b>Subsidiary which the Company owns through TPROP and Metro Premier Holding company Limited</b>				
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
<b>Subsidiaries which the Company owns through Thai Property Public Company Limited ("TPROP")</b>				
Pacific Estate Development Limited	Office building rental and provision for related services	Thailand	100.00	100.00
Scenery Peak Limited	Investment in other companies	Thailand	100.00	100.00
Metro Premier Holding Company Limited	Investment in other companies	Thailand	100.00	-
<b>Subsidiary which the Company owns through Honor Business Company Limited ("HONOR")</b>				
Owendelle Company Limited	Sublease of hotel leasehold rights	Thailand	-	100.00
<b>Subsidiary which the Company owns through We Retail Public Company Limited</b>				
Centrepont Shopping Mall Company Limited	Property development, shopping mall and commercial areas	Thailand	100.00	100.00
<b>Subsidiary which the Company owns through Property Perfect International Pte. Ltd.</b>				
Kiroro Resort Holdings Co., Ltd. (2017: 31.42% held by the Company)	Investment in hotel business	Japan	66.71	97.27
<b>Subsidiaries which the Company owns through Kiroro Resort Holdings Company Limited ("KRH")</b>				
Kabushiki Kaisha Kiroro Associates Co., Ltd.	Ski operations	Japan	100.00	100.00
Kiroro Hotels Co., Ltd.	Hotel	Japan	100.00	100.00
Kiroro Resort Development Co., Ltd.	Property development	Japan	100.00	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, 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 GRAND and its subsidiaries (HONOR, Grande Equity Development Company Limited and Owendelle Company Limited), in which the Company and TPROP's shareholdings are less than 50%, were included in this consolidated financial statements because the Company and TPROP are major shareholders and have 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 2016) 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 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 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 2017) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2018. 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

## 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	1 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 3 - 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.

#### 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 defined benefit plan 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.

### Impairment of investments

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management

### **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.

The management reviews for impairment of investment properties by having their fair value assessed by independent appraisers. The independent appraisers valued an investment properties using the income approach and market approach. The key assumptions used in estimating the fair value include yield rate, long-term vacancy rate and long-term growth in real rental rates.

### **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
	2017	2016	2017	2016	
<b>Transactions with subsidiaries</b> (Eliminated from the consolidated financial statements)					
Sale of land	-	-	6	9	By agreement
Management income	-	-	13	94	By agreement
Interest income	-	-	291	280	At cost of fund
Dividend income	-	-	200	-	Announced rate
Other income	-	-	4	4	By agreement
Interest expenses	-	-	21	13	At cost of fund
Cost of construction of houses	-	-	144	202	By agreement
<b>Transactions with related companies</b>					
Construction income	32	89	-	-	By agreement
Cost of construction of houses	37	88	37	88	By agreement
Consultation fee	4	3	3	3	By agreement
Interest received	9	1	-	-	At cost of fund

As at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016
<b>Trade and other receivables - related parties (Note 7)</b>				
Subsidiaries	-	-	183,164	190,363
Related parties (related person/ a subsidiary as a shareholder/ a subsidiary's shareholder)	128,674	94,063	783	-
Total trade and other receivables - related parties	128,674	94,063	183,947	190,363
<b>Advances to contractors - related parties</b>				
Subsidiary	-	-	162	5
Related party (a subsidiary's shareholder)	3,203	5,748	3,203	5,748
Total advances to contractors - related parties	3,203	5,748	3,365	5,753
<b>Guarantee for lease agreement - Real Estate Investment Trust (Note 32)</b>	88,000	-	-	-
<b>Trade and other payables - related parties (Note 23)</b>				
Subsidiaries	-	-	13,967	19,228
Related party (a subsidiary's shareholder/ a subsidiary as a shareholder)	38,901	4,231	2,609	3,727
Total trade and other payables - related parties	38,901	4,231	16,576	22,955

### Loans to and loans from related parties

As at 31 December 2017 and 2016, the balances of loans between the Company, its subsidiaries and those related companies and the movements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Short-term loans to related companies				
All Discount Co., Ltd.	60,000	165,000	-	225,000
Grand Star Co., Ltd.	-	440,528	-	440,528
Total	60,000	605,528	-	665,528

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Long-term loans to subsidiaries				
Estate Perfect Co., Ltd.	1,417,572	-	(745,833)	671,739
Bright Development Bangkok Co., Ltd.	2,935,419	165,231	(671,894)	2,428,756
U&I Construction Bangkok Co., Ltd.	360,000	23,800	(306,500)	77,300
Perfect Prefab Co., Ltd.	41,883	-	(11,883)	30,000
Property Perfect International Pte. Ltd.	834,000	-	-	834,000
Chiangmai Development Co., Ltd.	157,831	27,000	-	184,831
Kiroro Resort Holding Co., Ltd.	1,721,535	454,900	(409,985)	1,766,450
We Retail Public Co., Ltd.	-	200,000	-	200,000
Ramintra Mall Co., Ltd.	29,500	12,000	-	41,500
Total	7,497,740	882,931	(2,146,095)	6,234,576

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Short-term loan from subsidiary				
Residence Number Nine Ltd.	285,000	100,000	(100,914)	284,086
Total	285,000	100,000	(100,914)	284,086

### Directors' and management's benefits

During the years ended 31 December 2017 and 2016, 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	
	2017	2016	2017	2016
Short-term employee benefits	203	174	75	72
Post-employment benefits	5	4	3	3
Total	208	178	78	75

### Guarantee obligations with related parties

The Company and its subsidiary has outstanding guarantee obligations with its subsidiaries, as described in Note 39.4 a) and 39.4 b) to the financial statements.

## 7. Trade and other receivables

As at 31 December 2017 and 2016, trade and other receivables were classified by aging as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	783	-	783	-
Past due				
Up to 3 months	-	-	-	-
3 - 6 months	4,579	1,191	-	-
6 - 12 months	23,624	73,576	-	-
Over 12 months	49,472	11,160	-	-
Total trade receivables - related parties	78,458	85,927	783	-
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	87,794	74,102	-	-
Past due				
Up to 3 months	118,324	125,896	-	-
3 - 6 months	3,952	3,772	-	-
6 - 12 months	5,711	4,273	-	-
Over 12 months	81,146	77,844	4,063	4,063
Total	296,927	285,887	4,063	4,063

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Less: Allowance for doubtful debts	(87,065)	(82,527)	(4,063)	(4,063)
Total trade receivables - unrelated parties - net	209,862	203,360	-	-
Trade receivable, net	288,320	289,287	783	-
Other receivables				
Advances - related parties	-	-	14,935	8,137
Interest receivables - related parties	19,334	1,191	167,407	160,820
Interest receivables	5,593	6,674	5,474	6,674
Other receivables - related parties	30,882	6,945	822	21,406
Other receivables	31,417	35,654	-	4,888
Total other receivables	87,226	50,464	188,638	201,925
Trade and other receivables, net	375,546	339,751	189,421	201,925

As at 31 December 2017, a subsidiary had a related party trade receivable amounting to Baht 78 million, which included Baht 49 million that had been outstanding for more than one year. The subsidiary's management believes that the outstanding balance will be fully collectible. Therefore, no allowance for doubtful debts has been set aside

## 8. Receivable from sales of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Receivable from sales of land	340,500	548,803	340,500	-
Less: Deferred interest income	(3,260)	(17,387)	(3,260)	-
Receivable from sales of land, net	337,240	531,416	337,240	-

On 10 August 2017, the Company entered into agreements to sell and to purchase land with an unrelated party for Baht 691 million. The Company has already registered the transfer of land ownership and in settlement has received cash payment of Baht 350 million and promissory notes amounting to Baht 341 million that mature in June 2018.

The Company recorded the promissory notes at a discount, based on the weighted average cost of funds of the Company.

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Food and beverage	7,197	7,539	-	-	7,197	7,539
Other goods and supplies	36,680	30,247	(2,878)	(2,882)	33,802	27,365
Total	43,877	37,786	(2,878)	(2,882)	40,999	34,904

## 10. Project development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land and construction developed	11,807,874	7,478,575	6,414,402	4,191,985
Land and construction under development	12,551,378	17,881,341	7,564,977	10,785,017
Total	24,359,252	25,359,916	13,979,379	14,977,002
Less: Reduction of cost to net realisable value	(69,968)	(56,176)	(67,600)	(53,807)
Net	24,289,284	25,303,740	13,911,779	14,923,195
Borrowing costs	653,063	609,057	348,665	403,811
Capitalisation rate (%)	5.07 - 6.78	4.87 - 7.03	5.07 - 6.50	4.87 - 5.49
Mortgaged as collateral for credit facilities, guarantees and debentures	16,418,600	15,311,401	8,921,748	9,035,021

Reduction of cost to net realisable value (reversal) was as follows

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Increase	4	8	4	8
Transfer from land held for development	23	-	23	-
Reversal	(13)	(16)	(13)	(16)
Net	14	(8)	14	(8)

## 11. Deposits for acquisition of shares and assets in other companies

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Deposit for acquisition of shares	233,376	89,000
Deposits for acquisition of assets	100,400	100,400
	333,776	189,400
Less: Allowance for impairment	(149,400)	(149,400)
Total	184,376	40,000

### 11.1 Deposit for acquisition of shares

#### a) TPROP

On 31 May 2010, TPROP had entered into a memorandum of understanding to purchase and to sell a company's shares and paid the seller a deposit of Baht 89 million. Subsequently, on 15 March 2013, TPROP 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. TPROP received a deposit of Baht 10 million from the transferee. The transferee had not paid the remaining amount of right transfer to TPROP, although it had been extended several times.

During the year 2015, TPROP cancelled a memorandum of understanding with the transferee and confiscated a deposit of Baht 10 million. Subsequently, on 24 February 2015, TPROP transferred the right to purchase that company's shares to another new party, at a price of Baht 85 million. TPROP received a deposit of Baht 40 million. The transferee had not paid the remaining amount of right transfer to TPROP, although it had been extended several times.

#### b) GRAND

On 9 November 2017, the Annual General Meeting of GRAND's shareholders passed a resolution approving GRAND to proceed with the following actions:

- Investment in the ordinary shares of Royal Orchid Hotel (Thailand) Public Company Limited ("ROH") which is a listed company on the Stock Exchange of Thailand, as detailed below:
  - Acquisition of the 41,250,235 ordinary shares of ROH with a par value of Baht 10 each held by Starwood Hotels (Thailand) Company Limited, representing 44 percent of all issued shares, at a price of Baht 35 per share, amounting to Baht 1,444 million, approximately.
  - Acquisition of 22,500,000 ordinary shares of ROH with a par value of Baht 10 each held by Thai Airways International Public Company Limited, representing 24 percent of all issued shares, at a price of Baht 41 per share, amounting to Baht 922.5 million, approximately.
- Proposing for approval by a meeting of the shareholders the investments in the ordinary shares of ROH and the making of a tender offer for all shares of ROH, to be performed in accordance with Notification Tor Jor 12/2554 of the Securities and Exchange Commission regarding the rules, conditions and procedures for the acquisition of securities for business takeovers, since GRAND would have acquired more than 50 percent of the voting rights of the shares of ROH.

Subsequently, on 29 November 2017, GRAND entered into an amendment contract to buy and to sell ordinary shares of ROH with Starwood Hotels (Thailand) Company Limited, and on 27 December 2017 GRAND paid a 10 percent deposit of Baht 144 million for the ordinary shares of ROH.

Subsequently, in January 2018, GRAND entered into a contract to buy and to sell ordinary shares of ROH with Thai Airways International Public Company Limited. GRAND has to place a security deposit for the share purchase, amounting to Baht 10 million, as specified in the contract.

## 11.2 Deposits for acquisition of assets

### TPROP

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 TPROP with an unrelated party on 14 November 2013. On the agreement date, TPROP paid the seller a deposit of Baht 100 million. Currently, ownership of the units has not been transferred to TPROP and payment has not been made.

During the year 2015, the management of the Company and TPROP revisited the transfer of the rights in 11.1 a) and deposits for acquisition of assets in 11.2, and are of the opinion that TPROP should request the cancellation of the transfer of assets in 11.1 a) and confiscate the deposit. In addition, the Company should temporarily cease any operations related to the project in 11.2. For conservative reasons, the management of TPROP therefore recorded full allowance for impairment of the deposits in 11.1 a) (net of the deposit received from the transferee) and 11.2.

## 12. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Paid-up-capital			Cost		Dividend received during the years	
	Currency	2017	2016	2017	2016	2017	2016
		(Thousand)	(Thousand)	(Thousand Baht)	(Thousand Baht)	(Million Baht)	(Million Baht)
Thai Property Public Company Limited ("TPROP")	Baht	3,193,185	3,193,185	1,764,372	1,764,372	-	-
Grande Asset Hotels and Property Public Company Limited ("GRAND")	Baht	2,889,039	2,889,039	63,339	63,339	-	-
We Retail Public Company Limited	Baht	2,615,114	2,615,114	2,601,973	2,601,973	-	-
Estate Perfect Company Limited	Baht	1,200,000	1,200,000	738,459	738,459	150	-
Bright Development Bangkok Company Limited	Baht	1,000,000	1,000,000	999,999	999,999	-	-
Residence Number Nine Limited	Baht	1,000,000	1,000,000	507,000	507,000	50	-
Perfect Sport Club Company Limited	Baht	50,000	50,000	50,000	50,000	-	-
U&I Construction Bangkok Company Limited	Baht	100,000	100,000	100,000	100,000	-	-
Perfect Prefab Company Limited	Baht	2,500	2,500	1,275	1,275	-	-
Uniloft Service (Thailand) Company Limited	Baht	1,325	1,325	1,325	1,325	-	-
Property Prefect International Pte. Ltd.	Yen	-	-	-	-	-	-
Chiangmai Development Company Limited	Baht	200,000	200,000	200,000	200,000	-	-
Ramintra Mall Company Limited	Baht	350,000	350,000	350,000	350,000	-	-
Kiroro Resort Holding Co., Ltd. ("KRH")	Yen	2,272,246	-	381,022	-	-	-
Total				7,758,764	7,377,742	200	-

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		Total comprehensive income attributable to non-controlling interests during the year	
	2017	2016	2017	2016	2017	2016
	(%)	(%)				
GRAND	59.87 <sup>1</sup>	59.87 <sup>1</sup>	2,417	2,380	37	(69)

<sup>1</sup> Calculated based on TPROP and its subsidiary's 40.62% shareholding and the Company's 1.70% shareholding in GRAND.

Summarised financial information that based on amounts before inter-company elimination about GRAND 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)

	2017	2016
Current assets	4,494	2,947
Non-current assets	5,309	6,084
Current liabilities	2,585	1,843
Non-current liabilities	3,180	3,213

Summarised information about comprehensive income

(Unit: Million Baht)

	2017	2016
Revenues	2,936	1,454
Gain (Loss)	64	(110)
Total comprehensive income	62	(110)

Summarised information about cash flow

(Unit: Million Baht)

	2017	2016
Cash flow from operating activities	739	-
Cash flow used in investing activities	(256)	(1,285)
Cash flow from financing activities	455	1,388
Net increase in cash and cash equivalents	938	103

## 12.1 GRAND

On 24 April 2017, GRAND's Annual General Meeting of shareholders passed a resolution approving GRAND to proceed with the following actions:

- a) Decrease the previous registered share capital of Baht 2,889,040,000 to Baht 2,889,039,237, as 2,889,039,237 ordinary shares of Baht 1 each. GRAND registered the decrease of its capital with the Ministry of Commerce on 1 May 2017.
- b) Increase the registered share capital by Baht 2,889,039,237 to Baht 5,000,000,000 by issuing 2,110,960,763 new ordinary shares of Baht 1 each. GRAND registered the increase of its capital with the Ministry of Commerce on 2 May 2017.
- c) Distribute and offer 866,711,771 additional ordinary shares of Baht 1 each to the existing shareholders, in proportion to their shareholdings (Right Offering), in a ratio of 3 new ordinary shares for every 10 existing ordinary shares, at an offer price of Baht 1 per share.
- d) Distribute and offer 1,244,248,992 additionally issued ordinary shares of Baht 1 each, together with the ordinary shares remaining after the allocation to the existing shareholders detailed in c), to a private investor.

## 12.2 HONOR

On 8 May 2017, GRAND's Board of Directors' Meeting passed a resolution approving HONOR's sale of the assets of Sheraton Hua Hin Resort & Spa to a real estate investment trust at a price of not less than Baht 1,700 million and not more than Baht 1,750 million, with HONOR then to lease these hotel assets from the real estate investment trust and GRAND to invest in units of the real estate investment trust, as described in Note 32 to the financial statements.

Subsequently, on 29 November 2017, HONOR's Extraordinary Meeting of shareholders passed resolutions to decrease HONOR's registered share capital by Baht 375 million, of which whole amount is to be returned to GRAND, as detailed below:

	Number of shares (Thousand shares)	Par value (Baht)	Registered share capital (Thousand Baht)
Previous	5,000	100	500,000
Decrease	(3,750)	100	(375,000)
New	1,250	100	125,000

HONOR registered the decrease in its share capital with the Ministry of Commerce on 3 January 2018 and returned capital to GRAND on 11 January 2018.

## 12.3 Owendelle Company Limited ("Owendelle")

On 8 May 2017, GRAND's Board of Directors' Meeting passed a resolution approving GRAND's acquisition of the 27,999,997 ordinary shares of Baht 10 each of Owendelle that were held by HONOR, at a total price of Baht 215 million, approximately. The meeting also approved the transfer of the business of Sheraton Hua Hin Pranburi Villas from HONOR to Owendelle at a price agreed in the contract and the cancellation of the sublease agreement for the land on which the hotel is situated. GRAND paid for the shares by offsetting the price with short-term loan and interest receivable from HONOR.

Subsequently, on 29 August 2017, the Treasury Department of Prachuap Khiri Khan allowed Owendelle to cancel the sublease of Ratchaphatsadu land, effective from 1 September 2017, and to redeem the collateral pledged for the Ratchaphatsadu land lease agreement, amounting to Baht 1 million.

Subsequently, on 1 September 2017, Owendelle and HONOR entered into a sales contract for the operating assets of the hotel and a memorandum of agreement regarding the transfer of the hotel business including the cancellation of the sublease agreement for the land. Owendelle made partial payment for the assets by offsetting the cost with accrued rental income and interest receivable from HONOR, and GRAND paid for the remaining amount by offsetting the price with short-term loan and interest receivable from HONOR. Owendelle borrowed such remaining amount from GRAND.

## 12.4 KRH

In July 2017, the Company invested in newly issued ordinary shares of KRH amounting to JPY 1,205 million, or equivalent to Baht 381 million (241,000 ordinary shares with a par value of JPY 5,000 each), by converting the loan to KRH as approved by the Board of Directors Meeting of the Company on 22 June 2017. As a result, the paid-up capital of KRH increased from JPY 2,799.92 million to JPY 4,004.92 million. The proportion of the Company's investment, both direct and indirect, after the conversion of loan to ordinary shares of KRH increased from 97.27% to 98.13%. The Company recorded the effect of the changes of its shareholding in KRH of JPY 33.2 million, or equivalent to Baht 10 million, under other components of equity under shareholders' equity in the consolidated financial statements.

Subsequently, on 21 December 2017, KRH registered the decrease of its paid-up capital from the existing amount of JPY 4,004.92 million to JPY 2,272.24 million, in order to offset its deficit.

## 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)

	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	2017	2016	2017	2016
<b>Jointly controlled entities</b>				
Dara Harbour Company Limited	-	127,753	-	130,000
T Utilities Company Limited	44,894	6,099	59,063	12,000
Grand Star Company Limited	607,144	-	132,000	-
<b>Total</b>	<b>652,038</b>	<b>133,852</b>	<b>191,063</b>	<b>142,000</b>

Investments under equity method presented under "Provision for transaction under equity method of investment in joint venture" were detailed as follows:

(Unit: Thousand Baht)

<b>Jointly controlled entity</b>	<b>Consolidated financial statements</b>	
	<b>2017</b>	<b>2016</b>
All Discount Company Limited	65,857	2,936
<b>Total</b>	<b>65,857</b>	<b>2,936</b>

### 13.1.1 Dara Harbour Company Limited (“DARA”)

On 15 February 2017, DARA called up additional payment of share capital amounting to Baht 7.2 million, increasing paid up capital from Baht 200 million to Baht 207.2 million. The Company paid up the capital in proportion to its existing shareholding and continues to hold a 65% interest in DARA.

In July 2017, DARA called up another additional payment of share capital amounting to Baht 8.4 million, increasing paid up capital from Baht 207.2 million to Baht 215.6 million. The Company paid up the capital in proportion to its existing shareholding in DARA. Subsequently, the Company sold its investment in DARA at a price of Baht 292 million. The Company recorded a gain from the sales of the investment in DARA of Baht 107 million as a separate item in the consolidated statement of comprehensive income (Separate financial statements: Baht 103 million).

### 13.1.2 Grand Star Company Limited (“GRAND STAR”)

On 8 May 2017, GRAND’s Board of Directors’ Meeting passed a resolution approving the establishment of GRAND STAR to engage in real estate development. GRAND STAR registered its incorporation on 22 May 2017 with a registered share capital of Baht 300 million (3,000,000 ordinary shares with a par value of Baht 100 each), 52% of which was called up, amounting to Baht 156 million. GRAND was to hold a 100% interest. On 25 October 2017, GRAND STAR called up the remaining 48% of the registered share capital, amounting to Baht 144 million, and GRAND paid up this amount.

Subsequently, on 11 October 2017, the Company and GRAND entered into a joint venture agreement in GRAND STAR with Sumitomo Forestry Singapore Ltd. (“Sumitomo”), in order to develop real estate for sale, according to the Company’s Board of Directors’ Meeting held on 5 October 2017. GRAND disposed the ordinary shares, as follows:

1. Sell 330,000 ordinary shares with a par value of 100 Baht per share, equivalent to 11% of all ordinary shares, to the Company at a price of 100 Baht per share, totaling Baht 33 million. The Company paid full payment on 27 October 2017.
2. Sell 1,470,000 ordinary shares with a par value of 100 Baht per share, equivalent to 49% of all ordinary shares, to Sumitomo at a price of 100 Baht per share, totaling Baht 147 million. However, the cost of these shares was combined with and paid at the same time as GRAND STAR increases its share capital later.

Subsequently, on 27 December 2017, the Extraordinary General Meeting of GRAND STAR’s shareholders passed a resolution approving the increase of its registered capital from Baht 300 million to Baht 1,200 million, through an issue of 9,000,000 new ordinary shares with a par value of Baht 100 each by offered to sell to the existing shareholders, at a price of Baht 100 per share. If all of newly issued ordinary shares are not subscribed by the existing shareholders, GRAND STAR will offer all remaining shares to Sumitomo. Later, on the same day GRAND STAR sold the new ordinary shares and called up the capital from the shareholders, as follows:

1. Sell 2,130,000 ordinary shares with a par value of 100 Baht per share, to GRAND, totaling Baht 213 million.
2. Sell 990,000 ordinary shares with a par value of 100 Baht per share, to the Company, totaling Baht 99 million.
3. Sell 5,880,000 ordinary shares with a par value of 100 Baht per share, to Sumitomo, totaling Baht 588 million.

On the same day, GRAND STAR received full payment for the shares, and registered the increase of its share capital with the Ministry of commerce on 27 December 2017.

On the same day, GRAND STAR received full payment for the shares, and registered the increase of its share capital with the Ministry of commerce on 27 December 2017.

As a result of the joint venture agreement, the Company and GRAND lost control of GRAND STAR to the co-venturer, effective at from 27 December 2017. Since the assessment of the Company's management is that GRAND STAR's equity from 27 December 2017 to 31 December 2017 is not significant to the consolidated financial statements of the Company, the Company treated the change in its investment in GRAND STAR from investment in a subsidiary to investment in joint venture as if it had occurred on 31 December 2017. The Company has a gain as a result of the loss of control over GRAND STAR of Baht 9 million, which is presented separately under the caption of "Gain associated with the loss of control in subsidiary" in the consolidated statement of comprehensive income for the year ended 31 December 2017.

Summarised significant financial information of GRAND STAR were as follows:

Summarised information about financial position

(Unit: Million Baht)

	As at 31 December 2017
Cash and cash equivalent	110
Cost of real estate development	1,553
Trade and other payable	(23)
Short-term loans and interest payable to related party	(452)
<b>Net assets</b>	<b>1,188</b>
Shareholding percentage of the Company (11%)	132
Shareholding percentage of GRAND (40%)	475
<b>Carrying amounts of joint venture based on equity method</b>	<b>607</b>

Summarised information about comprehensive income

(Unit: Million Baht)

	For the period as from 22 May 2017 to 31 December 2017
Administrative expenses	
Management expenses	(11)
Others	(1)
Total administrative expenses	(12)
Total comprehensive income	(12)

### 13.1.3 T Utilities Company Limited ("T Utilities")

On 20 April 2017, T Utilities called up additional payment of share capital amounting to Baht 30 million (6,000,000 ordinary shares with a par value of Baht 10 each, of which 50% was called up). The Company invested Baht 12 million to maintain its shareholding in T Utilities.

On 4 August 2017, T Utilities called up additional payment of share capital amounting to Baht 15 million (1,500,000 ordinary shares with a par value of Baht 10 each). The Company invested Baht 6 million to maintain its shareholding in T Utilities.

On 10 August 2017, the Board of Directors Meeting of the Company passed a resolution to purchase 375,000 ordinary shares of T Utilities from the other shareholders at a price of Baht 10 per share, or a total of Baht 4 million. As a result, the shareholding in T Utilities of the Company increased from 40% to 45%.

On 29 August 2017, T Utilities called up additional payment of share capital amounting to Baht 56 million (22,500,000 ordinary shares with a par value of Baht 10 each, of which 25% was called up). The Company invested Baht 25 million to maintain its shareholding in T Utilities.

On 3 July 2017, T Utilities established TU1 Company Limited, TU2 Company Limited, TU3 Company Limited, TU5 Company Limited and TU6 Company Limited to engage in manufacturer and distribution of electricity, with a registered share capital of Baht 1 million each (100,000 ordinary shares with a par value of Baht 10 each, of which 25% was called up). T Utilities invested Baht 0.25 million in each company, representing 100% of the ordinary shares of these companies.

On 27 September 2017, TU1 Company Limited called up additional payment of share capital amounting to Baht 17 million (6,900,000 newly issued ordinary shares with a par value of Baht 10 each, of which 25% was called up). T Utilities invested Baht 17 million to maintain its shareholding in TU1 Company Limited.

On 27 October 2017, TU3 Company Limited and TU5 Company Limited called up of another 75% of the 100,000 registered ordinary shares with a par value of Baht 10 each, or a total of Baht 0.75 million each. T Utilities paid the called-up share capital on 6 November 2017.

On 27 November 2017, T Utilities established Southern Utilities Holding Company Limited to engage in manufacturer and distribution of electricity, with a registered share capital of Baht 1 million (100,000 ordinary shares with a par value of Baht 10 each, of which 100% was called up). T Utilities invested Baht 0.51 million, representing 51% of the ordinary shares of this company.

## 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	2017	2016
Dara Harbour Company Limited	1,390	432
T Utilities Company Limited	8,268	5,901
All Discount Company Limited	62,920	15,436
Total	72,578	21,769

## 14. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Available-for-sale securities</b>				
Real Estate Investment Trust	175,500	-	-	-
Domestic marketable equity securities	8,560	107,757	8,560	107,757
Less: Allowance for change in value	(4,606)	(74)	(4,606)	(74)
	179,454	107,683	3,954	107,683
<b>Other investment</b>				
Domestic non-marketable equity security	4,275	4,275	4,275	4,275
Less: Allowance for impairment	(2,550)	(2,550)	(2,550)	(2,550)
	1,725	1,725	1,725	1,725
<b>Total</b>	<b>181,179</b>	<b>109,408</b>	<b>5,679</b>	<b>109,408</b>

## 15. Land held for development

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land held for development	5,942,516	6,696,995	4,957,963	5,230,678
Less: Allowance for impairment	(56,491)	(75,746)	(39,727)	(62,547)
Land held for development, net	5,886,025	6,621,249	4,918,236	5,168,131
Mortgaged as collateral for credit facilities, guarantees and debentures	1,494,591	1,163,010	1,397,274	909,790

Allowance for impairment (reversal) was as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Increase	4	9	-	-
Transfer to project development costs	(23)	-	(23)	-
<b>Net</b>	<b>(19)</b>	<b>9</b>	<b>(23)</b>	<b>-</b>

## 16. Advances for purchases of land

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Advances paid to landowners under agreements to purchase and to sell land <sup>(1)</sup>	640,145	796,264	526,736	339,764
Advances paid to agents in acquiring land	120,000	124,985	120,000	124,985
Total	760,145	921,249	646,736	464,749
<sup>(1)</sup> Values of agreements to purchase and to sell land	3,346,534	3,238,203	2,298,139	1,756,053

During the year, the Company entered into memorandums with unrelated company and unrelated person (“Memorandums”) 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 unrelated company and unrelated person were completed. The Company also complied with the significant conditions stipulated in the memorandums. The Company, as agent for the purchases of land, received payments from sales of rights in land purchases amounting to Baht 243 million 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	242,566
Less: Advances for purchases of land of the Company	(114,492)
Cost of transactions	(23,277)
Gains on sales of rights in land purchases	104,797

## 17. Investment properties

The net book value of investment properties as at 31 December 2017 and 2016 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 2017				
Cost	715,125	415,120	974,250	2,104,495
Less Accumulated depreciation	(61,545)	(287,109)	-	(348,654)
Allowance for impairment	(11,500)	(2,000)	-	(13,500)
Net book value	642,080	126,011	974,250	1,742,341
31 December 2016				
Cost	715,125	411,872	1,323,133	2,450,130
Less Accumulated depreciation	(36,712)	(174,043)	-	(210,755)
Allowance for impairment	(11,500)	(2,000)	-	(13,500)
Net Book value	666,913	235,829	1,323,133	2,225,875

A reconciliation of the net book value of investment properties for the years 2017 and 2016 was presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Net book value at beginning of year	2,225,875	2,286,869
Additions	4,655	9,682
Transfer from property, plant and equipment	-	8,042
Transfer to project development costs	(115,009)	-
Transfer to land held for development	(233,554)	-
Amortisation of leasehold rights as investment properties	-	12,163
Capitalised interest <sup>(1)</sup>	-	29,370
Increase from accrued land rental expenses	-	28,260
Depreciation charged	(137,900)	(137,011)
Allowance for impairment	-	(11,500)
Disposals - net book value as at disposal date	(1,726)	-
Net book value at end of year	1,742,341	2,225,875

<sup>(1)</sup> interest is charged at the rate 5.39% per annum

The fair value of the investment properties as at 31 December 2017 and 2016 was stated below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2017	2016
Shopping malls and commercial area for rent	820,000	811,700
Shopping malls and commercial area for rent under construction	2,045,000	-
Office building for rent	151,648	285,070

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.

The fair value of the shopping mall and commercial areas for rent under construction has been determined using the market approach

## 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
<b>Cost</b>										
1 January 2016	881,429	190,525	2,493,954	392,301	894,237	193,264	94,738	1,121,020	52,009	6,313,477
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	-	-	(60,890)	41	(8,042)
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	1,498,419	111,147	7,666,627
Capitalised interest	-	-	-	-	-	-	-	58,480	-	58,480
Additions	10,055	5,094	23,943	18,757	139,783	20,545	42,128	766,597	5,941	1,032,843
Disposals/written-off	(174,397)	-	(1,816,712)	(25,593)	(571,023)	(5,917)	(3,078)	(26,394)	(16,163)	(2,639,277)
Transfer in (out)	-	176	(228,438)	114,950	158,925	-	902	(43,830)	(5,536)	(2,851)
Transfer from project development costs	50,321	-	-	-	1,719	86	-	188	-	52,314
Transfer to intangible assets	-	-	-	-	-	-	-	(6,942)	-	(6,942)
Translation adjustment	(2,702)	-	(46,603)	(25,799)	(38,372)	-	(5,747)	(2,721)	(5,436)	(127,380)
31 December 2017	998,958	171,920	845,537	566,960	748,490	217,396	150,803	2,243,797	89,953	6,033,814

(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
<b>Accumulated depreciation</b>										
1 January 2016	-	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
Depreciation for the year	-	6,248	127,691	65,744	205,694	18,926	12,760	-	582	437,645
Depreciation on disposals	-	-	(362,282)	(17,429)	(521,199)	(5,917)	(2,944)	-	(14,651)	(924,422)
Translation adjustment	-	-	(5,103)	(5,594)	(18,135)	-	(1,587)	-	(632)	(31,051)
31 December 2017	-	130,399	19,416	169,833	142,205	152,819	57,816	-	5,926	678,414
<b>Allowance for impairment</b>										
1 January 2016	40,433	4,403	-	-	311	-	-	-	-	45,147
Decrease	(8,161)	-	-	-	(14)	-	-	-	-	(8,175)
31 December 2016	32,272	4,403	-	-	297	-	-	-	-	36,972
31 December 2017	32,272	4,403	-	-	297	-	-	-	-	36,972
<b>Net book value</b>										
31 December 2016	1,083,409	38,096	2,654,237	357,533	581,316	62,872	67,011	1,498,419	90,520	6,433,413
31 December 2017	966,686	37,118	826,121	397,127	605,988	64,577	92,987	2,243,797	84,027	5,318,428
<b>Depreciation for the years</b>										
2016 (Baht 287 million included in cost of sale and the balance included in administrative expenses)										437,358
2017 (Baht 359 million included in cost of sale and the balance included in administrative expenses)										437,645

(Unit: Thousand Baht)

		Separate financial statements						
		Land	Office buildings and clubhouses	Furniture and fixtures	Motor vehicles	Construction in progress	Others	Total
<b>Cost</b>								
1 January 2016		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
Additions		10,045	1,955	43,846	5,384	1,411	-	62,641
Disposals		-	-	(34,136)	-	-	-	(34,136)
Transfer in (out)		-	-	1,243	-	(1,243)	-	-
Transfer from project development costs		-	-	901	-	89	-	990
31 December 2017		42,317	126,320	176,248	26,520	1,041	16,334	388,780
<b>Accumulated depreciation</b>								
1 January 2016		-	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
Depreciation for the year		-	3,073	21,090	2,096	-	147	26,406
Depreciation on disposals		-	-	(33,923)	-	-	-	(33,923)
31 December 2017		-	90,186	94,083	19,680	-	16,249	220,198

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Office buildings and clubhouses	Furniture and fixtures	Motor vehicles	Construction in progress	Others	Total
<b>Allowance for impairment</b>							
1 January 2016	40,433	4,403	311	-	-	-	45,147
Decrease	(8,161)	-	(14)	-	-	-	(8,175)
31 December 2016	32,272	4,403	297	-	-	-	36,972
31 December 2017	32,272	4,403	297	-	-	-	36,972
<b>Net book value</b>							
31 December 2016	-	32,849	57,181	3,552	784	232	94,599
31 December 2017	10,045	31,731	81,868	6,840	1,041	85	131,610
<b>Depreciation for the years as included in administrative expenses</b>							
2016							23,580
2017							26,406

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 5.26% - 5.77% (2016: 4.870% - 5.775%).

As at 31 December 2017, the subsidiaries had vehicles and equipment with net book value of Baht 20 million and JPY 247 million (2016: Baht 11 million and JPY 139 million) which were acquired under hire purchase and finance lease agreements.

As at 31 December 2017, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 782 million and JPY 49 million (2016: Baht 1,120 million and JPY 43 million) (Separate financial statements: Baht 101 million (2016: Baht 112 million)).

As at 31 December 2017, the subsidiaries has mortgaged the land with structures as collateral against the subsidiaries credit facilities from banks with net book value of Baht 3,289 million (2016: Baht 3,679 million).

## 19. Intangible assets - computer software

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost:</b>		
1 January 2016	68,394	13,503
Acquisition	11,792	7,922
Translation adjustment	481	-
31 December 2016	80,667	21,425
Acquisition	5,231	87
Disposals/Write-offs	(30,638)	-
Transfer from property plant and equipment	6,942	-
Translation adjustment	(2,058)	-
31 December 2017	60,144	21,512
<b>Accumulated amortisation:</b>		
1 January 2016	12,170	5,783
Amortisation for the year	17,001	3,190
Translation adjustment	(341)	-
31 December 2016	28,830	8,973
Amortisation for the year	14,002	3,245
Disposals/Write-offs	(28,481)	-
Translation adjustment	(768)	-
31 December 2017	13,583	12,218
<b>Net book value:</b>		
31 December 2016	51,837	12,452
31 December 2017	46,561	9,294

Amortisation expenses for the year recorded in the financial statements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sale	5	6	-	-
Administrative expenses	9	11	3	3
Total	14	17	3	3

## 20. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2016	2,591,372	92,000
Increase	42,000	15,000
31 December 2016	2,633,372	107,000
31 December 2017	2,633,372	107,000
<b>Accumulated amortisation</b>		
1 January 2016	250,923	58,393
Amortisation for the year	167,991	3,220
31 December 2016	418,914	61,613
Amortisation for the year	169,206	4,711
31 December 2017	588,120	66,324
<b>Allowance for impairment</b>		
31 December 2016	189,844	-
31 December 2017	189,844	-
<b>Net book value</b>		
31 December 2016	2,024,614	45,387
31 December 2017	1,855,408	40,676

Amortisation expenses for the year recorded in the financial statements were as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Investment properties	Total	12	-	-
Cost of sale	125	125	-	-
Administrative expenses	44	31	5	3
Total	169	168	5	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	

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.

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)
22 May 2013	Crown Property Bureau	30 years	1 April 2015 to 31 March 2045	27	114	141
30 May 2013	Individual	30 years	1 June 2013 to 31 May 2043	9	24	33

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)
9 April 2013, 26 August 2014 (extended period) and 17 June 2016 (extended period) 24 September 2014	Individual  Individuals	36 years  30 years	9 April 2013 to 31 March 2049  1 February 2017 to 31 January 2047	254  33	350  172	604  205

#### 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 had already paid this compensation guarantee to such company. As at 31 December 2017, the subsidiary received full of this compensation guarantee back from such company (2016: Baht 151 million).

## 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 interest at a rate tied to the Minimum Overdraft Rate (MOR) and mature within January 2018 to March 2018. The loans are secured by the mortgage of land and construction of the Company and its subsidiaries.

## 23. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts payable - related companies	7,082	4,231	15,919	16,087
Trade accounts payable	1,088,344	1,426,712	684,882	913,529
Land payable	-	83,800	-	-
Hotel construction payable	89,486	262,199	-	-
Creditors per rehabilitation plan	6,812	6,812	-	-
Retention payable	90,474	119,774	52,952	61,501
Accrued interest expenses - related company	-	-	657	6,868
Accrued interest expenses	125,161	124,303	119,394	119,233
Accrued expenses - related companies	17,412	-	-	-
Accrued expenses	882,488	678,386	232,216	196,721
Other payables - related company	14,407	-	-	-
Other payables	140,200	157,432	69,929	109,205
Total trade and other payables	2,461,866	2,863,649	1,175,949	1,423,144

## 24. Bills of exchange payable

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	3,727,031	2,794,356
Add: Issuance of bills of exchange	2,053,000	1,255,000
Add: Amortisation of prepaid interest expenses	54,256	38,287
Less: Repayment	(5,373,000)	(3,885,000)
Less: Prepaid interest expenses	(23,611)	(14,412)
Balance as at 31 December 2017	437,676	188,231

### The Company

The bills of exchange are subject to interest at rates of 3.90 % - 3.95% per annum (2016: 3.80% - 4.50% per annum) and mature during March and April 2018. There are no collateral on the bills of exchange.

### Subsidiary

The bills of exchange are subject to interest at a rate of 4.55% per annum (2016: 4.40% - 4.70% per annum) and mature in January 2018. There are no collateral on the bills of exchange.

In January 2018 and up to 22 February 2018, a subsidiary issued bills of exchange with a total value of Baht 350 million, and redeemed bills of exchange amounting to Baht 250 million.

## 25. Debentures

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Unsecured debentures No. 1/2015	-	2,396,926	-	2,396,926
Unsecured debentures No. 2/2015	-	2,495,947	-	2,495,947
Unsecured debentures No. 3/2015	2,997,049	2,992,585	2,997,049	2,992,585
Unsecured debentures No. 4/2015	-	109,850	-	109,850
Unsecured debentures No. 5/2015	2,994,783	2,991,138	2,994,783	2,991,138
Unsecured debentures No. 1/2016	2,992,984	2,989,885	2,992,984	2,989,885
Unsecured debentures No. 2/2016#1	1,548,104	1,546,133	1,548,104	1,546,133
Unsecured debentures No. 2/2016#2	1,446,085	1,444,615	1,446,085	1,444,615
Unsecured debentures No. 3/2016#1	1,197,718	1,196,480	1,197,718	1,196,480
Unsecured debentures No. 3/2016#2	1,196,384	1,195,185	1,196,384	1,195,185
Unsecured debentures No. 4/2016	199,818	199,551	199,818	199,551
Unsecured debentures No. 1/2016	698,563	697,268	-	-
Unsecured debentures No. 2/2016	149,940	149,658	-	-
Unsecured debentures No. 3/2016	199,692	199,470	-	-
Unsecured debentures No. 4/2016	299,777	299,486	-	-
Unsecured debentures No. 1/2017	260,272	-	-	-
Unsecured debentures No. 2/2017	378,765	-	-	-
Unsecured debentures No. 2/2017 #1	426,896	-	426,896	-
Unsecured debentures No. 2/2017 #2	721,665	-	721,665	-
Unsecured debentures No. 3/2017	1,504,292	-	1,504,292	-
Unsecured debentures No. 3/2017	489,855	-	-	-
Unsecured debentures No. 4/2017	1,191,102	-	1,191,102	-
Unsecured debentures No. 4/2017	466,035	-	-	-
Total debentures - net of issuing costs	21,359,779	20,904,177	18,416,880	19,558,295
Less: Current portion	(5,194,688)	(5,002,722)	(4,744,971)	(5,002,722)
Debentures - net of current portion	16,165,091	15,901,455	13,671,909	14,555,573

Movements in the debenture account during the year ended 31 December 2017 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	20,904,177	19,558,295
Add: Issuance of debentures	5,458,600	3,858,000
Add: Amortisation of deferred debenture issuing costs	29,349	25,866
Less: Repayment	(5,010,000)	(5,010,000)
Less: Deferred debenture issuing costs	(22,347)	(15,281)
Balance as at 31 December 2017	21,359,779	18,416,880

#### The Company

On 27 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution approving to issue and offer of debentures, as detailed below.

#### Long-term debentures in an amount not exceeding Baht 5,000 million

- Type : All types and all forms of debentures
- Currency : Baht and/or any foreign currency
- Term : Not over 8 years from the issue date
- Offering : To local investors by a way of public offering and/or private placement and/or to overseas investors and/or local institutional investors in one or several tranches
- Redemption : Debenture holders and the Company may or may not have early redemption rights, as stipulated in the prospectus for each tranche of debentures
- Interest rate : Depends on the state of the market when the debentures are issued and offered, or as stipulated in the prospectus for each tranche of debentures

However, the Company's Board of Directors or authorised persons have the authority to stipulate details regarding the debentures.

#### GRAND

On 24 April 2017, the Annual General Meeting of GRAND's shareholders passed a resolution approving GRAND to issue and offer of debentures, as detailed below.

#### Long-term debentures in an amount not exceeding Baht 4,000 million

- Type : All types and all forms of debentures
- Currency : Baht and/or any foreign currency
- Term : Not over 5 years from the issue date
- Offering : To local investors by a way of public offering and/or private placement and/or to overseas investors and/or local institutional investors in one or several tranches
- Redemption : Debenture holders and the subsidiary may or may not have early redemption rights, as stipulated in the prospectus for each tranche of debentures
- Interest rate : Depends on the state of the market when the debentures are issued and offered, or as stipulated in the prospectus for each tranche of debentures

However, GRAND's Board of Directors or authorised persons have the authority to stipulate details regarding the debentures in the parts which have not yet been determined as appropriateness.

As at 31 December 2017, the outstanding balances are detailed below.

Debentures	Unit	Unit par (Baht)	Total value (Thousand Baht)	Issued date	Term	Maturity date	Coupon rate (% per annum)
<u>The Company</u>							
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. 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
Unsecured debentures No. 2/2017 #1	428,300	1,000	428,300	7 July 2017	2 years	7 July 2019	5.00
Unsecured debentures No. 2/2017 #2	724,400	1,000	724,400	7 July 2017	3 years 9 months	7 April 2021	5.70
Unsecured debentures No. 3/2017	1,509,600	1,000	1,509,600	22 September 2017	4 years	22 September 2021	5.90
Unsecured debentures No. 4/2017	1,195,700	1,000	1,195,700	30 November 2017	4 years	30 November 2021	5.90

Debentures	Unit	Unit par (Baht)	Total value (Thousand Baht)	Issued date	Term	Maturity date	Coupon rate (% per annum)
<b>GRAND</b>							
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
Unsecured debentures No. 1/2017	261,000	1,000	261,000	26 January 2017	2 years 11 months 28 days	23 January 2020	5.35
Unsecured debentures No. 2/2017	380,000	1,000	380,000	5 April 2017	2 years 6 months	5 October 2019	5.75
Unsecured debentures No. 3/2017	491,700	1,000	491,700	22 June 2017	3 years	22 June 2020	5.95
Unsecured debentures No. 4/2017	467,900	1,000	467,900	19 October 2017	3 years	19 October 2020	6.25

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.

## 26. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Long-term loans	5,573,029	5,215,872	3,411,711	2,414,185
Less: Current portion	(1,012,975)	(726,618)	-	(77,590)
Long-term loans - net of current portion	4,560,054	4,489,254	3,411,711	2,336,595

Movements in the long-term loan account during the year ended 31 December 2017 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	5,215,872	2,414,185
Add: Addition	5,969,258	2,780,272
Add: Amortisation of front end fee	7,652	-
Less: Repayment	(5,619,753)	(1,782,746)
Balance as at 31 December 2017	5,573,029	3,411,711

### The Company

As at 31 December 2017, long-term loans consist of 13 facilities granted by 4 financial institutions. The loans are subject to interest at rates tied to the minimum loan rate (MLR) (except for Baht 1,056 million for which a fixed rate is applied) and are to be repaid at rates of not less than 65% - 80% of the selling price each time that a plot of land and house or condominium unit is redeemed from mortgage, between May 2019 and October 2022. They are secured by the mortgage of the Company's land and construction thereon.

### The subsidiaries

As at 31 December 2017, long-term loans consist of 14 facilities granted by 3 financial institutions. The loans are subject to interest at rates tied to the minimum loan rate (MLR) (except for Baht 546 million for which a fixed rate is applied) and are to be repaid at rates of not less than 65% - 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 February 2018 and June 2027. They are secured by guarantees provided by the Company, as discussed in Note 39.4 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 2017, the long-term credit facilities of the Company and its subsidiaries which have not been drawn down amounted to Baht 7,403 million (2016: Baht 9,670 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 2017 and 2016, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Defined benefit obligation at beginning of year</b>	257,743	240,541	154,034	151,204
Included in profit or loss:				
Current service cost	25,400	30,684	9,484	11,187
Interest cost	7,227	8,789	3,771	4,120
Past service cost	1,193	-	-	-
Included in other comprehensive income:				
Actuarial gain				
Demographic assumptions changes	(12,830)	-	(8,379)	-
Financial assumptions changes	(11,318)	-	(8,207)	-
Experience adjustments	(4,393)	-	(10,255)	-
Benefits paid during the year	(6,747)	(22,440)	(2,004)	(12,477)
Transfer employees	-	-	(27,619)	-
Translation adjustments	(272)	169	-	-
<b>Defined benefit obligation at end of year</b>	256,003	257,743	110,825	154,034

Line items in profit or loss under which long-term employee benefit expenses were recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sale	3,960	3,804	-	-
Administrative expenses	29,860	35,669	13,255	15,307
<b>Total expense recognized in profit or loss</b>	33,820	39,473	13,255	15,307

The Company and its subsidiaries expect to pay Baht 12 million of long-term employee benefits during the next year (Separate financial statements: Baht 2 million) (2016: Baht 6 million (Separate financial statements: Baht 4 million)).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit are between 4 years and 15 years (Separate financial statements: 15 years) (2016: Between 4 years and 12 years (separate financial statements: 10 years)).

Principal actuarial assumptions at the valuation date were as follows:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.87 - 2.90	2.0 - 3.3	2.90	3.0
Salary increase rate	4.78 - 6.00	5.0 - 7.0	5.00 - 6.00	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 2017 and 2016 are summarised below:

(Unit: Million Baht)

	31 December 2017	
	Consolidated financial statements	Separate financial statements
Discount rate		
Increase 0.5% - 1.0%	(19)	(10)
Decrease 0.5% - 1.0%	22	11
Salary increase rate		
Increase 1.0%	25	11
Decrease 1.0%	(22)	(10)

(Unit: Million Baht)

	31 December 2016	
	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	
	2017	2016	2017	2016
Balance as at the beginning of the year	147,694	143,914	117,997	117,272
Increase	16,999	14,726	12,223	10,473
Decrease	(4,252)	(10,946)	(3,773)	(9,748)
Balance as at the end of the year	160,441	147,694	126,447	117,997

#### 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

On 26 December 2016 and 15 February 2017, meetings of the Company's Board of Directors passed resolutions to offer, respectively, 300 million and 700 million newly issued ordinary shares with a par value of Baht 1 each, to specific investors at a price of Baht 1 per share. The Company received payments for the shares on 28 December 2016 and 10 March 2017. The Company had costs related to an issuance of newly ordinary shares of approximately Baht 12 million after tax benefits which were recorded to ordinary share discount.

As at 31 December 2017, the Company's issued and paid up share capital had increased to Baht 8,667,826,432 (8,667,826,432 ordinary shares with a par value of Baht 1 each) as a result of the issues and offerings of these new ordinary shares. The Company registered the increases in its issued and paid up share capital with the Ministry of Commerce on 9 January 2017 and 15 March 2017, respectively.

## 30. Subordinated perpetual debentures

On 27 April 2017, the Company issued Baht 448 million (comprising 447,700 units of Baht 1,000 each) of subordinated perpetual debentures ("the debentures") to institutional investors and high net worth investors. The debentures are registered, unsecured, unconvertible, with a debenture holders' representative and are to be redeemed in a lump sum when the Company ceases its business. Interest is payable every 3 months. The Company has an option to defer interest payment and accumulate interest to pay at any date at its discretion. In the event that the Company defers interest payment it may not declare or pay any dividend, or pay interest or distribute assets to the holders of securities of the Company that legally have equal seniority or are subordinate to the debentures, and it cannot recall, decrease, cancel, purchase or repurchase those of its securities that legally have equal seniority or are subordinate to the debentures. The Company is entitled to redeem the debentures at a date 5 years from the issue date or in accordance with other conditions stipulated in the prospectus.

The interest rate of the debentures can be summarised as follows:

Years 1 - 5	: 9.50% per annum
Years 6 - 25	: 5-year government bond yields + 7.61% per annum
Year 26 onwards	: 5-year government bond yields + 8.36% per annum

The 5-year government bond yields will be adjusted every five years.

The Company had costs related to an issuance of subordinated perpetual debenture of approximately Baht 4 million after tax benefits which were recorded to ordinary share discount.

## 31. 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.

## 32. Loss on sales of assets to trust

On 2 October 2017, the office of the Securities and Exchange Commission approved the incorporation of Grande Hospitality Real Estate Investment Trust (“GAHREIT”).

Subsequently, on 6 October 2017, GRAND invested in 17.55 million unit trusts of GAHREIT of Baht 10 each, representing 10% of all units of GAHREIT, or a total of Baht 175.5 million.

On 12 October 2017, HONOR entered into agreements, of which the significant details are summarised as follows.

a) Contract to buy and to sell immovable assets of the Sheraton Hua Hin Resort & Spa Project

HONOR entered into a contract to buy and to sell immovable assets with BBL Asset Management Company Limited (“BBLAM”), as the trustee of GAHREIT, amounting to Baht 1,695 million, approximately. On 12 October 2017, HONOR has already received full payment and transferred the assets.

b) Movable assets sales contract of the Sheraton Hua Hin Resort & Spa Project

HONOR entered into a movable assets sales contract with BBLAM, as the trustee of GAHREIT, amounting to Baht 55 million (including vat), approximately. On 12 October 2017, HONOR has already received full payment and transferred the assets.

c) Lease agreement for immovable assets and movable assets of the Sheraton Hua Hin Resort & Spa Project

HONOR entered into an agreement with BBLAM, as the trustee of GAHREIT, to lease the assets that HONOR sold and transferred to GAHREIT, namely land for rent, building for rent and movable assets for the operation of the Sheraton Hua Hin Resort & Spa. The term of the lease is 3 years starting from the date the lease agreement is signed, with each party having the right to renew the lease 4 times, for periods of 3 years each time. HONOR agreed to pay monthly rental expenses at the rates specified in the lease agreement. The total rental fee for the period of 15 years would thus be Baht 1,962 million. On the agreement date, HONOR deposited Baht 88 million as a performance guarantee for the lease agreement.

d) Under taking agreement for Sheraton Hua Hin Resort & Spa Project

HONOR and GRAND entered into an under taking agreement for the Sheraton Hua Hin Resort & Spa project with BBLAM, acting as trustee on behalf of GAHREIT, with respect to proceed with the following significant actions:

- The retention of HONOR’s permit and compliance with laws related to the hotel operation.
- Granting GAHREIT the right to use the land, way, and/or other facilities required for the hotel operation. HONOR agreed to impose and register servitude on the plots of land per the title deeds specified in the contract to buy and to sell immovable assets, without consideration and within a specified timeframe.
- GRAND agreed to provide financial support to HONOR.
- GRAND and/or the same group of individuals agreed to maintain their holdings in units of GAHREIT at no more than 10 percent of all GAHREIT units issued and offered under an IPO, and agreed not to dispose of, distribute or transfer the units for a period of 3 years from the beginning of the lease term under the lease agreement.

- GRAND also agreed to maintain its shareholding in HONOR at not less than 99.99 percent.
  - GRAND, HONOR and/or the group companies are not to operate a hotel business within a radius of the location of the hotel as specified in the lease agreement from the effective date of the lease agreement for immovable and movable properties under the project.
- e) Rental guarantee agreement

HONOR and GRAND entered into a rental guarantee agreement with BBLAM, as the trustee of GAHREIT, whereby GRAND agreed to bind itself as a guarantor of the rental income GAHREIT is to receive from tenant, and as a co-debtor of the tenant, for the amounts and periods specified in the lease agreement for immovable and movable properties and the above under taking agreement.

The management of GRAND and HONOR carried out thorough and detailed consideration of the substance of the transaction and accounting practices related to the sale of the assets of HONOR to GAHREIT, as summarised below:

- 1) HONOR can recognise the sale of asset transactions because the significant risks and rewards of ownership of the asset have been transferred to GAHREIT. Moreover, as a result of the sale, HONOR has no longer any control over the assets and GAHREIT has no obligation to lease exclusively to HONOR. The transaction can therefore be considered a sale without recourse and recorded as an asset sale.
- 2) Revenues from sales of assets and costs of sales are reliably estimated.
- 3) The leaseback was tested based on the criteria identified in TAS 17 Lease agreements and it was concluded that it is an operating lease.
- 4) The Board of Directors evaluated the substance of the operating lease agreement and concluded that it guaranteed the rental income of GAHREIT for a period of 15 years and that it thus gave rise to future commitments for GRAND. Management therefore estimated the present value of the excess of the annual revenue projection of Sheraton Hua Hin Resort & Spa Hotel over the rental expense for the period of 15 years and, as a result, no allowance for losses incurred as a result of the rental guarantee was recorded in the statement of comprehensive income for the current year.

In summary, the Company recognised a loss on the sales of the assets of Baht 71 million and presented it separately under the caption of "loss on sales of assets to trust" in the consolidated statement of comprehensive income for the year ended 31 December 2017. Costs of the transaction were amortised based on Baht 1,074 million book value of the assets transferred to GAHREIT. Furthermore, the Company separately presented the deposit of Baht 88 million that HONOR pledged as a guarantee of performance of the lessee's obligations under the lease agreement as "Guarantee for lease agreement" in the consolidated statement of financial position.

The sales of assets were summarised below:

(Unit: Million Baht)

	Consolidated financial statements
Selling prices of assets	1,746
Costs of assets	(1,074)
Gain on sales of assets	672
Less: Expenses of selling assets	(109)
Gain on sales of assets	563
Less: Fair value from assets revaluation at acquisition date	(634)
Loss on sales of assets to GAHREIT at transfer date	(71)

### 33. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Salaries, wages and other employee benefits	1,484,218	1,404,450	389,359	417,314
Depreciation and amortization	758,752	747,198	34,364	29,991
Rental and service expenses from operating lease and service agreements	787,342	694,905	349,290	301,468
Specific business tax and transfer fees	529,527	438,628	313,410	279,106
Marketing expenses	625,892	572,699	315,799	292,849
Project management expenses	254,043	224,809	176,905	168,637
Real estate development during the year	6,374,440	11,925,555	3,608,563	7,065,736
Changes in real estate projects	1,769,554	(4,389,471)	1,261,310	(2,572,761)
Finance cost	1,594,169	1,476,044	1,300,402	1,265,925

## 34. Income tax

Income tax for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Current income tax charge	361,647	276,625	129,480	129,236
Adjustment in respect of income tax of previous year	122	5,180	-	-
Income tax directly related to shareholders' equity	9,854	-	9,854	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(137,421)	3,505	11,129	27,192
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>234,202</b>	<b>285,310</b>	<b>150,463</b>	<b>156,428</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax relating to gain (loss) on change in value of available-for-sale investments	(906)	1,706	(906)	1,706
Deferred tax relating to actuarial gain	5,452	-	5,368	-
	4,546	1,706	4,462	1,706

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	550,471	617,598	823,434	667,948
Income tax at Thai corporate income tax rate of 20%	110,094	123,520	164,687	133,590
Adjustment in respect of current income tax of previous year	122	5,180	-	-
Effects of deferred tax on temporary differences	60,505	(1,973)	(5,368)	-
Effects of utilisation of previously unrecognised deferred tax on temporary differences	(88,697)	-	-	-
Effect of deductible expenses	-	(4,933)	-	(4,000)
Effect of non-deductible expenses	46,666	33,499	18,813	15,376
Effect of additional taxable income	26,430	12,978	13,628	12,939
Effect of non-taxable income	(4,113)	(1,723)	(41,297)	(1,477)
Effect of loss for the year at corporate income tax rates of subsidiaries	118,126	149,576	-	-
Difference of tax rates in group companies	(35,349)	(32,588)	-	-
Others	418	1,774	-	-
Income tax expenses reported in the statement of comprehensive income	234,202	285,310	150,463	156,428

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries is between 0 % and 35.03% (2016: Between 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	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Reduction of cost of project development costs to net realisable value and allowance for asset impairment	33,656	34,602	28,119	29,924
Provision for long-term employee benefits	38,263	40,761	22,165	30,807
Provision for loss arising from rental guarantee	-	1,634	-	1,634
Provision for compensation for Housing Estate Juristic Persons	31,083	28,583	24,091	22,394
Deposits and cash received in advance and installments due per agreements	13,585	5,618	-	-
Unused tax loss	59,455	101,755	-	-
Difference of tax and accounting of borrowing costs	41,694	45,993	41,694	45,993
Difference of tax and accounting of cost of clubhouses	51,246	49,206	39,411	39,478
Provision on warranty of real estate projects	22,208	13,149	2,005	379
Deferred income	9,246	4,513	9,246	1,525
Deferred tax relating to eliminated transactions	43,438	47,116	-	-
Others	18,296	5,535	11,214	1,164
<b>Total</b>	<b>362,170</b>	<b>378,465</b>	<b>177,945</b>	<b>173,298</b>
<b>Deferred tax liabilities</b>				
Fair value adjustment of assets as at business combination date	(198,546)	(382,340)	-	-
Difference of tax and accounting of hotel buildings and hotel building improvements	(31,770)	(26,722)	-	-
Difference on cross currency swap rate and closing rate	(38,232)	(17,994)	(38,232)	(17,994)
Others	(6,180)	(524)	-	-
<b>Total</b>	<b>(274,728)</b>	<b>(427,580)</b>	<b>(38,232)</b>	<b>(17,994)</b>
<b>Deferred tax assets (liabilities) - net</b>	<b>87,442</b>	<b>(49,115)</b>	<b>139,713</b>	<b>155,304</b>
<b>Presented as</b>				
Deferred tax assets - net	313,142	353,931	139,713	155,304
Deferred tax liabilities - net	(225,700)	(403,046)	-	-
<b>Net</b>	<b>87,442</b>	<b>(49,115)</b>	<b>139,713</b>	<b>155,304</b>

As at 31 December 2017, the subsidiaries had deductible temporary differences and unused tax losses totaling Baht 973 million and JPY 3,644 million (2016: Baht 1,197 million and JPY 3,686 million). Deferred tax assets were not recognised as the 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 380 million (2016: Baht 807 million) will expire by 2022 and the unused tax losses of the subsidiaries in Japan amounting to JPY 3,644 million (2016: JPY 3,686 million) will expire by 2026.

## 35. 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) less cumulative coupon payment on subordinated perpetual debentures by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the year attributable to equity holders of the Company	284,757	399,502	672,971	511,520
Less: Cumulative coupon payment subordinated perpetual debenture - net of tax benefits	(23,212)	-	(23,212)	-
Profit used in calculations of earnings per share	261,545	399,502	649,759	511,520
Weighted average number of ordinary shares (thousand shares)	8,537,415	7,671,114	8,537,415	7,671,114
Earnings per share (Baht)	0.0306	0.0521	0.0761	0.0667

## 36. 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 2017 and 2016, respectively.

(Unit: Million Baht)

	Property development segment		Construction segment		Rental and service segment		Hotel segment		Elimination of inter-segment revenues		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from external customers	13,446	12,465	33	89	344	361	2,323	2,194	-	-	16,146	15,109
Intersegment revenues	-	9	246	459	34	138	-	-	(280)	(606)	-	-
Total revenues	13,446	12,474	279	548	378	499	2,323	2,194	(280)	(606)	16,146	15,109
Segment operating profit (loss)	4,649	4,320	(7)	20	(4)	(7)	718	620	-	-	5,356	4,953
Unallocated income and expenses:												
Gains on sales of rights in land purchases											105	119
Interest income											82	29
Other income											398	295
Selling expenses											(1,572)	(1,306)
Administrative expenses											(2,733)	(2,583)
Share of loss from investments in joint ventures											(73)	(22)
Loss on sales of assets to trust											(71)	-
Finance cost											(941)	(867)
Income tax expenses											(234)	(285)
Non-controlling interests of the subsidiaries											(32)	67
Profit for the year											285	400

### Geographic information

Revenues from external customers are based on locations of the customers.

(Unit: Thousand Baht)

	2017	2016
Revenues from external customers		
Thailand	14,915,489	13,994,459
Japan	1,230,164	1,114,945
Total	16,145,653	15,109,404
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	13,216,713	15,952,340
Japan	1,632,050	1,621,205
Total	14,848,763	17,573,545

## 37. 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 2017 amounting to approximately Baht 42 million (2016: Baht 39 million) (Separate financial statements: Baht 18 million (2016: Baht 20 million)) were recognised as expenses.

## 38. Dividends

	Approved by	Total dividends	Dividend per share
Final dividend for 2015	Annual General Meeting of the shareholders on 28 April 2016	Baht 230 million	Baht 0.03
Final dividend for 2016	Annual General Meeting of the shareholders on 27 April 2017	Baht 347 million	Baht 0.04

## 39. Commitments and contingent liabilities

As at 31 December 2017, the Company and its subsidiaries had commitments and contingent liabilities as follows:

### 39.1 Capital commitments

- a) The Company and its subsidiaries had outstanding capital commitments of approximately Baht 2,353 million and JPY 157 million (Separate financial statements: Baht 682 million) (2016: Baht 3,310 million and JPY 530 million (Separate financial statements: Baht 485million)) 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) The Company and its subsidiaries had outstanding capital commitments of approximately Baht 2,706 million (Separate financial statements: Baht 1,771 million) (31 December 2016: Baht 3,300 million (Separate financial statements: Baht 1,416 million)) in respect of purchases of land.
- c) A subsidiary had outstanding capital commitments of approximately Baht 10 million (2016: Baht 13 million) in respect of land lease for real estate development.

### 39.2 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	
	2017	2016
Payable within:		
Less than 1 year	Baht 312 million and JPY 1 million	Baht 168 million and JPY 3 million
2 to 5 years	Baht 1,002 million and JPY 1 million	Baht 457 million and JPY 2 million
Over 5 years	Baht 5,817 million	Baht 4,651 million

	Separate financial statements	
	2017	2016
Payable within:		
Less than 1 year	Baht 87 million	Baht 74 million
2 to 5 years	Baht 197 million	Baht 147 million
Over 5 years	Baht 2,271 million	Baht 2,341 million

In addition, future minimum sublease payments expected to be received under non-cancellable subleases were as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	2017	2016
Receivable within:		
1 year	195	204
2 to 3 years	11	108

### 39.3 Service agreement commitments

Type of agreement	Contract parties	Fee rate	Start	End
<b>The Company</b>				
1. Financial advisor agreement	A domestic company	b)	2013	Mutual agreement
<b>Subsidiaries</b>				
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)	2013	2032
4. Hotel management agreement	A subsidiary and an overseas company	a)	2013	2032

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	
	2017	2016
Payable within:		
1 year	27	30
2 to 5 years	16	20

### 39.4 Guarantees

- The Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 7,298 million (2016: Baht 6,393 million).
- As at 31 December 2017, a subsidiary has obligations in respect of its guarantee of the revenue that related party will received from another subsidiary due to the operating lease agreement as described in Note 32 e) and 39.2 to the financial statement (2016: Nil).

- c) 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	
	2017	2016	2017	2016
Public facilities	1,360	1,084	946	699

## 39.5 Litigations

Outstanding litigations as at 31 December 2017 were detailed below.

- a) The Company was sued by 97 residents of a project with claims for damages totaling Baht 111 million for breaches of contract, accusing the Company of fraud, and claiming for depreciation in the value of land and houses. In June 2017, the Court of Appeal ordered the Company to pay the plaintiffs Baht 8 million plus interest at a rate of 7.5% per annum. The Company is in the process of appealing to the Supreme Court. However, the management of the Company believes that the Company will not incur significant losses as a result of the cases, and the Company has therefore 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. 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. 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 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.

- e) The Company was sued by a group of residents of a project over the project's access to public roads. In fact, when requesting permission for land division 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. In June 2017, the Court of First Instance ordered the Company to register rights of servitude on land of the Company connected with the expressway and, with respect to the damages, if residents do not wish to use this access, the Company is to pay them compensation of Baht 0.32 million per month, counting from the date the residents were unable to use the access road or the date they stated in writing they did not intend to use the access road. The Company filed an appeal against the judgment of the Court of First Instance, which is currently considering the case. Management of the Company is of the opinion that the residents did not suffer damages in the amounts claimed 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 litigation.
  
- f) In May 2017, the Company was sued by a group of residents of a project over the project's access to public roads. In fact, when requesting permission for land division 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 44 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 being considered by the Court of First Instance. Management of the Company is of the opinion that the residents did not suffer damages in the amounts claimed 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 litigation.
  
- g) One lawsuit was 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 judgment 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 judgment of the Court of Appeal followed by the judgment 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 judgment of the Court of Appeal on 29 July 2016. On 3 October 2016, the subsidiary filed an answer to the petition. Subsequently, on 12 December 2017, the Pattaya Provincial Court read the judgement of the Supreme Court, which upheld the judgment of the Court of Appeal, ordering the dismissal of the plaintiff's claim, with each part to pay their own costs. Therefore, the case was finalised.

## 40. Fair value hierarchy

As at 31 December 2017, 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			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	179	-	-	179
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	3,017	3,017
Derivatives				
Cross currency and interest rate swap agreements	-	136	-	136
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	21,507	-	21,507

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	108	-	-	108
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	1,097	1,097
Derivatives				
Cross currency and interest rate swap agreements	-	58	-	58
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	21,015	-	21,015

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	4	-	-	4
<b>Assets for which fair value are disclosed</b>				
Derivatives				
Cross currency and interest rate swap agreements	-	136	-	136
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	18,558	-	18,558

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	108	-	-	108
<b>Assets for which fair value are disclosed</b>				
Derivatives				
Cross currency and interest rate swap agreements	-	58	-	58
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	19,667	-	19,667

## 41. Financial instruments

### 41.1 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
<ul style="list-style-type: none"> <li>• Cash and cash equivalents</li> <li>• Trade and other receivables</li> <li>• Receivable from sales of land</li> <li>• Short-term loans to related companies</li> <li>• Pledged and restricted withdrawal bank deposits</li> <li>• Long-term loans to related companies</li> </ul>	<ul style="list-style-type: none"> <li>• Short-term loans from financial institutions</li> <li>• Trade and other payables</li> <li>• Bills of exchange payable</li> <li>• Short-term loans from related companies</li> <li>• Debentures</li> <li>• Long-term loans</li> </ul>

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 borrowings. 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 2017						
	Consolidated financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							(% p.a.)
Cash and cash equivalents	148	-	-	3,632	167	3,947	0.10 - 1.70
Trade and other receivables	-	-	-	-	376	376	-
Receivable from sales of land	337	-	-	-	-	337	1.80 - 1.85
Short-term loans to related companies	-	-	-	666	-	666	6.25 - 9.00
Pledged and restricted withdrawal bank deposits	21	-	-	105	-	126	0.38 - 1.05
	506	-	-	4,403	543	5,452	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	-	-	-	352	-	352	Note 22
Trade and other payables	-	-	-	-	2,462	2,462	-
Bills of exchange payable	438	-	-	-	-	438	Note 24
Debentures	5,195	16,165	-	-	-	21,360	Note 25
Long-term loans	-	1,057	546	3,970	-	5,573	Note 26
	5,633	17,222	546	4,322	2,462	30,185	

(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				
<b>Financial assets</b>							(% p.a.)
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 และ 5.55
Short-term loans to related companies	60	-	-	-	-	60	6.25
Pledged and restricted withdrawal bank deposits	16	-	-	86	-	102	0.88 - 1.35
	682	-	-	2,139	661	3,482	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	-	-	-	20	-	20	Note 22
Trade and other payables	-	-	-	-	2,864	2,864	-
Bills of exchange payable	3,727	-	-	-	-	3,727	Note 24
Debentures	5,003	15,901	-	-	-	20,904	Note 25
Long-term loans	-	998	-	4,218	-	5,216	Note 26
	8,730	16,899	-	4,238	2,864	32,731	

(Unit: Million Baht)

	As at 31 December 2017						
	Separate financial statements						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years				
<b>Financial assets</b>							(% p.a.)
Cash and cash equivalents	-	-	-	1,340	11	1,351	0.10 - 1.00
Trade and other receivables	-	-	-	-	189	189	-
Receivable from sales of land	337	-	-	-	-	337	1.80 - 1.85
Pledged and restricted withdrawal bank deposits	1	-	-	90	-	91	0.38 - 1.00
Long-term loans to related companies	-	-	-	6,235	-	6,235	5.37 - 5.58
	338	-	-	7,665	200	8,203	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	-	-	-	20	-	20	Note 22
Trade and other payables	-	-	-	-	1,176	1,176	-
Bills of exchange payable	188	-	-	-	-	188	Note 24
Short-term loan from related party	-	-	-	284	-	284	6.03
Debentures	4,745	13,672	-	-	-	18,417	Note 25
Long-term loans	-	1,056	-	2,356	-	3,412	Note 26
	4,933	14,728	-	2,660	1,176	23,497	

(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				
<b>Financial assets</b>							(% p.a.)
Cash and cash equivalents	-	-	-	741	308	1,049	0.10 - 1.10
Trade and other receivables	-	-	-	-	202	202	-
Pledged and restricted withdrawal bank deposits							
Long-term loans to related companies	1	-	-	52	-	53	0.38 - 1.00
	-	-	-	7,498	-	7,498	3.80 - 5.64
Financial liabilities	1	-	-	8,291	510	8,802	
<b>Short-term loans from financial institutions</b>							
Trade and other payables	-	-	-	20	-	20	Note 22
Bills of exchange payable	-	-	-	-	1,423	1,423	-
Short-term loan from related party	2,794	-	-	-	-	2,794	Note 24
Debentures	-	-	-	285	-	285	6.03 - 6.28
Long-term loans	5,003	14,555	-	-	-	19,558	Note 25
Long-term loans	-	548	-	1,866	-	2,414	Note 26
	7,797	15,103	-	2,171	1,423	26,494	

**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 2017, the Company had loans in foreign currency amounting to JPY 5,642 million and had entered into cross currency and interest rate swap agreements for the loans. The contractual rates are Baht 0.2868 to Baht 0.3225 per JPY 1 and interest calculation is changed from fixed interest rates of 3.55 - 3.85% per annum for loans in JPY to fixed interest rates 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.

**41.2 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	
	2017	2016	2017	2016
<b>Financial liabilities</b>				
Debentures	21,360	20,904	21,507	21,015

(Unit: Million Baht)

	Separate financial statements			
	Carrying amount		Fair value	
	2017	2016	2017	2016
<b>Financial liabilities</b>				
Debentures	18,417	19,558	18,558	19,667

The estimated fair value of the derivatives was as follows:

(Unit: Million Baht)

	Separate financial statements	
	2017	2016
	Fair value	Fair value
<b>Derivatives</b>		
Cross currency and interest rate swap agreements	Gain 136	Gain 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, short-term loans, accounts payable, deposits and cash received in advance and short-term borrowings, 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 Company had considered to counterparty credit risk when determining the fair value of derivatives

During the current year, there were no transfers within the fair value hierarchy.

## 42. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 2.16:1 (2016: 2.50:1) and the Company's was 1.98:1 (2016: 2.54:1).

## 43. Events after the reporting period

**43.1** On 14 February 2018, GRAND's Board of Directors' Meeting passed a resolution approving the significant transactions as detailed below:

a) To pay dividends in respect of the 2017 operating results to GRAND's shareholders, as detailed below:

Dividend paid as	Dividend (Thousand Baht)	Dividend per share (Baht)
Ordinary shares (not exceeding 115,561,569 shares of Baht 1 each)	115,562	0.040000
Cash	12,841	0.004445
Total	128,403	0.044445

b) To change in the allocation of the newly issued ordinary shares offered through a placement in accordance with a resolution of GRAND's 2017 Annual General Meeting of shareholders, as described in Note 12.1 d) to the financial statements, as follows:

1. Distribute 115,561,569 addition ordinary shares of Baht 1 each in order to pay as dividend, to the existing shareholders of GRAND.
2. Distribute and offer 1,128,687,423 additional ordinary shares of Baht 1 each, to a private of investors.

**43.2** On 22 February 2018, a meeting of the Company's Board of Directors passed the following significant resolutions:

- a) Approved the issue and offer of up to Baht 5,000 million of debentures with a tenor of not more than 8 years.
- b) Approved the proposal of a dividend payment of Baht 0.05 per share, totaling Baht 433.39 million, in respect of the year 2017 operating results.

## 44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2018.

## 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 2017

## 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 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 convened 6 meetings with full attendance of all members. The meeting minutes were submitted to the Board of Directors on a quarterly basis and the committee performance was evaluated yearly. The Audit Committee's summarized performance is as follows:

### 1. Financial statements audit

The Audit Committee reviewed the audited quarterly and annual financial statements for 2017 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. Internal control and risk management review

The Audit Committee reviewed the internal control and evaluate the appropriateness and sufficiency of the internal control accordingly to the evaluation form of the Office of the Securities and Exchange Commission (SEC). It reviewed the risk management guidelines prepared by the internal audit office and the office's internal control evaluation result, as well as followed up on the Company's compliance with the 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.

The Audit Committee continuously followed up on the Risk Management Committee's plans and results, to ensure the effectiveness of the Company's risk management

### 3. Review on compliance with relevant 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.

#### 4. Review of connected transactions or transactions with possible conflict of interests

The Audit Committee reviewed the appropriateness and sufficiency of the procedures concerning the transactions with individuals or juristic entities connected to the Company. The review of connected transactions during 2017 showed all complied with the specified rules and procedures. All were proved necessary and appropriate, having the Company's maximum benefits as the focal point.

The Audit Committee viewed that the connected transactions were made to bolster the Company's and subsidiaries' businesses, as a normal business practice. All were completely disclosed as required by relevant regulations.

#### 5. Internal audit supervision

The Audit Committee reviewed the committee's charter and the internal control office's charter every year. 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. Auditor selection for 2018

The Audit Committee selected and nominated the auditor as well as set the auditing fee for the year 2018. 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, independence and the recognition of the accounting firm's standard. The Board of Directors agreed to the Audit Committee's nominations — Mr. Charnchai Chaiprasit (certified auditor No. 3760), Mr. Pisit Thangthanakul (certified auditor No. 4095) and Miss Napanuch Apichartsathien (certified auditor No. 5266) from PricewaterhouseCoopers ABAS Limited.

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

2 March 2018

## AUDITOR FEE ACCURACY SANCTIFICATION FORM

The Fiscal Year End on 31 December 2017

Item	Payer	Auditor	Fee
Audit Fee			
1	Property Perfect Public Company Limited	EY Office Limited	2,450,000
2	Subsidiaries and Joint Venture Company	EY Office Limited	10,288,000
Total			12,738,000

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