

PROPERTY **PERFECT**

PROPERTY PERFECT PUBLIC COMPANY LIMITED

# ANNUAL REPORT 2018





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## MESSAGE FROM THE BOARD OF DIRECTORS



**Dr. Thanong Bidaya**  
Chairman

**Mr. Chainid Adhyanasakul**  
Chief Executive Officer

Thailand witnessed continuous economic recovery in 2018 thanks to expansion in exports and tourism as well as public investment in several mega projects that included electric train lines and high-speed train projects. The condition boosted growth in the real estate industry above what it enjoyed in 2017, in terms of supply and demand. Property transfers were also rushed before the Bank of Thailand's stricter loan-to-value (LTV) measure will take effect on 1 April 2019.

In 2018, the Company posted Bt18,844.04 million in consolidated revenue, a 16.4% increase from the previous year. Of total, the property development business generated Bt14,353.33 million or a 17.5% increase: the

hotel business contributed Bt2,914.76 million or a 25.5% rise thanks to the realization of revenue from 2 new properties which are Royal Orchid Sheraton and Hyatt Regency Bangkok Sukhumvit in the second half; rental and service revenue generated Bt342.71 million, down by 10.1%; and revenue from land sale generated Bt1,233.23 million. The Group also gained Bt235.39 million from the purchase of Royal Orchid Hotel (Thailand) and Bt567.59 million from other revenues. In the year, the Company and subsidiaries launched 18 new projects worth totally Bt18,350 million: consisting of 16 low-rise projects worth Bt16,550 million and 2 high-rise projects worth Bt1,800 million.

In 2018, the revenue growth was maintained under the “Take Off 2018” business plan, designed to forge strategic partnership with top international property developers who can enhance the Company’s brands. In the year, the Company signed a joint venture pact with **Hongkong Land** to jointly develop 2 high-end housing estates: one in Chaeng Wattana area worth Bt10,000 and the other in Bang Na area worth Bt5,000. The Company also partnered with **Sumitomo Forestry Company Limited** in developing 2 high-end condominiums in CBD area worth totally Bt16,000: one in Thonglor area facing Sukhumvit Road worth Bt6,000 million and the other on Charoennakorn Road facing the Chao Phraya River worth Bt10,000 million. Together, we plan a housing estate worth Bt7,000 million targeting middle-income buyers. The plan entails **Sekisui Chemical Company Limited** as a partner of a high-end modular housing estate valued at Bt2,200 million. The Company will start realizing profits from single house projects from 2019 onwards. In the year, “YU Kiroro” was launched as the first property in the Company’s international real estate portfolio. Being a part of Kiroro Resort, the condominium project is valued at Bt4,000 and expected to support Kiroro Resort’s turnaround. Regarding the hotel business, the Board of Directors approved the acquisition of Royal Orchid Sheraton Hotel, which will be the flagship hotel in the Company’s hotel portfolio thanks to its potential in driving the Company’s profitability. However, the aggressive business plan raised the Company’s debt to equity ratio to 1.88:1 from 1.58:1 in 2017.

Looking forward, the Board of Directors will strive to further drive the Company forward, for greater revenue and profits and lower debts. We will also emphasize sustainable conservation of the environment, on top of existing environmental-friendly and energy-saving projects, both low rise and high rise. Our focus is placed on designs to incorporate energy-saving features, environmental-friendly materials and best available technology to ensure comfort and pollutant-free environment. Three new lakes will be prevailed in Bang Na, Chaeng Wattana and Pathum Thani, encompassing

a total of 183 rai, to help bring down temperature. Large-scale projects will accommodate more trees for greater green areas. The ratio of prefab houses will be increased to 80% to reduce construction waste. To save energy, solar rooftops will be installed to power Club House and Sales Gallery.

The Company plans to launch 18 residential projects in 2019 with a combined value of Bt22,300 million: 16 low-rise projects worth Bt18,000 million; a Pracha Rath condominium project worth Bt2,000 million; and a mixed-use development project in Rayong province worth Bt2,300 million. Our joint ventures will introduce 2 high-end housing estates in Chaeng Wattana and Bang Na areas as well as 2 high-end condominium projects in Thonglor area and on Charoennakorn Road as mentioned above. These properties will further raise our share in the premium segment.

Regarding the hotel business, additional revenue from Hyatt Regency Bangkok Sukhumvit and Royal Orchid Sheraton Hotel (ROH) will stabilize the Company’s revenue streams and reduces its dependence on a particular business. Our hotel portfolio will have 7 properties with a total of 2,077 rooms. When the time is right, they will be sold to a real estate investment trust (REIT). Meanwhile, the Board of Directors expects the financial restructuring of Kiroro Resort to bear fruit within 2019, following the launch of YU Kiroro condominium. The project has won warm response from Japanese and overseas customers, effectively lowering the backlog to only Bt1,032 million at the end of 2018.

On behalf of the Board of Directors, we wish to express our appreciation to the shareholders, customers, investors, suppliers, business partners and financial institutions for your continuous support and hard work. Our thanks also go to the Management and all employees for their hard work and dedication in the past year. Lastly, the Board of Directors mourns the departure of Dr. Tawatchai Nakhata who died after a heart attack on 31 October 2018. Dr. Tawatchai had been the Company’s chairman for 27 years before leaving us at the age of 68. His departure is thus a great loss to the Company.



# FINANCIAL INFORMATION

## PROPERTY PERFECT PUBLIC COMPANY LIMITED

(Unit: Million Baht)

	2018	2017 (Revised)	2016
<b>Financial Position</b>			
Total Assets	57,566	47,684	48,790
Project Development Cost	26,563	24,289	25,303
Inventories	42	41	35
Total Liabilities	41,838	32,429	34,853
Shareholders' Equity	15,728	15,255	13,937
<b>Operation Results</b>			
Revenue from sale of house and land, Hotel business, Rental and service	18,844	16,183	15,109
Total Revenue	19,647	16,705	15,553
Gross Margin	6,430	5,296	4,953
Net Income	694	475	332
<b>Financial Ratio</b>			
Net Profit (%)	3.53	2.84	2.14
Return on Equity (%)	4.30	3.68	3.58
Return on Total Asset (%)	1.32	0.98	0.72
Debt to Equity Ratio	2.66	2.13	2.50
Current Ratio	2.64	2.77	2.19
<b>Per Share Data</b>			
Net Income per Share (Baht)	0.134	0.09	0.066
Dividend per share (Baht)	0.066	0.05	0.04
Book value per share (Baht)	1.49	1.46	1.49





#### Company and Subsidiaries Information

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



## Legal Entity, The company hold 10% up

## The Company and Subsidiaries , Directly Owned

**Name : Estate Perfect Company Limited**

Type of Business : Real Estate Development  
 Address : 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang  
 Bangkok 10310.  
 Telephone Number : 0-2245-6640-8, 02-247-7500-4  
 Fax : 0-2246-0733  
 No. of Paid-up Share : 120,000,000 Shares  
 Par Value : Baht 10  
 Paid-up Capital : Baht 1,200,000,000  
 Percentage of Investment : 100%

**Name : Bright Development Bangkok Company Limited**

Type of Business : Real Estate Development  
 Address : 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang,  
 Bangkok 10310.  
 Telephone Number : 0-2245-6640-8, 02-247-7500-4  
 Fax : 0-2246-0733  
 No. of Paid-up Share : 10,000,000 Shares  
 Par Value : Baht 100  
 Paid-up Capital : Baht 1,000,000,000  
 Percentage of Investment : 100%

**Name : Residence Number Nine Company Limited**

Type of Business : Real Estate Development  
 Address : 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang,  
 Bangkok 10310.  
 Telephone Number : 0-2245-6640-8, 02-247-7500-4  
 Fax : 0-2246-0733  
 No. of Paid-up Share : 10,000,000 Shares  
 Par Value : Baht 100  
 Paid-up Capital : Baht 1,000,000,000  
 Percentage of Investment : 100%

**Name : Chiangmai Development Company Limited**

Type of Business : Real Estate Development  
 Address : 17th Flr., Vorasombat Bldg. 100/1 Rama IX Road, Huaykwang,  
 Bangkok 10310.  
 Telephone Number : 0-2245-6640-8, 02-247-7500-4  
 Fax : 0-2246-0733  
 No. of Paid-up Share : 2,000,000 Shares  
 Par Value : Baht 100  
 Paid-up Capital : Baht 200,000,000  
 Percentage of Investment : 100%

**Name :** **Grand Star Company Limited**  
 Type of Business : Real Estate Development  
 Address : Room 3203-4 Exchange Tower, 32nd Floor, 388 Sukhumvit Road, Khlongtoey, Bangkok  
 No. of Paid-up Share : 12,000,000 Shares  
 Par Value : Baht 100  
 Paid-up Capital : Baht 1,200,000,000  
 Indirect Stake : 18.67 %  
 Direct Stake : 11%

**Name :** **Grand River Forest Company Limited**  
 Type of Business : Real Estate Development  
 Address : Room 3203-4 Exchange Tower, 32nd Floor, 388 Sukhumvit Road, Khlongtoey, Bangkok  
 No. of Paid-up Share : 3,000,000 Shares  
 Par Value : Baht 100  
 Paid-up Capital : Baht 300,000,000  
 Indirect Stake : 19.60%  
 Direct Stake : 9%

**Name :** **We Retail Public Company Limited**  
 Type of Business : Real Estate Development — Shopping Center and Commercial Area  
 Address : 17th Flr., Vorasombat Bldg. 100/1 Rama IX Road, Huaykwang, Bangkok 10310.  
 Telephone Number : 0-2245-6640-8, 02-247-7500-4  
 Fax : 02-645-0024  
 No. of Paid-up Share : 2,490,585,084 Shares  
 Par Value : Baht 1.05  
 Paid-up Capital : Baht 2,615,114,338.20  
 Percentage of Investment : 94.98 %

**Name :** **Property Perfect International Pte.Ltd.**  
 Type of Business : Investment and Oversea Real Estate Development  
 Address : 160 Robinson Road #17-01 SBF Center Singapore 068914  
 No. of Paid-up Share : 1 Share  
 Par Value : 1 SGD\$  
 Paid-up Capital : 1 SGD\$  
 Percentage of Investment : 100%

**Name :** **Perfect Sport Club Company Limited**  
 Type of Business : Clubhouse Management  
 Address : 17th Flr., Vorasombat Bldg. 100/1 Rama IX Road, Huaykwang, Bangkok 10310  
 Telephone Number : 0-2245-6640-8, 02-247-7500-4  
 Fax : 0-2645-1409  
 No. of Paid-up Share : 500,000 Shares  
 Par Value : Baht 100  
 Paid-up Capital : Baht 50,000,000  
 Percentage of Investment : 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, 02-247-7500-4
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%

\*Note : On March 2019, Renamed to Thai Connect 2019 Company Limited.

<b>Name</b>	:	<b>Perfect Prefab Company Limited</b>
Type of Business	:	Manufacturer and Install Prefab Structures
Address	:	17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
Telephone Number	:	0-2245-6640-8, 02-247-7500-4
Fax	:	0-2246-0733
No. of Paid-up Share	:	6,000,000 Shares
Par Value	:	Baht 10
Paid-up Capital	:	Baht 60,000,000
Percentage of Investment	:	80% (Center of Standard company limited hold 20%)

<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, 02-247-7500-4
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 10310.  
 No. of Paid-up Share : 3,193,185,471 Shares  
 Paid-up Capital : Baht 3,193,185,471  
 Percentage of Investment : 94.60%

**Name** : **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%

**Name** : **HKL Perfect Company Limited**  
 Type of Business : Invest in real estate business  
 Address : 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang,  
 Bangkok 10310.  
 No. of Paid-up Share : 4,000,000 Shares  
 Par Value : Baht 10  
 Paid-up Capital : Baht 20,000,000  
 Percentage of Investment : 51%

**Name** : **PF-Sekisui JV Company Limited**  
 Type of Business : Invest in construction and real estate development project  
 Address : 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang,  
 Bangkok 10310.  
 No. of Paid-up Share : 20,000,000 Shares  
 Par Value : Baht 10  
 Paid-up Capital : Baht 200,000,000  
 Percentage of Investment : 51%

**Name** : **PFHKL1 Company Limited**  
 Type of Business : Invest in real estate in Chaengwattana area  
 Address : 17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang,  
 Bangkok 10310.  
 No. of Paid-up Share : 500,000 Shares  
 Par Value : Baht 10  
 Paid-up Capital : 5,000,000 บาท  
 Percentage of Investment : 51%



<b>Name</b>	:	<b>PFHKL2 Company Limited</b>
Type of Business	:	Invest in real estate in Chaenawattana area
Address	:	17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
No. of Paid-up Share	:	500,000 Shares
Par Value	:	Baht 10
Paid-up Capital	:	Baht 5,000,000
Percentage of Investment	:	51%

<b>Name</b>	:	<b>PFHKL3 Company Limited</b>
Type of Business	:	Invest in real estate in Suvarnabhumi airport area
Address	:	17th Flr., Vorasombat Bldg., 100/1 Rama IX Road, Huaykwang, Bangkok 10310.
No. of Paid-up Share	:	500,000 Shares
Par Value	:	Baht 10
Paid-up Capital	:	Baht 5,000,000
Percentage of Investment	:	51%

<b>Subsidiaries, Indirectly Owned</b>
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<b>Name</b>	:	<b>Centrepont Shopping Mall Company Limited*</b> <b>(Subsidiary of We Retail Plc.)</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, 02-247-7500-4
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 %

<b>Name</b>	:	<b>All Discount Company Limited (Subsidiary of We Retail Plc.)</b>
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%

<b>Name</b>	:	<b>Kiroro Resort Holdings Co., Ltd (Formerly known as Share Group Company Limited)</b> <b>(Subsidiary of Property Perfect International Pte.Ltd.)</b>
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 Company Limited)**

Type of Business : 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 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 Khlongtoey, Khet Khlongtoey, 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

Address : 29th Floor, Charn Issara Tower II, 2922/305-306, New Petchaburi Road,  
 Bangkok, Huaykwang, Bangkok

No. of Paid-up Share : 50,000 Shares

Paid-up Capital : Baht 5,000,000

Percentage of Investment : 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%



<b>Name</b>	:	<b>Grande Asset Hotels and Property Public Company Limited (Subsidiary of Thai Property Plc.)</b>
Type of Business	:	Hotel management, Space rental in Shopping Mall and Property Development
Address	:	Unit 3203-4, 32nd FL., Exchange Tower Bldg., 388 Sukhumvit Road, Kwang Khlongtoey, Khet Khlongtoey, Bangkok
No. of Paid-up Share	:	3,615,929,965 Shares
Paid-up Capital	:	Baht 3,615,929,965
Indirect Stake	:	37.17%
Direct Stake	:	1.70%

<b>Name</b>	:	<b>Grande Equity Development Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)</b>
Type of Business	:	Real Estate development Business
Address	:	Unit 3203-4, 32nd FL., 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%

<b>Name</b>	:	<b>Honor Business Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)</b>
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%

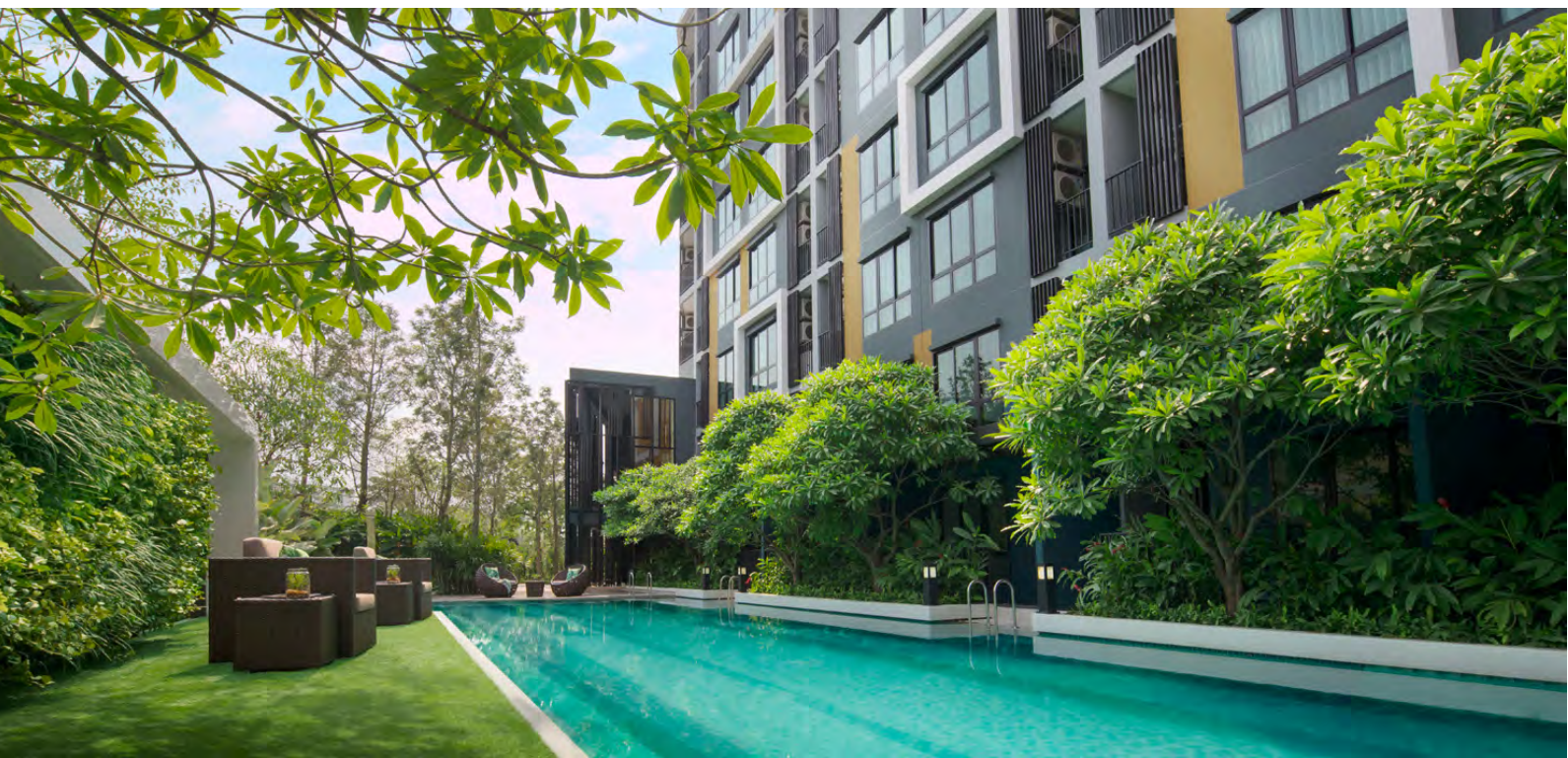
<b>Name</b>	:	<b>Owendelle Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)</b>
Type of Business	:	Hotel Business
Address	:	9/22 Moo 5 Paknampran, Paknampran, Pran Buri, Prachuap Khiri Khan
No. of Paid-up Share	:	28,000,000 Shares
Paid-up Capital	:	Baht 280,000,000
Indirect Stake	:	38.43%

<b>Name</b>	:	<b>Royal Orchid Hotel (Thailand) Public Company Limited (Subsidiary of Grande Asset Hotels and Property Plc.)</b>
Type of Business	:	Hotel Business
Address	:	2 Captain Bush Lane , Charoen Krung Road , Bang Rak, Bangkok 10500
No. of Paid-up Share	:	93,750,000 Shares
Paid-up Capital	:	Baht 937,500,000.00
Indirect Stake	:	45.96%

Reference	
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<b>Auditors</b>	<p>Mr. Chanchai Chaiprasit  Mr. Pisit Thangtanagul  Ms.Nopanuch Apichatsatien  <b>PricewaterhouseCoopers ABAS Ltd.</b>  15th Floor, Bangkok City Tower  179/74-80 South Sathorn Road Bangkok, 10120  Tel. 0-2844-1000 Fax. 0-2286-5050</p>
<b>Financial Institute</b>	<p><b>Krung Thai Bank Public Company Limited</b>  35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110  <b>Bank of Ayudhya Public Company limited</b>  1222 Rama III Road, Bangphongphang, Yannawa, Bangkok 10120  <b>CIMB Thai Public Bank Company limited</b>  44 North Sathorn Road, Lumpini, Prathumwan, Bangkok 10330  <b>Thanachart Bank Company limited</b>  1101 New Phetchaburi Rd. Makkasan, Rajthawi, Bangkok 10400</p>
<b>Share Registrar</b>	<p><b>Thailand Securities Depository Co., Ltd.</b>  4th , 6th -7th Flr. ,The Stock Exchange of Thailand Bldg.,  62 Ratchadaphisek Road, Klongtoey, Bangkok 10110  Tel. 0-2359-1200 -1 Fax. 0-2359-1259</p>
<b>Property Valuation</b>	<p><b>Agency for real estate affairs Co., Ltd .</b>  10 Nonsi Rd., Nonsi, Yannawa, Bangkok 10120  Tel.0-2295-3905 Fax. 0-2295-1154  <b>Thai Property Appraisal Lynn Phillips Co., Ltd.</b>  11th Floor, RS Tower Building, 121/47-48 Rachadaphisek Rd., Dindaeng,  Bangkok 10320  Tel : 0-2641-2128-32 Fax : 0-2641-2134  <b>S.L. Standard Appraisal Co.,Ltd</b>  114 Rattana Uthit Road, Soi 19,Tambon Hadyai, Amphoe Hadyai, Songkhla 90110  Tel : 0-7435-9130 Fax : 0-7435-9130  <b>Wealth Appraisal Co., Ltd.</b>  11/277 Thanthawat Village 5 Soi Watcharapol 1/9 Tha Raeng Khet Bang Khe,  Bangkok 10220  Tel. 0-2948-0928-9, 0-2948-2258 Fax. 0-2948-2259  <b>Knight Frank Charter (Thailand) Co., ltd.</b>  65/192 23rd Floor Chamnan Phenjati Business Center  Rama IX Road Huaykwang District, Bangkok 10320  Tel. 0-2643-8223 Fax. 0-2643-8224</p>
<b>Legal Advisor</b>	<p><b>Weerawong, Chinnavat &amp; Peangpanor Ltd.</b>  22nd Floor, Mercury Tower, 540 Ploenchit Road , Lumpini, Prathumwan,  Bangkok 10330  Tel. 0-2264-8000 Fax. 0-2657-2222</p>

## NATURE OF BUSINESS



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

The Company witnessed severe impacts from the financial crisis and baht devaluation in 1997, leading to financial problems, business rehabilitation and debt restructuring. After completing rehabilitation and debt-restructuring conditions, the Central Bankruptcy Court approved the exit from rehabilitation in 2004. Loans were gradually repaid to creditors in the rehabilitation plan, until they were fully repaid in 2011.

As 31 December 2018, 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

#### 2018 :

- The Board of Directors of Grande Asset Hotels and Property Public Company Limited ("GRAND") at the 1/2018 meeting on Wednesday 14 February 2018 resolved to fix the record date on 5 March 2018 for the subscription of 866,711,771 new shares at Bt1 par value. The rights offering was offered to existing shareholders at the ratio of 10 old shares per 3 new shares (incremental shares are nullified) at the price of Bt1 apiece. The subscription and payment date was on 5 April 2018 and 9-12 April 2018, totaling 5 working days.
- The Board of Directors at the 4/2018 meeting on 22 March 2018 approved Property Perfect Public Company Limited ("PF")'s joint venture with Hongkong Land Company Limited ("HKL"). The joint venture namely HKL Perfect Company Limited engages in the investment and development of property for sale.



- The Board of Directors at the 5/2018 meeting on 10 May 2018 approved Property Perfect Public Company Limited ("PF")'s joint venture with Sekisui Chemical Company Limited ("Sekisui"). The joint venture namely PF-Sekisui JV Company Limited engages in the investment, construction and development of property for sale.
- The Board of Directors at the 6/2018 meeting on 4 July 2018 approved Property Perfect Public Company Limited ("PF")'s joint venture with its subsidiary, Grande Asset Hotels and Property Public Company Limited ("GRAND"), and Sumitomo Forestry Singapore Ltd. The joint venture namely Grand River Forest Company Limited engages in the investment and development of a property project on Charoennakorn Road for sale.
- 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%.

#### 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.

#### 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 Company Limited. 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.

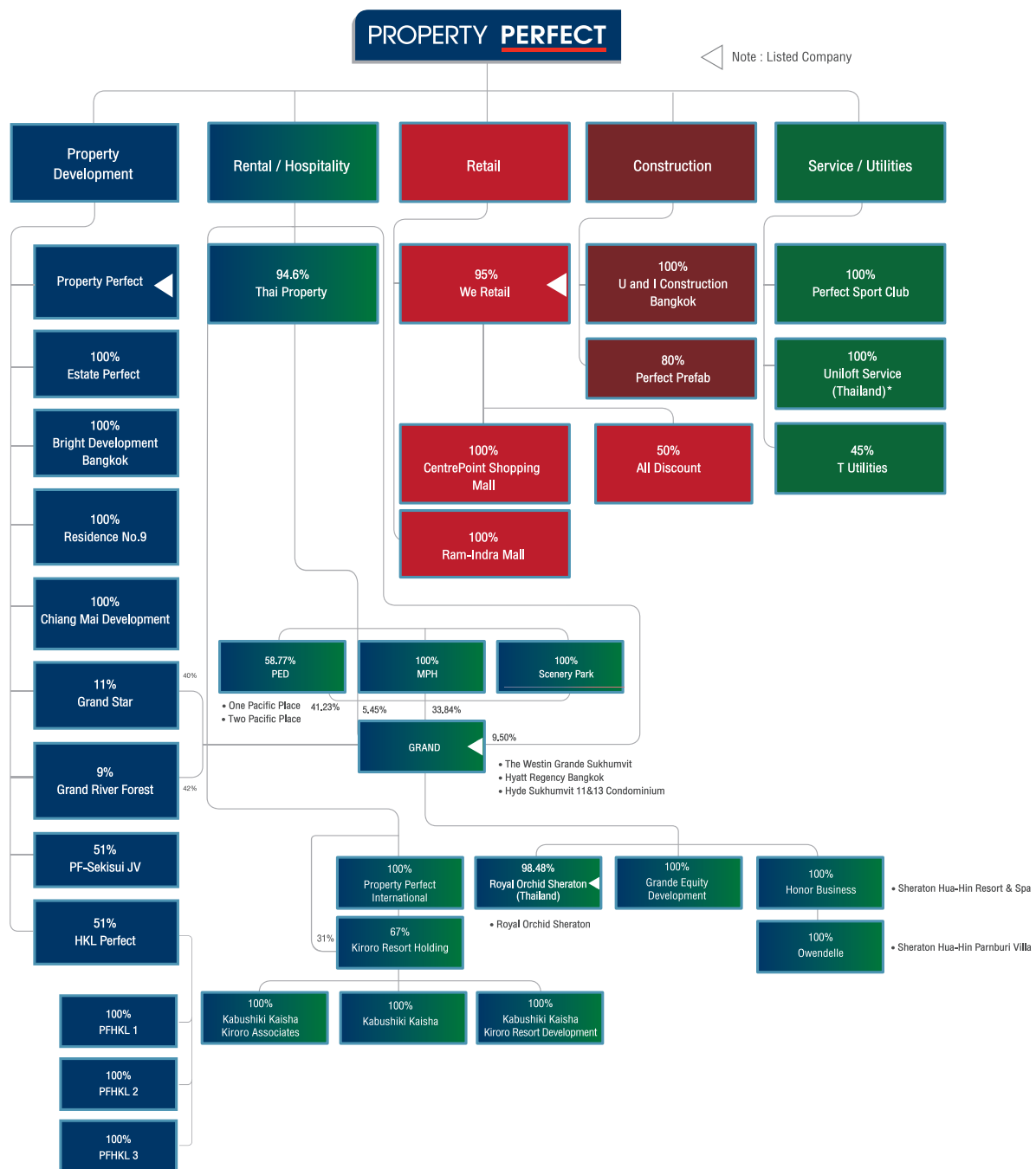
## 2015 :

- 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.



## 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 2018 is as follows;



\* Note : In March 2019, renamed to Thai Connect 2019 Co.,Ltd.





## 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 2018, a total of 55 projects are under development with outstanding value of Bt 30,275.51 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 2018, Sale of Estate’s 13 projects

is underway, and the remaining value of the unsold units is Bt 6,237 million. (Additional information on the projects of the subsidiaries are in Graphic: Project by Type)

As of 31 December 2018, 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	Sirivejwarawut	Director
5. Mr.Wason	Srirattanapong	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 Company Limited 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. 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 2018, Bright planned 10 condominium projects and, the remaining value of unsold units is Bt6,106million (Additional information on the projects of the subsidiaries are in Graphic: Project by Type).

As of 31 December 2018, Bright Development Bangkok Co.,Ltd's 5 directors are;

Name		Position
1. Ms.Sirirat	Wongwattana	Director
2. Mr.Pornswat	Katechulasriroj	Director
3. Mr.Wongsakorn	Prasitvipat	Director
4. Mr.Sumeth	Suwajanakorn	Director
5.Mr.Krittapas	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 Muang Chiang Mai " brand, is valued at Bt938 million.

As of 31 December 2018, Residence's 7 projects are now marketed , The remaining value of unsold units is Bt 1,268.41million. (Additional information on the projects of the subsidiaries are in Graphic: Project by Type)

As of 31 December 2018, Residence Number Nine Company Limited's 4 directors are:

Name		Position
1. Mr.Krittapas	Pongpakawat	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.

Chiangmai kicked off land development in preparation for the launch of a property project.

As of 31 December 2018, Chiangmai Development Company Limited's 4 directors are:

Name		Position
1. Mr.Krittapas	Pongpakawat	Director
2. Mr.Wongsakorn	Prasitvipat	Director
3. Mr.Wason	Srirattanapong	Director
4.Mr.Pornswat	Katechulasriroj	Director

#### HKL Perfect Company Limited (Joint Venture)

HKL Perfect Company Limited is a joint venture with HKL (Thai Development) Company Limited which is a business unit of Hongkong Land Company Limited It was established on 17 May 2018 to invest in a property development project for sale. It is located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok. It is registered with Bt40million capital, 50% paid up. The company holds 51% in the joint venture.

As of 31 December 2018, HKL Company Limited's 4 directors are:

Name		Position
1. Mr.Wongsakorn	Prasitvipat	Director
2. Miss Sirirat	Wongwattana	Director
3. Mr. Tan Wee Hsien		Director
4. Ms. Ong Lay Kuan		Director

#### PFHKL 1 Company Limited (Joint Venture)

PFHKL 1 Co., Ltd. is a 100%-owned subsidiary of HKL Perfect Co., Ltd, established on 5 March 2018. Located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok, it engages in the development of a property project for sale in Chaeng Wattana area. It is registered with Bt5 million capital, 100% paid up.

As of 31 December 2018, PFHKL 1 Company Limited's 4 directors are:

Name		Position
1. Mr.Wongsakorn	Prasitvipat	Director
2. Miss Sirirat	Wongwattana	Director
3. Mr. Tan Wee Hsien		Director
4. Ms. Ong Lay Kuan		Director

**PFHKL 2 Company Limited (Joint Venture)**

PFHKL 2 Co., Ltd. is a 100%-owned subsidiary of HKL Perfect Co., Ltd, established on 7 March 2018. Located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok, it engages in the development of a property project for sale in Chaeng Wattana area. It is registered with Bt5 million capital, 100% paid up.

As of 31 December 2018, PFHKL 2 Company Limited's 4 directors are:

<b>Name</b>	<b>Position</b>
1. Mr.Wongsakorn Prasitvipat	Director
2. Ms.Sirirat Wongwattana	Director
3. Mr.Tan Wee Hsien	Director
4. Ms.Ong Lay Kuan	Director

**PFHKL 3 Company Limited (Joint Venture)**

PFHKL 3 Company Limited is a 100%-owned subsidiary of HKL Perfect Company Limited, established on 16 August 2018. Located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok, it engages in the development of a property project for sale near Suvarnabhumi Airport. It is registered with Bt5 million capital, 100% paid up.

As of 31 December 2018, PFHKL3 Company Limited's 4 directors are:

<b>Name</b>	<b>Position</b>
1. Mr.Wongsakorn Prasitvipat	Director
2. Ms.Sirirat Wongwattana	Director
3. Mr.Tan Wee Hsien	Director
4. Ms.Ong Lay Kuan	Director

**PF-Sekisui JV Company Limited (Joint Venture)**

PF-Sekisui JV Company Limited is a joint venture of the Company and Sekisui Chemical Company Limited which engages in high-quality plastic materials and equipment, products related to urban cities' infrastructure and environment, house construction and other property-related businesses in Japan and other countries. The joint venture is Located at 100/1 Vorasombat Building (17th fl.), Rama IX Road, Huay Kwang, Bangkok. Established on 15 June 2018, it is set to develop property projects for sale. It is registered with Bt200 million capital, fully paid up. The Company owns a 51% stake in the joint venture.

As of 31 December 2018, PF-SEKISUI JV Company Limited's 4 directors are:

<b>Name</b>		<b>Position</b>
1. Mr.Rungroj	Singhthanadkij	Director
2. Mr.Saranyu	Adhyanasakul	Director
3. Mr.Michio	Sakai	Director
4. Mr.Tetsuji	Ando	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 2018, Grand Star Company Limited 's 4 directors are:

<b>Name</b>		<b>Position1.</b>
1. Mr.Chainid	Adhyanasakul	Director
2. Mr.Vitavas	Vibhagool	Director
3. Mr.Atsuhisa	Ogura	Director
4. Mr.Kazuhiko	Matake	Director

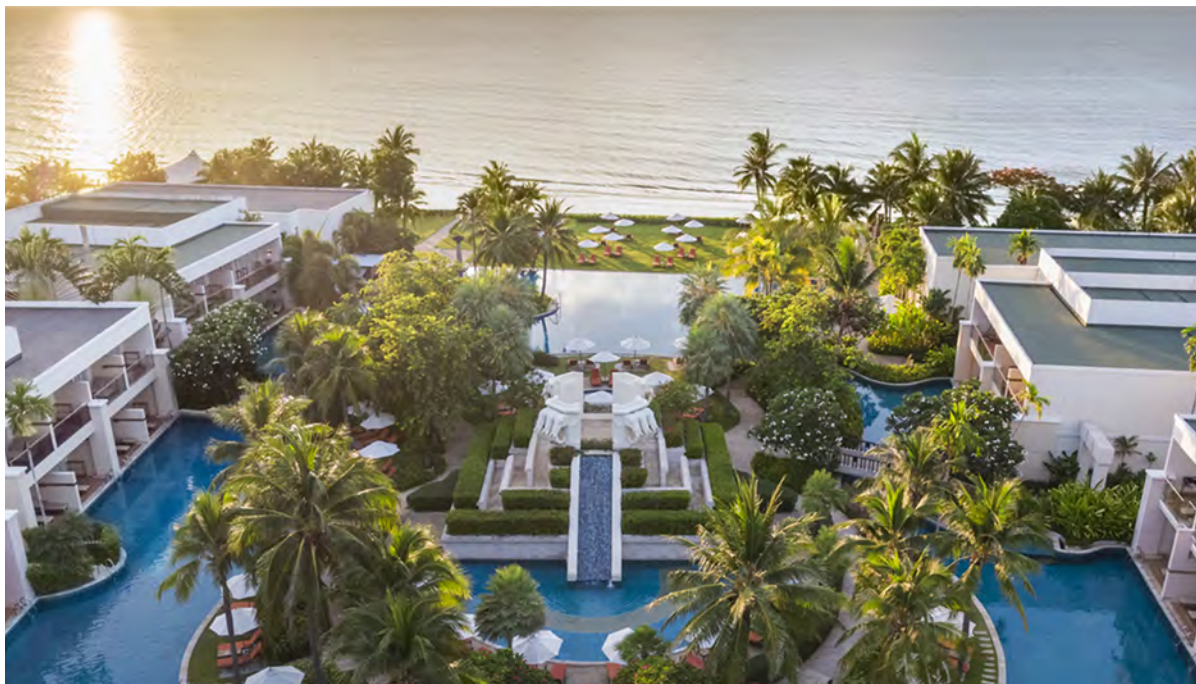
**Grand River Forest Company Limited (Joint Venture)**

Grand River Forest Company Limited is a joint venture of Sumitomo Forestry Company Limited, Grand Asset Hotels and Property Public Company Limited and Property Perfect Public Company Limited, located at 388 Exchange Tower (Floor 32), Room 3203-4, Sukhumvit Road, Khlong Toei, Bangkok. Established on 6 July 2018, the joint venture invests in a property development project for sale on Charoennakorn Road. The initial registered capital of Bt1 million is fully paid up. The Company holds a 9% stake in the joint venture.

As of 31 December 2018, Grand River Forest Company Limited 's 4 directors are:

<b>Name</b>		<b>Position</b>
1. Mr.Chainid	Adhyanasakul	Director
2. Mr. Vitavas	Vibhagool	Director
3. Mr.Kazuhiko	Matake	Director
4. Mr.Atsuhisa	Ogura	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, Bang Kapi, Huay Kwang, Bangkok. It was registered as a public company on 10 May 1994 to operate a rental office and hotel. Hotel business is carried out through Grande Asset Hotels and Property Public Company.

Thai Property has Bt3,353,702,060 in registered capital and Bt3,193,185,471 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 2018, 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. 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. The building has 30 floors and 368 parking lots. All were operated by We Retail. The land lease contract was expired on 31 January 2019.

As of 31 December 2018, 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 2018, 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 2018, 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 Bt3,615,929,965 paid up. (Shareholders at the annual meeting on 24 April 2017 approved Grand's recapitalization by Bt2,110,960,763 million through the issuance of 2,110,960,763 new shares with Bt1 par value. Of total, 866,711,771 shares were offered to Grand's existing shareholders at the 10:3 ratio at the price of Bt1 apiece. On 20 April 2018, Grand received Bt611,337,993 for the offering of 611,337,993 shares.) It is indirectly owned 39.29% by the Company through a stake in Thai Property and 9.50% directly owned by the Company.

Grande Asset Hotels and Property is a hotel operator and property developer. It operates 4 hotels are as following:

1. **Westin Grande Sukhumvit Hotel** in Soi Sukhumvit 19: a 25-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.
4. **Hyatt Regency Sukhumvit**, an Upper —Upscale hotel with 273 guest rooms. Located at Soi Sukhumvit 13, the building has 30 floors

It plans a mixed-use hotel , Villa and condominium project in Rayong, on a 93-rai plot on Laem Mae Phim Beach.

As of 31 December 2018, 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 Bt 1,913million.

As of 31 December 2018 , Grande Asset Hotels and Property Public Company Limited's 12 directors are:

Name	Position
1. Mr.Wichai Thongtang	Chairman
2. Dr.Bhichit Rattakul	Director
3. Mr.Chainid Adhyanasakul	Director
4. Mr.Suradej Narula	Director
5. Mr.Vitavas Vibhagool	Director
6. Ms.Wilawun Leongnarktongdee	Director
7. Mr.Amarin Narula	Director
8. Mr.Phaist Kaenchan*	Director
9. Mr.Lohtar Richard Pehl**	Director
10. Mr.Chaiwat Utaiwan***	Independent Director and chairman of risk management committee
11. Mr.Pornchai Kittipanyangam	Independent director and chairman of audit committee
12. Mr.Wattana Suthipinijtham	Independent director, audit committee and risk management committee

13. Mr.Amarit Pansiri****	Independent director and audit committee
14. Dr.Thitipong Nandhabiwat *****	Independent director and audit committee

Note : \* resigned on 30 September 2018

\*\* appointed on 1 October 2018

\*\*\* appointed on 22 March 2018

\*\*\*\* tenure ended on 20 April 2018

\*\*\*\*\* appointed on 20 April 2018

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

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

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

As of 31 December 2018, Grand Equity's 4 directors are:

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

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

Honor Business Company Limited is located at 338 Exchange Center(32nd Flr.) 3203-4, Sukhumvit Road, Klong Toei, Bangkok. The company owns a 100% stake in Honor Business Company Limited 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 2018, 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. Ms.Wilawun Leongnarktongdee	Director

#### Royal Orchid Hotel (Thailand) Public Company Limited (Grande Asset Hotels and Property Public Company Limited's subsidiary)

Royal Orchid Hotel (Thailand) Public Company Limited ("ROH") is located at 2 Captain Bush Lane, New Road, Bang Rak, Bangkok 10500. It was listed on the Stock Exchange of Thailand on 21 July 1989. ROH's fully-paidup registered capital is at Bt937,500,000 with a number of 93,750,000 shares at Bt10 par value. Grand acquired 41,250,235 shares of ROH or a 44% stake from Starwood Hotel (Thailand) Company Limited, and 22,500,000 shares or a 24% stake of ROH from Thai Airways International Public Company Limited. After the transactions, Grand owned 63,750,235 shares in ROH or 68%. Grand subsequently launched a mandatory tender offer for the remaining shares of ROH during 8 May 2018 and 10 July 2018 and bought additional 28,570,803 shares or 30.48%. Grand consequently owns a total of 92,321,038 shares or 98.48% in ROH.

ROH mainly engages in a five-star hotel business, with 726 guest rooms and facilities such as function rooms, meeting rooms, facilities for seminars and exhibitions, international restaurants, a swimming pool, a tennis court, and a private wharf. ROH awards the management contract to US-based Sheraton Overseas Management Corporation.

As of 31 December 2018, Royal Orchid Sheraton Hotel (Thailand) Public Company Limited's 12 directors are:

Name	Position
1. Mr.Somchai Bulsook	Chairman/ Independent director
2. Dr.Bhichit Rattakul	Director
3. Mr.Wichai Thongtang	Director
4. Mr.Chainid Adhyanasakul	Director
5. Mr.Vitavas Vibhagool	Director
6. Ms.Wilawun Leongnarktongdee	Director
7. Mr.Amarin Narula	Director
8. Mr.Joshua Kirby Lee	Director
9. Dr.Seri Wongmonta	Director
10. Mr.Pakorn Thavisin	Independent director and chairman of audit committee

11. Gen.Winit Krachangson	Independent director and audit committee
12. Mr.Annop Suthakavatin	Independent director and audit committee

#### Owendelle Company Limited (subsidiary of Honor Business Company Limited)

Owendelle Company Limited is located at 9/22 Moo 5, Tambon Paknampran, Pramburi, Prachuab Hihri Khan province. The company owns a 100% stake in Owendelle through its wholly-owned subsidiary Grande Asset Hotels and Property Plc.

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

As of 31 December 2018, 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. Ms.Wilawun Leongnarkongdee	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 2018, Property Perfect International Pte.Ltd's 3 directors are:

Name	Position
1. Mr.Bhichai Rattakul	Director
2. Mr.Chainid Adhyanasakul	Director
3. 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 forfeited 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 2018, Kiroro Resort Holdings' 10 directors are:

Name		Position
1. Mr.Bhichai	Rattakul	Chairman
2. Mr.Lohtar	Richard Pehl	Director
3. Mr.Chainid	Adhyanasakul	Director
4. Mr.Ooi Boon	Aun	Director
5. Mr.Yochiro	Itto	Director

6. Dr. Thanong	Bidaya	Director
7. Mr.Benjamin	Lam	Director
8. Mr.Piyasvast	Amranand	Director
9. Mr.Vitavas	Vibhagool	Director
10.Mr.Jesd	Jesdpiyawong	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 2018, Kabushiki Kaisha Kiroro Associates' 3 directors are:

Name		Position
1. Mr.Saranyu	Adhyanasakul	Chairman
2. Mr.Dawance	Frederic Alphonse Paul	Director
3. Mr.Lohtar	Richard Pehl	Director

### Kabushiki Kaisha Kiroro Hotels Company Limited (subsidiary of Kiroro Resort Holdings Company Limited)

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 2018, Kabushiki Kaisha Kiroro Hotels 's 3 directors are:

Name	Position
1. Mr.Saranyu Adhyanasakul	Chairman
2. Mr.Raich Martin	Director
3. Mr.Lohtar Richard Pehl	Director

### Kabushiki Kaisha Kiroro Resort Development Company Limited (subsidiary of Kiroro Resort Holdings Company Limited)

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

As of 31 December 2018, Kabushiki Kaisha Kiroro Resort Development 's 4 directors are:

Name	Position
1. Mr.Benjamin Lam	Chairman
2. Mr. Vitavas Vibhagool	Director
3. Mr.Simon Lim	Director
4. Mr.Saranyu Adhyanasakul	Director

## 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 Bt with 2,615,114,338.20 million Bt 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 an open shopping complex in the West of Bangkok. The malls, namely Metro West Town.

As of 31 December 2018, We Retail public company limited 's 8 directors are;

Name	Position
1. Mr.Chainid Adhyanasakul	Chairman and Nomination and Remuneration committee
2. Mr.Pornswat Katechulasriroj	Director and Chief Executive Officer
3. Mr.Pramote Rermyindee	Director and Chairman of Nomination and Remuneration committee
4. Mr.Kampol Tatiyakawee	Director and Nomination and Remuneration committee
5. Mr.Cherdsak 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.Krittapas Pongpakawat	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 2018, 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	Leongnarktongdee	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), all 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 2018, All Discount has 4 directors as follows:

Name		Position
1. Mr.Chainid	Adhyanasakul	Director
2. Mr.Pornswat	Katechulasriroj	Director

3. Mr.Pisit Pusanakom	Director
4. Ms.Sopit Pusanakom	Director

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

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

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

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

As of 31 December 2018, 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 2018, U & I Construction Bangkok Company Limited's 3 directors are;

Name	Position
1. Mr.Surasak Vatchapongpreecha	Director
2. Mr.Prakit Rerkpreedapong	Director
3. Mr. Pipat Nittayakosol	Director

### Perfect Prefab Company Limited

Perfect Prefab Company Limited ("Perfect Prefab") is located at 100/1 Vorasombat Building Floor 10th, Rama IX Road, Huay Kwang, Bangkok. Established in June 2011, it has Bt10 million in registered capital, with Bt2.5 million paid-up. In April 2018, the Company made a Bt3.83 million

payment for Perfect Prefab's shares. In October 2018, the subsidiary raised capital by Bt60 million. It paid another Bt42.90 million for Perfect Prefab's capital-increase shares. The transactions boosted the Company's stake from 51% to 80%. The remaining 20% stake is owned by Center of Standard Precast Company Limited, a non-connected party which is an experienced manufacturer of prefab materials and a supplier of the Company for 5 years.

The company established to manufacture and install prefab structures, which are parts of single houses, townhouses and project fences, as well as condominiums. The automated production system is to ensure no effect from labor shortage. The company expects to benefit from the joint venture's prefab technology. It now manufactures prefab materials for the Company's projects, with the capacity to supply materials for the construction of 750 housing units per year.

As of 11 March 2018, Perfect Prefab Company Limited's 10 directors are;

Name	Position
1. Mr.Wicharn Sirivejwarawut	Director
2. Dr.Vorasak Chakrapiyanant	Director
3. Mr.Prakit Rerkpreedapong	Director
4. Mr.Rungroj Singhthanadkij	Director
5. Mr.Vichaya Watananukit	Director
6. Mr.Phuwit Phaengsuk	Director
7. Mr.Kongsak Kaewsuriyathamrong	Director
8. Mr.Surasak Vatcharapongpreecha	Director
9. Mr.Annop Angkunsatornsri	Director
10. Mr.Pipat Nittayakosol	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 2018, 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 Company Limited operates a serviced apartment and management services for the group's real estate projects.

\*In March 2019, Renamed to Thai Connect 2019 Company Limited.

As of 31 December 2018, 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

\*Note : In March 2019, renamed to Thai Connect 2019 Co.,Ltd

### T Utilities Company Limited (Joint Venture)

T Utilities Company Limited is located at 116/1, Silom Road, Suriyawong sub-district, Bang Rak district, Bangkok. Established on 8 December 2015, it was capitalized at Bt75 million as of 30 September 2017. The capital was fully paid up. T-Utilities will raise its capital from Bt75 million to Bt300 million as approved by shareholders at the 1/2017 extraordinary meeting dated 29 August 2017. The Company holds a 45% stake in the joint venture. T Utilities operates through co-investment in utilities companies and projects, mainly involving electricity generating and tap water systems. 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. Each is capitalized at Bt1 million (consisting of 100,000 shares at Bt100 par value) and 25% is paid up. All the entities are 100% owned by T-Utilities.

As of 31 December 2018, 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 2018, the board consists of 14 directors and 5 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 <sup>1</sup>	Chairman	8	7
2	Dr.Thanong Bidaya <sup>2</sup>	Chairman	-	-
3	Mr.Chainid Adhyanasakul	Director / Vice chairman / Chief Executive Officer	8	8
4	Mr.Phairat Senachak	Director	8	8
5	Mr.Vidhya Nativivat	Director	8	8
6	Ms.Sirirat Wongwattana	Director	8	8
7	Mr.Wongsakorn Prasitvipat	Director	8	8
8	Mr. Wicharn Sirivejwarawut	Director	8	8
9	Mr.Pornswat Katechulasiroj	Director	8	8
10	Mr.Thongchai Jira-Alongkorn	Director	8	7
11	Mrs.Nuanual Swasdikula-Na-Ayudhaya	Director / Independent Director	8	8
12	Mr.Ekamol Kiriwat	Director / Independent Director	8	7
13	Mr.Banlue Chantadisai	Director / Independent Director	8	8
14	Mr.Manit Suthaporn	Director / Independent Director	8	5
15	Prof.Dr.Suchatvee Suwansawat	Director / Independent Director	8	7

Mr.Pramote Rermyindee as secretary of the Board.

Note

1/ Dr.Tawatchai Nakhata passed away on 31 October 2018.

2/ Dr. Thanong Bidaya took over the chairmanship under the Board of Directors' resolution reached at the 8/2018 meeting on 8 November 2018.



## Authorised directors

Authorized signatory directors are

1. 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;
    - Commerce Ministry and related units
    - Revenue Department and related units
    - Lands Department and related units
    - Department of Public Works and Town & Country Planning and related units
    - Bangkok Metropolitan Administration, Pattaya City and related units
    - Municipality, provincial administrative organizations and tambon administration organizations
    - 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 2018, 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

### Audit Committee's duty and scope of responsibility

- Ensure the accuracy and sufficiency of the Company's financial reporting
- 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.
- Ensure the Company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations and related business laws.
- 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.
- 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.
- 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.

Note : The Board of Directors at the 6/2017 meeting on 10 August 2017 resolved to revise the Audit Committee's scope of duty and responsibility.

### 3. Nomination and Remuneration Committee

As of 31 December 2018, The Nomination and Remuneration Committee consisted of 2 persons.

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

With Mr. Pramote Rermyindee as the secretary.

## 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 2018, 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 8 members as of 31 December 2018.

Name		Title
1. Mr.Chainid	Adhyanasakul	Chief Executive Director (Authorized signatory Directors)
2. Mr.Wicharn	Sirivejwarawut	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
8. Mr.Wason	Srirattanapong	Executive Director

### 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 9 members as of 31 December 2018, 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.Wongsakorn	Prasitvipat	Managing Director
5. Mr.Wicharn	Sirivejwarawut	Chief Operating Officer 1
6. Mr.Pornswat	Katechulasriroj	Chief Operating Officer 2
7. Ms.Sirirat	Wongwattana	Chief Financial Officer
8. Mr.Surasak	Vacharapongpreecha	Chief Supporting Officer
9. Mr.Wason	Srirattanapong	Chief Business Development Officer

## Company Secretary

In compliance with the Securities and Exchange (Issue No.4) Act BE2551's Section89/15, the Board of Directors must appoint the Company Secretary who will act on behalf of the company and the Board of Directors. The Board of Directors at the meeting on 11 August 2008 resolved to appoint Mr.Pramote Rermyindee as the Company Secretary

## Company Secretary's scope of authority and responsibility

- 1) Preparing and keeping the following documents
  - (A) Directors' Register
  - (B) Invitations to Board of Directors meetings, meeting minutes, and the Annual Reports
  - (C) Invitations to shareholders' meetings and minutes of the meetings
- 2) Keeping the connected transactions reported by directors or executives and submitting photocopies of the reports to the chairman and chairman of the Audit Committee within 7 days of receipt.
- 3) Setting the documenting system for the following information and ensuring the complete storage of such document which must date back at least 5 years and could be retrieved for post-audit.  
The storing of such document covers the electronic system and others which allow the retrieval of original document.
  - (1) Information presented at shareholders' meetings
  - (2) Financial statements or reports on the company's finances and operating results or other reports which must be disclosed under the Securities and Exchange Act's Articles 56, 57, 58 or 199.
  - (3) The company's opinion on shareholders' tender offer for the company's shares
  - (4) Information or other reports on the company, to be released to shareholders or the general public as required by the Capital Market Supervisory Board.
- 4) Complying with other duties to be specified by the Capital Market Supervisory Board
- 5) Company Secretary must carry out duties with responsibility, caution, and integrity; must comply with laws, the company's objectives and regulations, the Board of Directors resolutions and shareholders' resolutions; and must not act in the way that causes significant conflict of interest.
- 6) Carrying out duties with responsibility and caution as men with integrity would do when falling under the same situation.
  - (1) Making decisions with full conviction and good reasons that they are for the company's maximum benefits.
  - (2) Acting on information honestly believed to be sufficient, and
  - (3) Making decisions that do not create any direct or indirect conflict of interest.



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

Name		Board of directors	Audit Committee	Nomination and Remuneration committee	Risk Management Committee
Dr.Tawatchai	Nakhata*	7			
Mr.Chainid	Adhyanasakul	8			
Mr.Phairat	Senachak	8			
Mr.Vidhya	Nativivat	8		2	
Miss Sirirat	Wongwattana	8		2	
Mr.Wongsakorn	Prasitvipat	8			
Mr.Wicharn	Sirivejwarawut	8			
Mr.Pornswat	Katechulasriroj	8			
Mr.Thongchai	Jira-Alongkorn	8			
Mrs.Nuanual	Swasdikula-Na-Ayudhaya	8	7		
Mr.Ekamol	Kiriwat	7			
Mr.Banlue	Chantadisai	8	7		
Mr. Manit	Suthaporn	7	6		
Prof.Dr.Suchatvee	Suwansawat	7			4
Mr.Boonliam	Luangnarkthongdee				4
Mr.Chirdsak	Kukiattinun				3
<b>Total</b>		<b>8</b>	<b>7</b>	<b>2</b>	<b>4</b>

Remark : Dr.Tawatchai Nakhata passed away on 31 October 2018.

## 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:

Name	Position	Executives' remuneration(Million Baht)				
		Remuneration	Meeting allowances on 31 December 2017			
			Director	Audit director	Nominating and Remuneration director	Risk Management Director
Dr.Tawatchai Nakhata	Chairman	1.80	0.70	-	-	-
Mr. Chainid Adhyanasakul	Director / Deputy Chairman / Chief Executive Director / Chief Executive Officer	0.90	0.48	-	-	-
Mr.Phairat Senachak	Director	0.65	0.40	-	-	-
Mr.Vidhya Nativivat	Director / Nominating and Remuneration Committee	0.90	0.40	-	0.10	-
Ms.Sirirat Wongwattana	Director / Executive Director/ Nominating and Remuneration Committee	0.85	0.40	-	0.06	-
Mr.Wongsakorn Prasitwipat	Director	0.90	0.40	-	-	-
Mr.Wicharn Sirivejwarawut	Director	0.90	0.40	-	-	-
Mr.Pornswat Katechulasriroj	Director	0.90	0.40	-	-	-
Mr.Thongchai Jira-Alongkorn	Director	0.65	0.35	-	-	-
Mrs.Nuanual Swasdikula-Na-Ayudhaya *	Director / Audit Committee	0.85	0.40	0.21	-	-
Mr.Ekamol Kiriwat *	Director	0.80	0.35	-	-	-
Mr.Banlue Chatadisai *	Director / Audit Committee	0.90	0.40	0.35	-	-
Mr.Manit Sutaporn *	Director / Audit Committee	0.90	0.30	0.18	-	-
Prof.Dr.Suchatvee Suwansawat *	Director/ Chairman of Risk Management Committee	0.85	0.35	-	-	0.20
Mr.Boonliam Luangnarkthongdee	Risk Management Committee	-	-	-	-	0.12
Mr.Chirdsak Kukiattinun	Risk Management Committee	-	-	-	-	0.09
Mr. Pramote Remyindee	Company secretary	0.60	-	-	-	-
<b>Total</b>		<b>13.35</b>	<b>5.73</b>	<b>0.74</b>	<b>0.16</b>	<b>0.41</b>

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

\* Independent Director

\*\* Dr. Tawatchai Nakhata passed away on 31 October 2018.

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

In 2018, the company's remuneration for 9 Executive Directors and executives, consisting of salary and bonus, totaled Bt75.29million.

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 2018, The remunerations for 9 Executive Directors and executives paid by the company total Bt.12.31million.

## Human Resources

### Number of Employee

At the end of 2018, the company and subsidiaries employed 1,102 employees. The following is the number of employees of each unit.

Division	Employee (Persons)
	31 December 2018
1 Office of the Chief Executive Officer	20
2 Project Planning and Marketing of Housing Division	23
3 Business Development of Condominium Project	17
4 Marketing of Condominium Division	17
5 Sales Management Division	139
6 Design Division	12
7 Construction Management Division of Operation Group 1	38
8 Construction Management Division of Operation Group 2	62
9 Marketing Communication Division	26
10 Public Relations and Corporate Communication Division	9
11 Accounting Division	41
12 Internal Audit Division	4
13 Legal Procedure & Ownership Transfer Division	67
14 Financial & Treasury Division	23
15 Fund Management Division	7
16 International Business Development Division	18
17 Budgeting Division	4
18 Information Technology Division	12
19 Real Estate Fund Management Division	19
20 Bond and equity Management Division	3
21 Investment Relations	2
22 Human Resource Division	8
23 General Administration Division	37
24 Procurement Center Division	13
25 Project Management Division - Zone 1 - 8	481
<b>Total</b>	<b>1,102</b>

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

### 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 Bt.822.14million in 2018.

### 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. Employees with outstanding capability are recruited for additional training on internal audit. As internal audit officers, they are chiefly tasked to ensure all functions and divisions achieve their goals.

### 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.

### Employee Training and Competency Enhancement

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

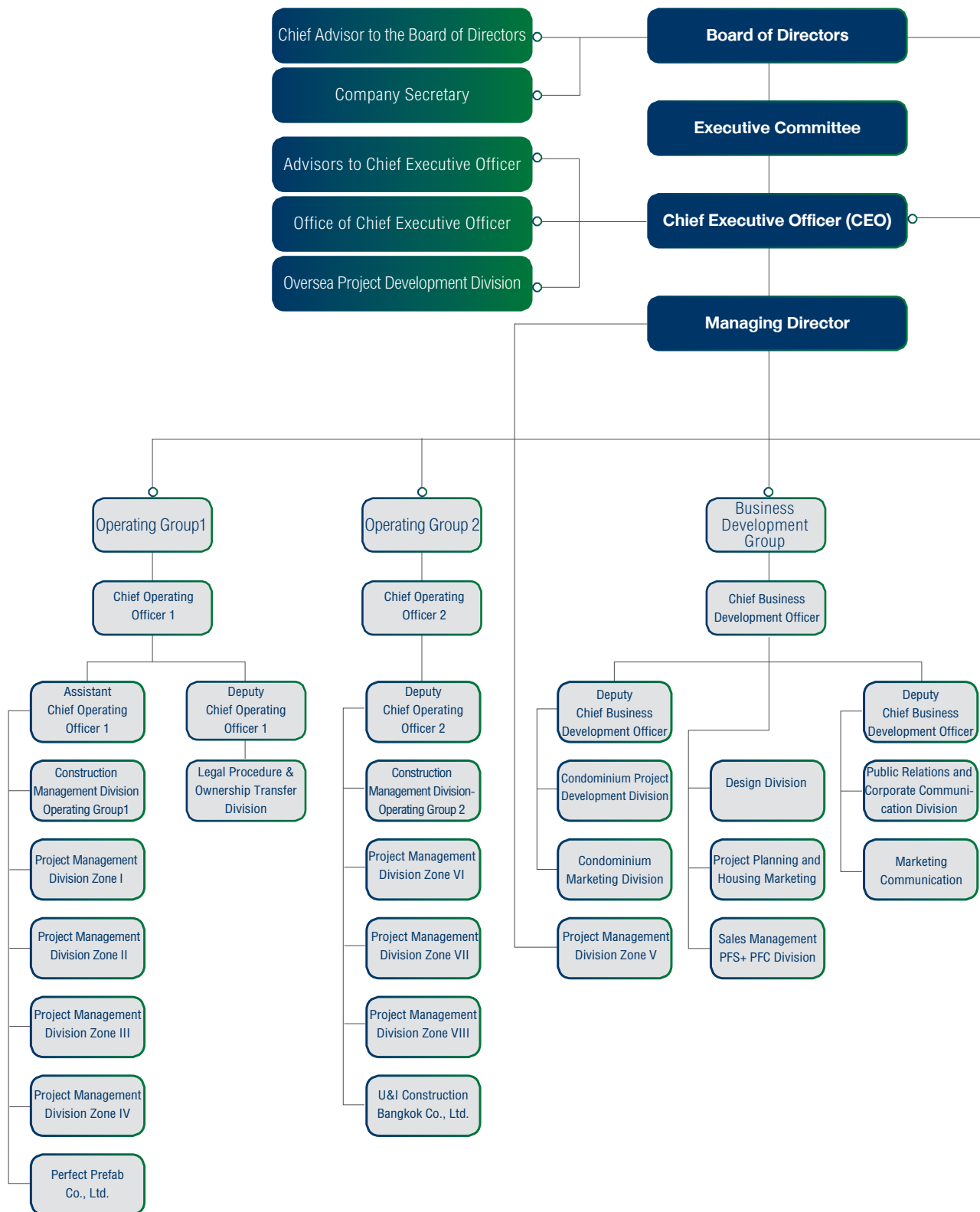
1. Standard Course
2. Management Course
3. Team Work Course
4. Course on construction
5. Course on design
6. Course on sale
7. Course on computer
8. Course on quality

Throughout 2017, since January - December 2017, the Company designed 18 in-house training courses for 977 employees and a number of 48 employees attended 33 public training courses. The number of training courses in the year totaled 51, involving 1,025 attendants.

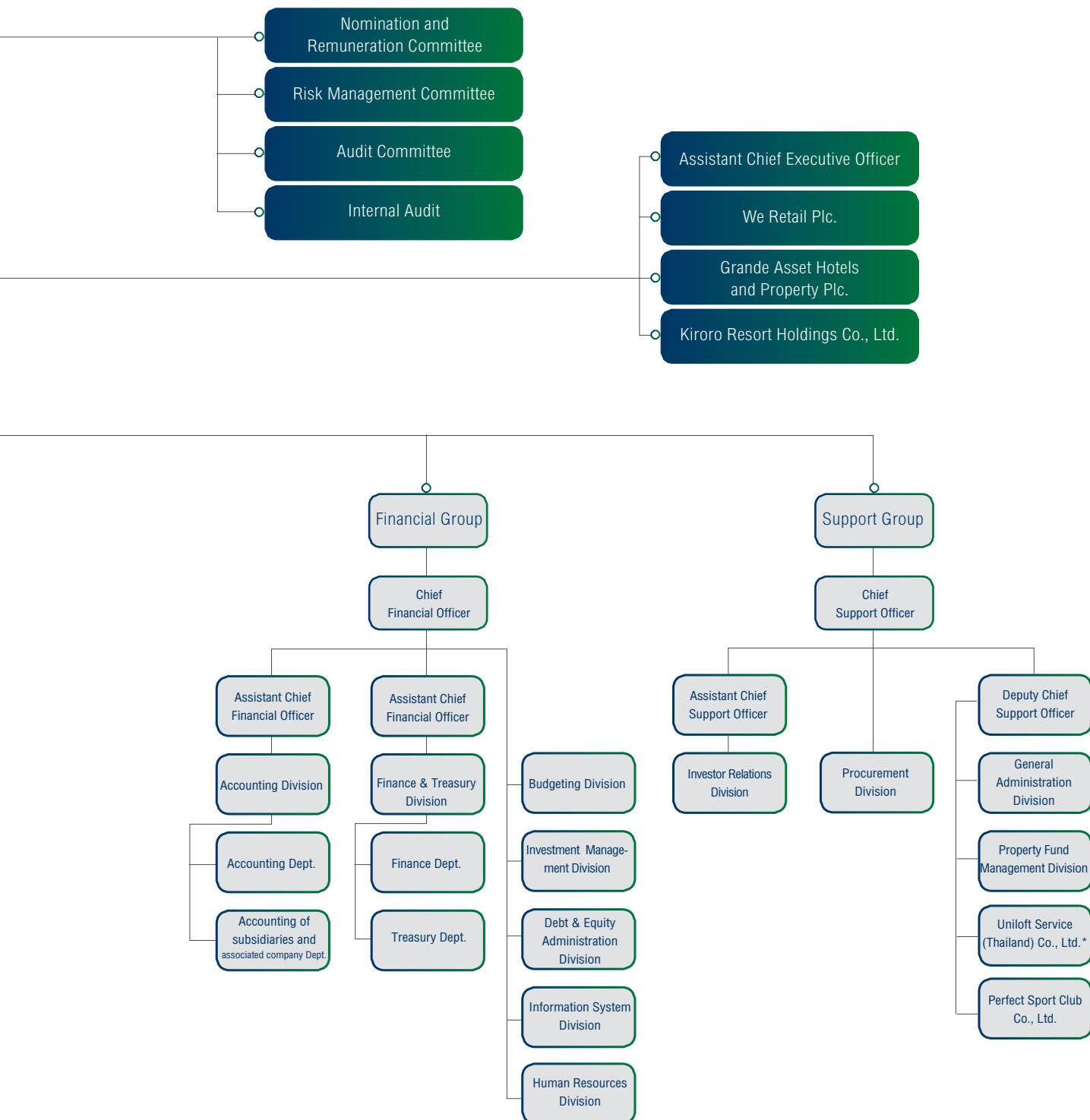
Throughout 2018, since January - December 2018, the Company designed 24 in-house training courses for 1,048 employees and a number of 40 employees attended 33 public training courses. The number of training courses in the year totaled 57, involving 1,088 attendants.

## ORGANIZATION CHART Property Perfect Public Company Limited and Subsidiaries

31 DECEMBER 2018







\* Note : In March 2019 renamed to Thai Connect 2019 Co.,Ltd.

## BOARD OF DIRECTORS OF THE COMPANY



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7

1. **Dr. Thanong Bidaya**

Chairman

2. **Mr. Chainid Adhyanasakul**

Chief Executive Officer / Chief Executive Director /  
Director

3. **Mr. Phairat Senachak**

Director / Executive Director

4. **Mr. Vidhya Nativivat**

Director /

Chairman of Nomination and Remuneration Committee

5. **Ms. Sirirat Wongwattana**

Director / Executive Director /

Nomination and Remuneration Committee /

Chief Financial Officer

6. **Mr. Wongsakorn Prasitvipat**

Director / Executive Director / Managing Director

7. **Mr. Wicharn Sirivejwarawut**

Director / Executive Director /

Chief Operating Officer<sup>1</sup>



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8. **Mr. Pornswat Katechulasriroj**  
Director / Executive Director /  
Chief Operating Officer2

9. **Mr. Thongchai Jira-Alongkorn**  
Director

10. **Mrs. Nuanual Swasdikul-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. Manith Suthaporn**  
Director / Independent Director / Audit Committee

14. **Prof. Dr. Suchatvee Suwansawat**  
Director / Independent Director /  
Chairman of Risk Management Committee

15. **Mr. Pramote Rermyinde**  
Company Secretary

## BUSINESS POLICY AND OVERVIEW



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

#### Vision

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

#### Mission

1. Create and develop modern products and services at potential locations and timely and constantly respond to new living concepts.
2. Create and solidify the financial stability in response to sustainable development of the organization and stakeholders'.
3. Create and improve operational excellence through a professional team and the consistent and standardized operating system.

4. Create and enhance satisfaction in products and services with the better environment and quality of life and responses to the need of clients of all ages.
5. Create and grow reputation and pride through responsible and ethical operations, in recognition of the benefits and impacts on the relevant parties.

The Company is primarily involved in developing properties. The range of products cover single 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 2018

## "Perfect Masterpiece" Brand

### 1 Perfect Masterpiece Rattanathibet

Location	Saima, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2007-2020
Product	SDH
Total Project Value	4,998 MB.



### 2 Perfect Masterpiece Ramkhamhaeng-Suvarnabhumi

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2019
Product	SDH
Total Project Value	290 MB.



### 3 Perfect Masterpiece Chaengwattana

Location	Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2016-2019
Product	SDH
Total Project Value	866 MB.



### 4 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	2,473 MB.



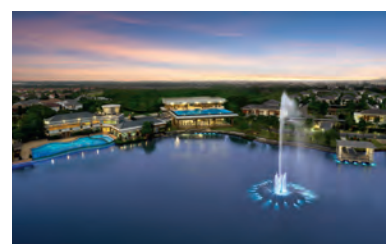
### 5 Perfect Masterpiece (Century) Ramkhamhaeng-Suvarnabhumi

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2016-2022
Product	SDH
Total Project Value	2,108 MB.



### 6 Perfect Masterpiece Sukhumvit 77-Phase 1-3

Location	Muang District, Samut Prakarn
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2019
Product	SDH
Total Project Value	2,937 MB.



## “Perfect Residence” Brand

### 7 Perfect Residence Rama IX - Krungthep Kreetha

Location	Klongsongtonnoon, Lat Krabang District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	SDH
Total Project Value	431 MB.



## “Perfect Place” Brand

### 8 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	1,235 MB.



### 9 Perfect Place Rangsit (2)

Location	Muang District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2017-2021
Product	SDH
Total Project Value	702 MB.



### 10 Perfect Place Chaengwattana (2)

Location	Chaengwattana Road, Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2013-2021
Product	SDH
Total Project Value	2,104 MB.



### 11 Perfect Place Ramkhamhaeng-Suvarnabhumi 2

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2011-2019
Product	SDH
Total Project Value	1,522 MB.



### 12 Perfect Place Ramkhamhaeng-Suvarnabhumi 3

Location	Kwang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2020
Product	SDH
Total Project Value	2,075 MB.





### 13 Perfect Place Ramkhamhaeng-Suvarnabhumi (Lake Zone 2)

Location	KWang Minburi, Minburi District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH
Total Project Value	114 MB.



### 14 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	878 MB.



### 15 Perfect Place Outer Ring-Ramkhamhaeng

Location	Sapan Sung District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH
Total Project Value	215 MB.



### 16 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	1,161 MB.



### 17 Perfect Place Ramintra-Outer Ring

Location	Kanchanapisek Road, (East Outer-Ring) Saimai District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH
Total Project Value	139 MB.



### 18 Perfect Place Ramintra-Outer Ring (2)

Location	Kanchanapisek Road, (East Outer-Ring) Saimai District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2020
Product	SDH
Total Project Value	708 MB.





### 19 Perfect Place Ramintra-Outer Ring (3)

Location	Kanchanapisek Road, (East Oter-Ring) Saimai District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2018-2023
Product	SDH
Total Project Value	1,733 MB.



### 20 Perfect Place Rattanathibet (4)

Location	Saima, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	SDH
Total Project Value	94 MB.



### 21. Perfect Place Ratchpruek Phase 5

Location	Bangrak Noi, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	SDH
Total Project Value	87 MB.



### 22 Perfect Place Sukhumvit 77- Suvarnabhumi 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	4,581 MB.



### 23 Perfect Place Muang 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	969 MB.



“Maneerin” / “Perfect Park” Brand

**24 Maneerin Lake & Park Ratchapruek-Tiwanon**

Location	Bangkoowat, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2003-2019
Product	SDH, DH
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	935 MB.



**26 Perfect Park Rama V-Bangyai**

Location	Bang Maenang, Bangyai District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2017-2019
Product	SDH, DH
Total Project Value	6,220 MB.



**27 Perfect Park Chaengwattana**

Location	Bang Thani, Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2022
Product	SDH, DH
Total Project Value	1,618 MB.



**28 Perfect Park Bangbuethong (Exclusive) 3**

Location	Bangbuathong District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	SDH, DH
Total Project Value	16 MB.



**29 Perfect Park Suvarnabhumi (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	3,191 MB.



**30 Perfect Park Bangna**

Location	Bang Sao Thong District, Samut Prakarn
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2017-2019
Product	SDH, DH
Total Project Value	529 MB.

**31 Perfect Park Chaiyapruet**

Location	Bangbuathong, Bangbuathong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2016-2019
Product	SDH
Total Project Value	689 MB.

**32 Perfect Park Bangbuathong**

Location	Bangbuathong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2011-2019
Product	SDH
Total Project Value	1,611 MB.

**“The Metro” / “Metro Biztown” Brand****33 The Metro Rattanathibet**

Location	Ta-It, Parkkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	TH
Total Project Value	1,080 MB.

**34 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	456 MB.

**35 The Metro Ratchapruet-Pathumthani**

Location	Bangduea, Muang, Pathumthani
Developed by	Property Perfect Plc.
Time to Develop	2017-2023
Product	TH
Total Project Value	1,143 MB.





### 36 The Metro Chaengwattana

Location	Klong Phra udom, Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2021
Product	TH
Total Project Value	1,011 MB.



### 37 Metro Biztown Chaengwattana2

Location	Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	Commercial Buildings
Total Project Value	174 MB.



### 38 Metro Biztown Chaengwattana3

Location	Pakkret District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	Commercial Buildings
Total Project Value	309 MB.



### 39 Metro Biztown Rattanathibet

Location	Sai-Ma Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	Commercial Buildings
Total Project Value	34 MB.



### 40 Metro Biztown Bangbuathong2

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.



### 41 Metro Biztown Bangna

Location	Bangsaothong District, Samut Prakarn
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2013-2020
Product	Commercial Buildings
Total Project Value	535 MB.





## “Modi Villa” Brand

### 42 Modi Villa Ratchapruek-Tiwanon

Location	Bangkoowat, Muang District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2023
Product	TH
Total Project Value	777 MB.



### 43 Modi Villa Chaiyapruek

Location	Pimolrach, Bangbuathong District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	SDH, DH
Total Project Value	629 MB.



### 44 Modi Villa Townhome Chaiyapruek

Location	Pimolrach, Bangbuathong District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2015-2019
Product	TH
Total Project Value	390 MB.



### 45 Modi Villa Rangsit

Location	Muang District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2016-2019
Product	TH
Total Project Value	448 MB.



### 46 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	328 MB.



### 47 Modi Villa Rangsit 2

Location	Muang District, Pathum Thani
Developed by	Property Perfect Plc.
Time to Develop	2018-2021
Product	TH
Total Project Value	741 MB.



#### 48 Modi Villa Bangyai

Location	Bang Maenang, Bangyai District, Nonthaburi
Developed by	Property Perfect Plc.
Time to Develop	2018-2019
Product	TH
Total Project Value	397 MB.



#### 49 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	965 MB.



#### 50 Modi Villa Pinklao-Outer Ring

Location	Salaklang, Bangkruai District, Nonthaburi
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2012-2019
Product	TH, SDH, DH
Total Project Value	1,253 MB.



#### 51 Modi Villa Bangna

Location	Bangsaothong District, Samut Prakarn
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2013-2021
Product	SDH, DH
Total Project Value	565 MB.



#### 52 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.



#### 53 Modi Villa Townhome Petchkasem 69

Location	Petchkasem Road, Bangkok
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2015-2023
Product	TH
Total Project Value	768 MB.



**54 Modi Villa Townhome Rangsit Klong 7**

Location	Thanyaburi District, Pathum Thani
Developed by	Estate Perfect Co., Ltd.
Time to Develop	2016-2022
Product	TH
Total Project Value	1,088 MB.

**55 Modi Villa Bangbuathong**

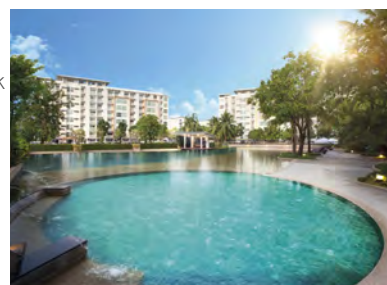
Location	Bangbuathong District, Nonthaburi
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2013-2019
Product	TH, DH, SDH
Total Project Value	1,218 MB.

**56 Modi Villa Lat Krabang -Suvarnnabhumi**

Location	Klongluangpang, Muang District, Chachoengsao
Developed by	Residence Number Nine Co., Ltd.
Time to Develop	2012-2019
Product	SDH, DH
Total Project Value	606 MB

**“The Lake” / “Metro Sky” / “The Sky” / “Metro Luxe” / “Bella Costa”****57 The lake Kullaprapuek-Wutthakat Phase 3**

Location	Bang Wa, Phasi Charoen District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2007-2019
Product	CD
Total Project Value	3,735 MB.

**58 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	3,615 MB.

**59 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.





## 60 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.



## 61 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.



## 62 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	1,750 MB.



## 63 Metro Luxe Phahol-Sutthisan (Metro Sky Phaholyothin)

Location	Sutthisan Winitchai Road, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2019
Product	CD
Total Project Value	795MB.



## 64 Metro Luxe Phahol-Sutthisan (2)

Location	Sutthisan Winitchai Road, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2017-2019
Product	CD
Total Project Value	887MB.



## 65 Metro Luxe Ekamai-Rama IV

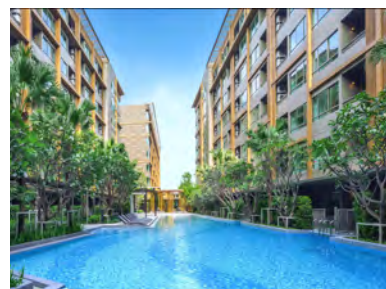
Location	Rama IV Road, Klong Toei District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	CD
Total Project Value	1,618 MB.





**66 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	1,898 MB.

**67 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	1,562 MB.

**68 Bella Costa Hua Hin**

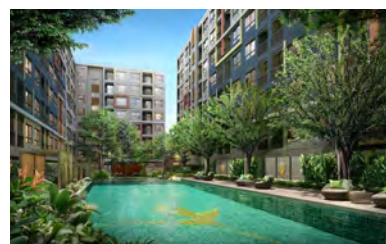
Location	Paknam Pran, Pranburi District, Prachuabkirikhan
Developed by	Property Perfect Plc.
Time to Develop	2014-2019
Product	CD
Total Project Value	1,788 MB.

**“iCondo” Brand****69 iCondo Pattanakarn-Srinakarin**

Location	Pattanakarn Road, Pattanakarn District, Bangkok
Developed by	Property Perfect Plc.
Time to Develop	2019-2020
Product	CD
Total Project Value	922 MB.

**70 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	917 MB.

**71 iCondo Sukhumvit 105**

Location	Sukhumvit 105 Road (Soi Lasal), Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2011-2019
Product	CD
Total Project Value	2,226 MB.



## 72 iCondo Salaya

Location	Salaya-Nakronchaisri Road, Phutthamonthon District, Nakorn Pathom
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2012-2019
Product	CD
Total Project Value	943 MB.



## 73 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	1,478 MB.



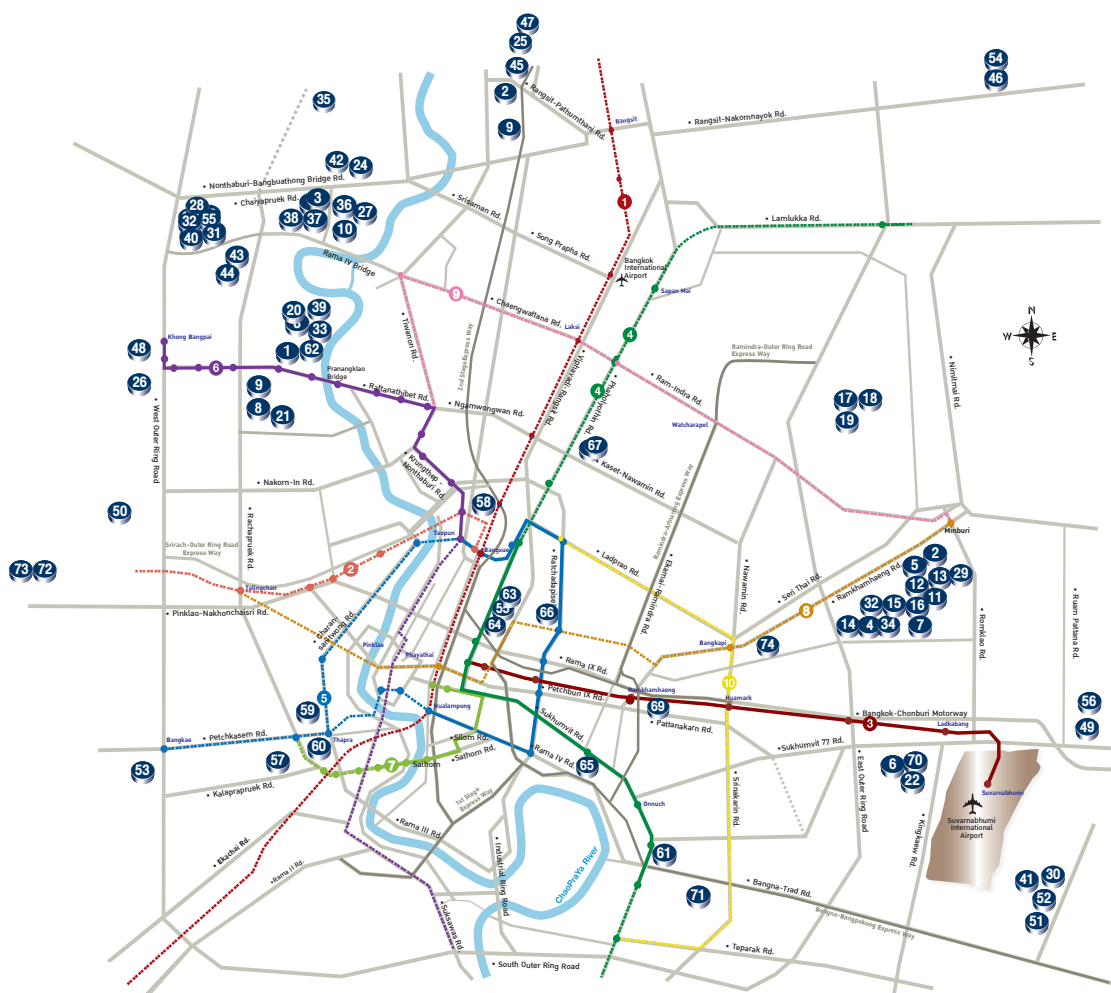
## 74 iCondo Serithai

Location	Serithai Road, Bueng Kum District, Bangkok
Developed by	Bright Development Bangkok Co., Ltd.
Time to Develop	2018-2019
Product	CD
Total Project Value	898 MB.





# MAP PROJECT



1. Perfect Masterpiece Rattana Thibet
2. Perfect Masterpiece Ramkhamhaeng-Suvarnabhumi
3. Perfect Masterpiece Chaengwattana
4. Perfect Masterpiece Rama IX-Krungthep Kreetha
5. Perfect Masterpiece Ramkhamhaeng-Suvarnabhumi 2
6. Perfect Masterpiece Phase 1-3 Sukhumvit 77
7. Perfect Residence Rama IX-Krungthep Kreetha
8. Perfect Place Ratchapruk 4
9. Perfect Rangsit 2
10. Perfect Place Chaengwattana 2
11. Perfect Place Ramkhamhaeng-Suvarnabhumi 2
12. Perfect Place Ramkhamhaeng-Suvarnabhumi 3
13. Perfect Place Ramkhamhaeng-Suvarnabhumi [Lake zone2]
14. Perfect Place Krungthep Kreetha
15. Perfect Place Outer Ring - Ramkhamhaeng
16. Perfect Place Outer Ring - Ramkhamhaeng 2
17. Perfect Place Ramintra - Outer Ring
18. Perfect Place Ramintra - Outer Ring 2
19. Perfect Place Ramintra - Outer Ring 3
20. Perfect Place Ratchapruk 4
21. Perfect Place Ratchapruk 5
22. Perfect Place Sukhumvit 77 Suvarnabhumi Phase 5-8
23. Perfect Place Chiang Mai
24. Maneer Lake & Park Ratchapruk-Tiwanon
25. Perfect Park Rangsit 2
26. Perfect Park RamaV-Bangyai
27. Perfect Park Chaengwattana
28. Perfect Park Bangbuathong Exclusive 3
29. Perfect Park Suvarnabhumi (Romklao)[Phase 1-4][EX]
30. Perfect Park Bangna
31. Perfect Park Chaiyapruk
32. Perfect Park Bangbuathong
33. The Metro Rattana Thibet
34. The Metro Rama IX-Krungthep Kreetha
35. The Metro Ratchapruk-Pathumthani
36. The Metro Chaengwattana
37. The Metro Biztown Chaengwattana 2
38. The Metro Biztown Chaengwattana 3
39. The Metro Biztown Rattana Thibet
40. The Metro Biztown Bangbuathong 2
41. The Metro Biztown Bangna
42. Modi Villa Ratchapruk-Tiwanon
43. Modi Villa Chaiyapruk
44. Modi Villa Townhome Chaiyapruk
45. Modi Villa Rangsit
46. Modi Villa Rangsit Klong 7
47. Modi Villa Rangsit 2
48. Modi Villa Bangyai
49. Modi Villa Townhome Ladkrabang
50. Modi Villa Pinklao - Outer Ring
51. Modi Villa Bangna
52. Modi Villa Townhome Bangna
53. Modi Villa Townhome Petchkasem 69
54. Modi Villa Townhome Rangsit Klong 7
55. Modi Villa Bangbuathong
56. Modi Villa Ladkrabang-Suvarnabhumi
57. The Lake Kallapraphruk-Wutthakat Phase 3
58. Metro Sky PrachaChuen
59. Metro Sky Charan 13
60. Metro Sky Wutthakat
61. The Sky Sukhumvit
62. Metroluxe Riverfront
63. Metroluxe Phaholyothin
64. Metroluxe Phaholyothin 2
65. Metroluxe Ekamai- Rama IV
66. Metroluxe Ratchada
67. Metroluxe Kaset
68. Bella Costa Huahin
69. iCondo Phatthanakan-Srinakarin
70. iCondo Sukhumvit 77
71. iCondo Sukhumvit 105
72. iCondo Salaya
73. iCondo Salaya 2
74. 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 (Lamlukka-Samutprakan)
- 5 Blue Line (Bangsue-Hualampong-Tapra)
- 6 Purple Line (Bangyai-Rajburana)
- 7 Light Green Line (Yodsae-Bangwha)
- 8 Orange Line (Talingchan-Minburi)
- 9 Pink Line (Khaerai-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					
	2018		2017		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of Land and house	8,818.1	44.9%	7,454.7	44.6%	6,614.0	42.5%
Revenue from sales of residential condominium	5,535.3	28.2%	4,765.6	28.5%	4,987.6	32.1%
Revenue from sale of land	1,233.2	6.3%	1,225.5	7.3%	863.7	5.6%
Revenue from hotel business	2,914.8	14.8%	2,323.3	13.9%	2,193.9	14.1%
Revenue from rental and service	342.7	1.7%	381.4	2.1%	361.3	2.3%
Revenue from constructions	-	0.0%	32.5	0.2%	88.9	0.6%
Other income						
Gain from acquisitions below fair value	235.4	1.2%	-	0.0%	-	0.0%
Gain from land rights sale	0.7	0.0%	104.8	0.6%	118.7	0.8%
Gain from disposal of investment in joint ventures	-	0.0%	107.0	0.6%	-	0.0%
Gain from end of control over subsidiaries	-	0.0%	8.7	0.1%	-	0.0%
Interest income	121.5	0.6%	82.4	0.5%	29.1	0.2%
Dividends received	0.1	0.0%	6.5	0.0%	7.4	0.0%
Management service revenue	71.8	0.4%	0.2	0.0%	-	0.0%
Revenue from early contract termination	59.2	0.3%	17.5	0.0%	-	0.0%
Others	314.2	1.6%	225.4	1.6%	287.9	1.9%
<b>Total revenue</b>	<b>19,647.0</b>	<b>100.0%</b>	<b>16,735.5</b>	<b>100.0%</b>	<b>15,552.5</b>	<b>100.0%</b>

The financial statements showed that land and house sale generated 44.9 %, 44.5% and 42.5 % of total revenue in 2018, 2017 and 2016, respectively. Condominium business generated 28.2%, 28.5% and 32.1 % of revenue, respectively. Proceeds from the sale of vacant land plots accounted for 6.3%, 7.3% and 5.6 %. The hotel business generated 14.8 %, 13.9 % and 14.1 %, respectively. In the consolidated income statements, other revenues generated 5.8%, 5.8% and 5.7% of total revenue, respectively.

(More information as of 31 December 2018 appeared in the comprehensive income statement.)



## Land and Houses Sale Revenue Structure by Product Type

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

Project	Developed by	Type	2018		2017		2016	
			Million Baht	%	Million Baht	%	Million Baht	%
Brand “Perfect Masterpiece”								
Maneeya Masterpiece Exclusive Zone	PF	SDH	-	0.0%	-	0.0%	14.5	0.2%
Perfect Masterpiece Rattanathibet-Ratchapruek	PF	SDH	341.7	3.9%	397.1	5.3%	369.0	5.6%
Perfect Masterpiece (Century) Ramkhamhaeng-Suvarnabhumi	PF	SDH	338.1	3.8%	305.8	4.1%	76.1	1.2%
Perfect Masterpiece 2 Rungsit	PF	SDH	-	0.0%	200.4	2.7%	254.0	3.8%
Perfect Masterpiece Chaengwattana	PF	SDH	335.6	3.8%	100.3	1.3%	-	0.0%
Perfect Masterpiece Krungteп Kreetha	PF	SDH	467.3	5.3%	12.5	0.2%	-	0.0%
Perfect Masterpiece Sukhumvit 77	EP	SDH	97.1	1.1%	405.1	5.4%	434.7	6.6%
Brand “Perfect Place”								
Perfect Place Rattanathibet-Ratchapruek (2)	PF	SDH	-	0.0%	-	0.0%	70.6	1.1%
Perfect Place Rattanathibet-Ratchapruek(3)	PF	SDH	225.3	2.6%	503.8	6.8%	475.5	7.2%
Perfect Place Rattanathibet-Ratchapruek(4)	PF	SDH	80.0	0.9%	-	0.0%	-	0.0%
Perfect Place Rattanathibet-Ratchapruek(5)	PF	SDH	76.4	0.9%	-	0.0%	-	0.0%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Colonial)	PF	SDH	11.3	0.1%	29.5	0.4%	11.2	0.2%
Perfect Place Ramkhamhaeng-Suvarnabhumi (Exclusive Zone)	PF	SDH	-	0.0%	-	0.0%	10.7	0.2%
Perfect Place Ramkhamhaeng-Suvarnabhumi (The Lake Zone 2)	PF	SDH	-	0.0%	-	0.0%	5.9	0.1%
Perfect Place Ramkhamhaeng-Suvarnabhumi (2)	PF	SDH	32.6	0.4%	64.4	0.9%	43.2	0.7%
Perfect Place Ramkhamhaeng-Suvarnabhumi (3)	PF	SDH	287.3	3.3%	241.5	3.2%	205.3	3.1%
Perfect Place Ramintra- Outer Ring (1)	PF	SDH	12.8	0.1%	26.1	0.4%	95.3	1.4%
Perfect Place Ramintra- Outer Ring (2)	PF	SDH	268.5	3.0%	215.7	2.9%	-	0.0%
Perfect Place Ramintra- Outer Ring (3)	PF	SDH	55.8	0.6%	-	0.0%	-	0.0%
Perfect Place Ramintra- Outer Ring The Exclusive	PF	SDH	-	0.0%	9.8	0.1%	39.1	0.6%
Perfect Place Outer Ring- Ramkhamhaeng	PF	SDH	-	0.0%	85.5	1.1%	102.9	1.6%
Perfect Place Outer Ring- Ramkhamhaeng (2)	PF	SDH	428.3	4.9%	237.1	3.2%	14.3	0.2%
Perfect Place Krungteп Kreetha	PF	SDH	482.7	5.5%	134.6	1.8%	-	0.0%
Perfect Place Ratchapruek (2)	PF	SDH	-	0.0%	-	0.0%	8.0	0.1%
Perfect Place Ratchapruek (3)	PF	SDH	-	0.0%	21.4	0.3%	42.9	0.6%
Perfect Place Ratchapruek (4)	PF	SDH	415.2	4.7%	363.6	4.9%	276.1	4.2%
Perfect Place Rungsit	PF	SDH	-	0.0%	24.0	0.3%	52.8	0.8%
Perfect Place Rungsit (2)	PF	SDH	301.5	3.4%	234.9	3.2%	139.1	2.1%
Perfect Place Chaengwattana	PF	SDH	-	0.0%	209.7	2.8%	381.3	5.8%
Perfect Place Chaengwattana (2)	PF	SDH	289.1	3.3%	10.1	0.1%	-	0.0%
Perfect Place Pattanakarn- Srinakarin	PF	SDH	-	0.0%	-	0.0%	145.4	2.2%
Perfect Place Sukhumvit 77 -Suvarnabhumi	EP	SDH	826.3	9.4%	505.1	6.8%	421.9	6.4%
Perfect Place Chiang Mai	RN 9	SDH	34.7	0.4%	62.9	0.8%	98.7	1.5%
Perfect Place Ramkhamhaeng-Suvarnabhumi Masterpice Zone 2	RN 9	SDH	-	0.0%	-	0.0%	15.1	0.2%
Brand “Maneerin” “Perfect Park”								
Maneerin Lake & Park Ratchapruek-Tiwanon	PF	SDH/Land	14.4	0.2%	13.1	0.2%	5.5	0.1%
Perfect Park Rama V —Bangyai	PF	SDH	342.8	3.9%	341.6	4.6%	423.4	6.4%
Perfect Park Rangsit	PF	SDH	-	0.0%	4.3	0.1%	23.7	0.4%
Perfect Park Ratchapruek	PF	SDH	64.1	0.7%	449.8	6.0%	369.2	5.6%

Project	Developed by	Type	2018		2017		2016	
			Million Baht	%	Million Baht	%		%
Perfect Park Rangsit (2)	PF	SDH	166.1	1.9%	61.2	0.8%	-	0.0%
Perfect Park Suvarnabhumi	EP	SDH	323.7	3.7%	324.6	4.4%	187.7	2.8%
Perfect Park Bangbuathong	RN 9	SDH	51.8	0.6%	148.5	2.0%	235.7	3.6%
Perfect Park Bangna	BD	SDH	43.8	0.5%	28.63	0.4%	9.4	0.1%
Perfect Park Chaichaypruek	RN 9	SDH	47.3	0.5%	87.6	1.2%	-	0.0%
Perfect Park Chaengwattana	PF	SDH	48.0	0.5%	-	0.0%	-	0.0%
<b>Band “The Metro ” “The Villa ” “Movi Villa”</b>								
The Villa Rattanathibet- Ratchapruet	PF	TH	-	0.0%	-	0.0%	14.7	0.2%
The Metro Ramkhamhaeng	PF	TH	6.6	0.1%	63.5	0.9%	172.3	2.6%
The Metro Pattanakarn- Srinakarin	PF	TH	-	0.0%	3.7	0.0%	129.7	2.0%
The Metro Rattanathibet	PF	TH	341.7	3.9%	105.7	1.4%	104.9	1.6%
The Metro Rama9-krungtep Kreetha	PF	TH	407.9	4.6%	46.2	0.6%	-	0.0%
Modi villa Chaichaypruek	PF	TH,SDH	92.2	1.0%	79.7	1.1%	114.2	1.7%
Modi villa (Townhome) Chaichaypruek	PF	TH	94.7	1.1%	85.0	1.1%	38.8	0.6%
Modi villa Rungsit	PF	TH	120.4	1.4%	201.6	2.7%	118.5	1.8%
Modi villa Rungsit 2	PF	TH	58.9	0.7%	-	0.0%	-	0.0%
Modi villa Rungsit Klong 7	PF	SDH	47.1	0.5%	54.8	0.7%	-	0.0%
Modi villa (Townhome) Ladkrabang	EP	TH	83.2	0.9%	77.4	1.0%	77	1.2%
Modi villa Ladkrabang-Suvarnabhumi	RN 9	SDH	53.3	0.6%	65.8	0.9%	64.6	1.0%
Modi villa Pinklao-Outer Ring	EP	TH,SDH	129.1	1.5%	155.7	2.1%	199.8	3.0%
Modi villa Bangna	EP	SDH	98.7	1.1%	60.8	0.8%	44.3	0.7%
Modi villa (Townhome) Bangna	EP	TH	97.1	1.1%	127.3	1.7%	95.4	1.4%
Modi villa Bangbuathong	RN 9	TH,SDH	96.1	1.1%	170.8	2.3%	189.2	2.9%
Modi villa Bangbyai	PF	TH	21.4	0.2%	-	0.0%	-	0.0%
Modi villa Rachapruet- Tiwanon	PF	TH	57.4	0.7%	-	0.0%	-	0.0%
Modi villa (Townhome) Petchkasem69	EP	TH	218.8	2.5%	125.8	1.7%	86.9	1.3%
Modi villa (Townhome) Rungsit Klong 7	EP	TH	68.6	0.8%	94.5	1.3%	-	0.0%
Modi villa Pinklao Sai 5	EP	SDH	45.0	0.5%	-	0.0%	-	0.0%
<b>Other</b>								
Metro Biztown Bangbuathong	RN 9	Shop	4.6	0.1%	-	0.0%	42.4	0.6%
Metro Biztown Bangna	BD	Shop	9.4	0.1%	62.5	0.8%	9.7	0.1%
Perfect Residence Krungtep Kreetha	PF	SDH	34.0	0.4%	-	0.0%	-	0.0%
Metro Biztown Chaengwattana	PF	Shop	37.7	0.4%	-	0.0%	-	0.0%
Metro Biztown Chaengwattana2	PF	Shop	42.0	0.5%	-	0.0%	-	0.0%
Other —Total 11 projects	PF /EP /RN9	TH,SDH,Shop	42.6	0.5%	13.7	0.2%	53.4	0.8%
<b>Total Revenue from the Sale of land and houses</b>			<b>8,818.1</b>	<b>100.0%</b>	<b>7,454.7</b>	<b>100.0%</b>	<b>6,614.0</b>	<b>100.0%</b>

Remark :

PF = Property Perfect Public Company Limited

RN 9 = Residence Number Nine Company Limited

EP = Estate Perfect Company Limited

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

BD = Bright Development Bangkok Company Limited

As shown in the balance sheet, sales revenue of Property Perfect in 2018, 2017 and 2016 are Bt6,489.5million, Bt4,951.7 million and Bt4,393.9 million, respectively. In the same period, subsidiaries' revenue are Bt2,328.6 million, Bt2,503.0 million and Bt2,220.1 million, respectively.



### Sales of Condominium Units Revenue Structure by Product type

Project	Developed by	Type	2018		2017		2016	
			Million Baht	%	Million Baht	%	Million Baht	%
The Lake Kallaprapruk-Wutthakat	PF	CONDO	235.6	4.3%	203.9	4.3%	170.2	3.4%
The Sky Sukhumvit	PF	CONDO	282.1	5.1%	125.9	2.6%	328.1	6.6%
Metro Luxe Riverfront	PF	CONDO	192.9	3.5%	280.2	5.9%	494.2	9.9%
Metro Luxe Phahol - Sutthisan	PF	CONDO	80.4	1.5%	144.9	3.0%	568.5	11.4%
Metro Luxe Phahol — Sutthisan 2	PF	CONDO	583.7	10.5%	-	0.0%	-	0.0%
Metro Luxe Rama4	PF	CONDO	266.5	4.8%	419.0	8.8%	919.6	18.4%
Bella Costa Hua Hin	PF	CONDO	66.8	1.2%	50.0	1.0%	522.6	10.5%
Metro Sky Prachachuen	PF	CONDO	674.5	12.2%	1,133.7	23.8%	-	0.0%
Metro Luxe Ratchada	BD	CONDO	652.6	11.8%	442.28	9.3%	-	0.0%
Metro Luxe Kaset	BD	CONDO	263.6	4.8%	307.39	6.5%	677.7	13.6%
iCondo Ngamwongwan	BD	CONDO	-	0.0%	3.47	0.1%	1.6	0.0%
iCondo Sukhumvit 105	BD	CONDO	84.4	1.5%	180.16	3.8%	357.8	7.2%
iCondo Sukhapiban 2	BD	CONDO	-	0.0%	-	0.0%	2.3	0.0%
iCondo Sukhumvit 103	BD	CONDO	-	0.0%	10.5	0.2%	-	0.0%
iCondo Ngamwongwan 2	BD	CONDO	-	0.0%	14.97	0.3%	159.3	3.2%
iCondo Petchkasem 39	BD	CONDO	-	0.0%	1.99	0.0%	34	0.7%
iCondo Salaya	BD	CONDO	34.1	0.6%	26.64	0.6%	44.1	0.9%
iCondo Salaya 2	BD	CONDO	256.2	4.6%	224.98	4.7%	387.3	7.8%
iCondo Serithai	BD	CONDO	275.9	5.0%	-	0.0%	-	0.0%
Hyde Sukhumvit	GRAND	CONDO	1,476.3	26.7%	295.49	6.2%	320.4	6.4%
Hyde 2 Sukhumvit	GRAND	CONDO	94.7	1.7%	892.61	18.7%	-	0.0%
Others			15.0	0.3%	7.50	0.2%	-	0.0%
<b>Total Revenue from the Sale off Condominium Units</b>			<b>5,535.3</b>	<b>100.0%</b>	<b>4,765.6</b>	<b>100.0%</b>	<b>4,987.7</b>	<b>100.0%</b>

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 2018, 2017 and 2016 are Bt. 2,382.5 million, Bt2,357.6 0million and Bt3,003.2 million, respectively. In the same period, subsidiaries' revenue are Bt3,152.8 million, Bt2,408.0 million and Bt1,984.5 million, respectively.

(More information as of 31 December 2018 appeared in the comprehensive income statement.)

## 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 PrachuabKhiri Khan (HuaHin), Nakorn Ratchsima (Khaoyai) 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 —Bt80.0 million under the following brands.

#### Single Detached Houses and Duplex Houses



#### Project : Bella Del Monte

Price range: 25 – 80 MB.



#### Existing projects:

Bella Del Monte Khaoyai



#### Project : Perfect Masterpiece

Price range: 15– 60 MB.



#### Existing projects:

Perfect Masterpiece Century Rattanathibet  
Perfect Masterpiece Chaengwattana  
Perfect Masterpiece Century Ramkhamhaeng  
Perfect Masterpiece Sukhumvit 77  
-Suvarnabhumi  
Perfect Masterpiece Rama9-Krungthep kreetha



#### Project : Perfect Residence

Price range: 10-15 MB.



#### Existing projects:

Perfect Residence Rama9-Krungtep Kreetha  
Perfect Residence Sukhumvit77



## Single Detached Houses and Duplex Houses



### Project : Perfect Place

Price range: 5-10 MB.



#### Existing projects:

Perfect Place Rattanathibet  
Perfect Place Ratchaphruek  
Perfect Place Chaengwattana 2  
Perfect Place Ramkhamhaeng-Suvarnabhumi 3  
Perfect Place Sukhumvit 77-Suvarnabhumi 8  
Perfect Place Ramintra-Outer Ring  
Perfect Place Outer Ring-Ramkhamhaeng  
Perfect Place Muang Chiangmai  
Perfect Place Krungtep Kreetha



### Project : Perfect Park

Price range: 4 – 6 MB.



#### Existing projects:

Perfect Park Rama V-Bang Yai  
Perfect Park Bangbuathong  
Perfect Park Suvarnabhumi  
Perfect Park Chaipayruek  
Perfect Park Bangna  
Perfect Park Rangsit2



### Project : Modi Villa

Price range: 3.0 – 4.0 MB.



#### Existing projects:

Modi Villa Ladkrabang-Suvarnabhumi  
Modi Villa Bangna  
Modi Villa Chaipayruek  
Modi Villa Pinklao-Sai 5  
Modi Villa Rangsit-Klong 7

## Townhouse



### Project : The Metro

Price range: 2.89-5 MB.



#### Existing projects:

The Metro Rattanathibet  
The Metro Rama9-Krungthep Kreetha  
The Metro Rachapruek - Pathumthani



### Project : Modi Villa ( Townhome)

Price range: 1.9 – 3 MB.



#### Existing projects:

Modi villa Ladkrabang-Suvarnabhumi  
Modi Villa Bangna  
Modi villa Petchkasem69  
Modi villa Pinklao-Outer Ring  
Modi villa Bangbuathong  
Modi villa Rangsit 2  
Modi villa Rangsit Klong 7  
Modi Villa Bangyai  
Modi Villa Rachapruek-Tiwanon  
Modi Villa Chaipayruek

In 2018, the Company and subsidiaries launched a total of 17 new projects and extended phases for existing projects with combined value of Bt17,500 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. On top of that is a residential project under the newly-launched “Bella Del Mone” brand, offering houses valued at Bt25-Bt80 million.

## 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-Bt150million. 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



**Project : Hyde**

Price range: 6.02 -150 MB.



**Existing projects:**

Hyde Sukhumvit 11  
Hyde Heritage Thonglor



**Project : YU Kiroro**

Price range: 20-145 MB.



**Existing projects:**

YU Kiroro Japan



**Project : The Sky**

Price range: 3.08 - 11 MB.



**Existing projects:**

The Sky Sukhumvit



**Project : Metro Sky**

Price range: 2- 5 MB.



**Existing projects:**

Metro Sky Prachachuen  
Metro Sky Wutthakat  
Metro Sky Charan



**Project : Metroluxe**

Price range: 1.8 – 5.4 MB.



**Existing projects:**

Metroluxe Riverfront  
Metroluxe Phahol- Sutthisan  
Metroluxe Kaset  
Metroluxe Ratchada



## Condominium

**Project: The Lake**

Price range: 1.59 – 3MB.

**Existing projects:**

The Lake Kallaprapruk-Wutthakat

**Project: iCondo**

Price range: 1.59 – 2.4 MB.

**Existing projects:**

iCondo Salaya  
iCondo Salaya The Campus  
iCondo Serithai  
iCondo Sukhumvit 77  
iCondo Pattanakarn

**Project : Bella Costa**

Price range: 3.99-12 MB.

**Existing projects:**

Bella Costa Hua Hin

In 2018, the Company and subsidiaries plan to launch 2 condominium projects with combined value of Bt1,800 million in prime locations near electric train routes and universities —iCondo Sukhumvit77 Phase2, iCondo Pattanakarn

After the transfer, the company and subsidiaries assure customers with a 1-year house warranty starting from the transfer date. The Perfect Service unit is established to take care of customers who have been delivered their completed units, within the warranty and off-warranty period. This is to ensure speedy services and guarantee customer satisfaction. Manning the unit are loyal employees, equipped with service mind and knowledge through training.

Moreover, the company and subsidiaries put in place community management practices, to cover the provision of recreation areas, utilities and infrastructure inside the projects until the construction works are finished and

transferred to the estate committee or the juristic body.

### 3. Hotel and resort business

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

The Company operates a hotel and resort business abroad, owning Kiroro Resort in Akaigawa-mura, Hokkaido, Japan. The ski resort is located on a 292-rai plot, where two four-star hotel buildings are located. There are 422 hotel

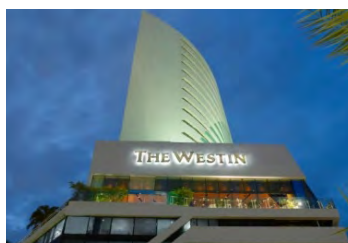


rooms, from 22sqm standard rooms to 149sqm suites. Considered one of the best ski resorts in Japan, it boasts the scenery that supports travel at all seasons. Akaigawa-mura is also well-known as the second most beautiful village in Japan. The resort offers a complete range of facilities such as function 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

**THE WESTIN**  
GRANDE SUKHUMVIT  
BANGKOK



### Existing projects:

The Westin Grande Sukhumvit Hotel



ROYAL ORCHID  
**Sheraton**  
HOTEL & TOWERS

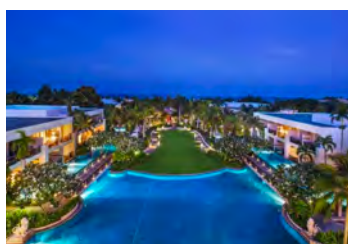


### Existing projects:

Royal Orchid Sheraton Hotel & Towers



**Sheraton**  
HUA HIN RESORT & SPA



### Existing projects:

Sheraton Hua Hin Resort and Spa Hotel



**Sheraton**  
HUA HIN PRANBURI VILLAS



### Existing projects:

Sheraton Hua Hin Pranburi Villas



**HYATT**  
REGENCY™  
BANGKOK



### Existing projects:

Hyatt Regency Bangkok Sukhumvit Hotel

## Hotel



**Existing projects:**  
Kiroro Ski Resort

#### 4. Rental office buildings

The Company and subsidiaries have embarked on rental office building business, currently owning Pacific Place I and Pacific Place II of which competitive edges lie mainly with the proximity to BTS Nana Station. Located in a business area, they offer great transport convenience against cheaper rents compared to nearby buildings. The buildings and equipment are properly maintained and they are professionally managed. Though, The land lease contract was expired on 31 January 2019.

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

## Community Mall



**Existing projects:**  
Metro West Town



## MARKETING AND COMPETITION

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

#### Marketing, Product Strategies

##### House and project design

- **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 (Tunnel Formwork system allows the casting of tunnel moulds. On the moulds, concrete walls and floors can be built in one operation.) 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 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 Rattathibet-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 2018, 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 Rediance 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.

## Pricing Strategy

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

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

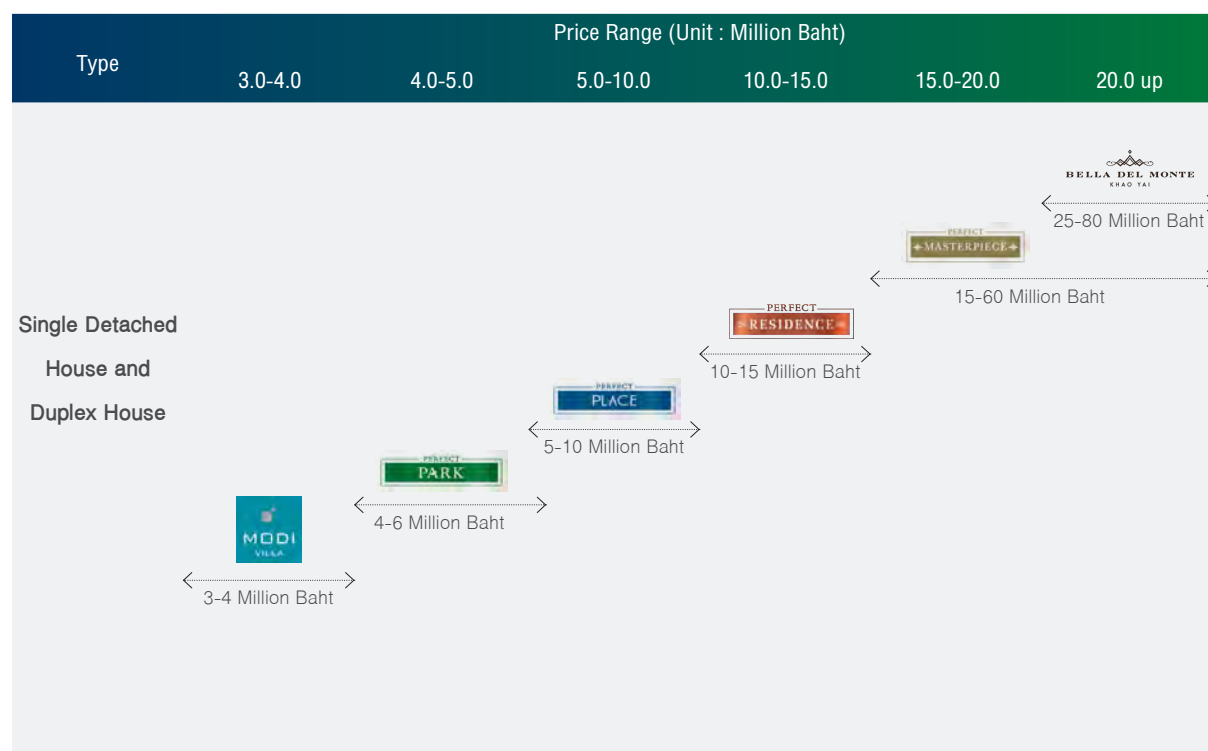
### Single Detached Houses, Duplex Houses and Townhouses











category are priced from Bt1.9million to Bt80 million, to meet the purchasing power of various target groups.

### Condominium

category are priced from Bt1.59million to Bt150 million.

**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	5.0-10.0	10.0 up
Townhouse			 2.89-5 Million Baht			
		 1.9-3 Million Baht				
Condominium					 6.02-150 Million	
					 20-145 Million Baht	
				 3.99-12 Million Baht		
				 3-11 Million Baht		
			 1.8-5.4 Million Baht			
			 2-5 Million Baht			
		 1.59-3 Million Baht				
		 1.59-2.4 Million				



## 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, Chaiphaphruek, Rattana Thibet, Kanchanapisek, Nonthaburi Bridge -Bang Buathong road and Rangsit-Pathum Thani 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 Rattana Thibet, 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, Sukhumvit 77 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. They will also be connected with Srinakarin-Romklao Road (New Bangkok-Krungthep Kreetha Road) that runs in parallel with the Motorway. Once completed in mid-2019, the road will offer greater convenience in accessing Rama IX

- **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 Ta mountain in Prachuap Khiri Khan. and Bella Del Monte, Residence Resort in Khao Yai, Nakorn Ratchasima.

## Promotion

### Advertising & Public Relations

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. Complementing the strategy is the direct marketing, whereby a specific media is chosen for a particular target group and achieve the objective of Public relation, 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, LIN, 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.

- **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** 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** 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		Target: Owners of large-sized businesses, high-level corporate executives of public company.	Bt25 -Bt80 million .
		Target: Owners of medium- and large-sized businesses, high-level corporate executives, professionals like medical specialists and pilots Age group: 40 - 55 years Education: Master degree or higher Monthly income: Bt200,000 or higher Household income: Bt300,000 or higher No. of family members: 4 - 6	Bt15-Bt60 million .
		Target: High-level corporate executives, Business owner, professionals like medical specialists and pilots Age group: 35-50 years Education: Master degree or higher Monthly income: Bt 150,000 or higher Household income: Bt. 250,000 or higher No. of family members: 4-6	Bt.10-15 million
		Target: SME business owners, middle-level corporate executives, professionals like doctors, engineers and architects Age group: 35 - 45 years Education: Bachelor degree or higher Monthly income: Bt50,000 - Bt100,000 Household income: Bt100,000 - Bt200,000 No. of family members: 3 - 4	Bt5-Bt10 million
		Target: Corporate managers, middle-level corporate executives, engineers and architects Age group: 30 - 40 years Education: Bachelor degree or higher Monthly income: Bt30,000 - Bt50,000 Household income: Bt60,000 - Bt100,000 No. of family members: 3 - 4	Bt4-Bt6 million
		Target: Corporate managers, small-sized business owners Age group: 30 - 40 years Education: Bachelor degree or higher Monthly income: Bt25,000 - Bt50,000 Household income: Bt50,000 - Bt100,000 No. of family members: 2 - 4	Bt3-Bt4 million

Type	Brand	Target customers	Unit price/ <sup>1</sup>
Townhouse		Target: Corporate managers, SME business owners Age group: 30 - 40 years Education: Bachelor degree or higher Monthly income: Bt50,000 - Bt100,000 Household income: Bt80,000 - Bt150,000 No. of family members: 3 - 4	Bt3.5 - Bt5 million
		Target: Corporate assistant managers, civil servants, state enterprise employees Age group: 30 - 35 years Education: Bachelor degree Monthly income: Bt20,000 - Bt40,000 Household income: Bt40,000 - Bt80,000 No. of family members: 2 - 3	Bt1.9 - Bt3 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	Bt200,000 - Bt310,000
		Target: High-level executives, business owners, foreign businessmen and others whose monthly income is Bt150,000 or higher	Bt110,000 - Bt181,000
		Target: High-level executives, business owners or others whose monthly income is Bt120,000 or higher	Bt78,000 - Bt109,000

Type	Brand	Target customers	Price per square meter <sup>1</sup>
Low-rise condominium		Target: High-level executives, business owners or others whose monthly income is Bt1,000,000 or higher who can pay for their purchases in cash and have no wish to obtain loans.	360,000 -420,000
		Target: Middle- and high-level executives, business owners and others whose monthly income is Bt50,000 or higher	75,000 - 140,000
		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:

<sup>1</sup> Average sale price as of December 2018.

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

The real estate market is expected to remain buoyant throughout the first quarter of 2019, when transactions are accelerated prior to the enforcement of the Bank of Thailand's new housing loan measures. The measures, to take effect on 1 April 2019, will affect those paying mortgages for more than 1 property as well as those buying property worth over Bt10 million who will have to pay at least 10%-30% of property prices as down payments. Though the measures will affect the high-end and luxury segment, developers are expected to maintain their focus in this segment. Meanwhile, the segment that targets lower middle-income earners (with unit price below Bt3 million) is expected to show slow growth due to economic deterioration and household debts which, despite a decrease, remained high. Developers are expected to be more cautious in terms of location for low-rise projects, which tend to draw end-users rather than speculators amid tighter housing loan measures.

The low-rise segment's supplies have expanded due to more townhouse projects, while the number of single detached houses decrease. However, the ratio of single houses value escalates thanks to higher per-unit prices. Regarding the condominium market, city condominium projects with 7,200 units were launched in the third quarter of 2018, compared to only 1,300 units introduced in the first two quarters of the year. New city condominium units in the first 3 quarters increased by 8% from the same period a year earlier. Developers' data showed that sales of under-construction city condominiums were only 66% compared with 77% in the same period last year. Sales slowed as buyers spent more time comparing the specifications particularly when it concerned projects offering units at the price above Bt300,000 per square meter. All developers' focus is placed on future electric train lines such as Green Line's extension, Blue Line's extension, Orange Line, Yellow Line and Pink Line. The construction of these lines is underway. Property for rent targeting foreigners shows stable growth. Meanwhile, the rental market for Thais mostly covering suburban units showed no growth in rents and the lower-than-expected rents may disappoint those renting out their newly-bought condominium units.

## 2. Market and competition in hotel and tourism business

### Market

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

### Competition

The hotel business is expected to enjoy growth in 2019 on anticipated growth in the number of local and foreign tourists and their spending. Further driven the business is the policy to promote domestic tourism and a campaign to draw foreign tourists from new markets. More guest rooms are expected to hit the market as large developers are expanding in all segments. A special focus is on the 3 and 4-star segment, to cash in on continued expansion in the number of mid-level tourists. Competition in this segment tends to be fierce.

The hotel business still faces huge oversupplies which lead to fierce competition and block an increase in room rates. Segment by segment, the 3-star segment and below is expected to show growth in 2019 thanks to an increasing number of mid-level tourists. Large developers are also attracted to this segment, focusing on key tourist destinations across the country. The 4-star segment and above is expected to expand further thanks to the increasing number of upper middle-income tourists and spending. Arrivals from the United States, Malaysia, India, Taiwan, South Korea, Japan, the Middle East and Europe are expected to increase, along with the numbers in the MICE market. Boosting the segment is the government's ongoing campaign to attract tourists from new markets. Looking ahead, new large hotels tend to be a part of mixed use development projects which will also house office buildings, condominiums or serviced apartments. More old hotels will be renovated and operated under new brands, to better serve clients. More expansion to neighboring countries like Brunei, Vietnam, Laos and the Philippine is also anticipated.

## 3. 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

Thailand's retail market experiences greater competition due to new retail space supplies and the E-commerce. In 2018, the supply was increased by 200,000 square meters by 4 mega projects — Iconsiam, Gateway at Bangsue, IKEA's 2nd outlet at Central Plaza West Gate, and the Marvel Experience Thailand at Mega Bangna. Despite positive macroeconomic indicators, several large retailers reported zero same-store-sales growth, indicating a slowdown in domestic consumption. However, Bangkok's retail business is set to welcome more supply as 1.4 million square meters are under construction.

Regarding the E-commerce, the Electronic Transactions Development Agency's data showed that Thailand's E-commerce transactions are valued at 3% of total retail sales and will rise to 10% in the next 5 years due to increasing popularity of online and offline shopping channels. An omni channel has been adopted by several retailers, to allow both online and offline purchases which will create a new shopping experience. Fast changes in the retail industry indicate the need for huge adjustment among department stores.

# THE COMPANY'S SECURITIES AND SHAREHOLDERS

## 1. Common shares

Accounting year	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017	31 Dec. 2018
<b>Registered capital</b>				
- Value (Bt)	7,900,000,000	9,000,000,000	9,000,000,000	9,000,000,000
- No. of shares	7,900,000,000	9,000,000,000	9,000,000,000	9,000,000,000
<b>Registered capital</b>				
- Value (Bt)	7,667,826,432	7,667,826,432	8,667,826,432	8,667,826,432
- No. of shares	7,667,826,432	7,667,826,432	8,667,826,432	8,667,826,432
- Par value (Bt. /Shares)	1.00	1.00	1.00	1.00

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 per value were cancelled: 121,173,568 shares were originally reserved for allocation to existing shareholders, 99,649,367 shares were reserved for the exercise of PF-W3 warrants which were expired, and 10,987,726 shares were reserved for the exercise of expired PF-W3 warrants.
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.

As of 31 December 2018, the Company's registered capital remained unchanged at Bt9,000,000,000 (9,000,000,000 common shares at Bt1 par value). The paid-up capital stood at Bt8,667,826,432 (8,667,826,432 common shares at Bt1 par value).

## 2 Shareholder

### Major shareholders

As of 31 December 2018, the company's registered capital totaled Bt9,000,000,000(9,000,000,000shares at Bt1 par value) while the paid-up capital totaled Bt8,667,826,432 (8,667,826,432 shares at Bt1 par value)

The first 10 largest shareholders are;

Rank	The first 10 largest shareholders	No. of shares	%
1	Andaman Longbeach Resort Company Limitedes <sup>/1</sup>	833,055,541	9.61
2	Mr. Chainid Adhyanasakul	580,659,675	6.70
3	The Viriyah Insurance Public company Limited	565,000,000	6.52
4	Thai NVDR Co., Ltd.	559,543,337	6.46
5	Ms. Kannika Adhyanasakul	538,189,692	6.21
6	Andaman Villa Co., Ltd. <sup>/2</sup>	361,637,500	4.17
7	Ms. krissanee Techachaiwong	207,016,825	2.39
8	CITIBANK NOMINEES SINGAPORE PTE LTD-UBS SWITZERLAND AG	205,849,332	2.37
9	Mrs. Porntip Hembree	200,000,000	2.31
10	Mr.Vivat Vithoontien	170,000,000	1.96

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 turned 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 Vipa 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 Noranitipadungkarn (40%), and (3)Mr. Vichai Jitseree (20%). Ms. Rudee and Mr. Vichai are the company's authorised signatories. The Company and Andaman Villa are not related, as there is no cross-shareholding by major shareholders, cross-directorship or cross-management. Neither is there nominee relationship.

### 3 Other Securities

#### 3.1 Warrants

- None -

#### 3.2 Debentures

Details of outstanding debentures as of 31 December 2017 are as follows;

#### Property Perfect Public Company Limited

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

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No.5/2015, maturing in 2019
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	3,000,000 units
Face value	:	1,000 Baht
Issue size	:	Bt.3,000million
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

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

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No.1/2016, maturing in 2020
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	3,000,000 units
Face value	:	1,000 Baht
Issue size	:	Bt 3,000 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	28 January 2016
Maturity	:	4 years from issue date
Maturity date	:	28 January 2020
Interest rate	:	Fixed 5.60% per annum
Principal payment	:	Principal payment maturity date,
Early redemption	:	None



Other significant condition	:	Debt to equity ratio must be maintained at no more than 2:1
Credit rating	:	"BB+ Stable" by Tris Rating Co., Ltd.
Trustee	:	Bank of Ayudhya Public Company Limited
Registrar	:	Bank of Ayudhya Public Company Limited

### (3) 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	:	1,000Baht
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

### (4) 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	:	1,000Baht
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

**(5) 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	:	1,000Baht
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

**(6) 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

**(7) 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

**(8) 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+" by Tris Rating Co., Ltd.
Trustee	:	Bank of Ayudhya Public Company Limited
Registrar	:	Krung Thai Bank Public Company Limited

**(9) Unsecured Debentures No.4/2017**

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No. 4/2017, maturing in 2021
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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

#### (10) Unsecured debentures No.1/2018

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No. 1/2018, maturing in 2021
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	1,034,500 units
Face value	:	Bt1,000
Issue size	:	Bt1,034.50 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	27 April 2018
Maturity	:	3 years from issue date
Maturity date	:	27 April 2021
Interest rate	:	Fixed 5.75% per annum
Principal payment	:	Principal payment on redemption 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

#### (11) Unsecured debentures No.2/2018

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No. 2/2018, maturing in 2021
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	2,069,400 units
Face value	:	Bt1,000



Issue size	:	Bt2,069.40 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	19 July 2018
Maturity	:	3 years from issue date
Maturity date	:	19 July 2021
Interest rate	:	Fixed 5.75% per annum in Years 1-2 Fixed 6.25% per annum in Year 3
Principal payment	:	Principal payment on redemption 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

## (12) Unsecured debentures No.3/2018

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No. 3/2018, maturing in 2022
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	1,819,900 units
Face value	:	Bt1,000
Issue size	:	Bt1,819.90 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	22 August 2018
Maturity	:	3.5 years from issue date
Maturity date	:	22 February 2022
Interest rate	:	Fixed 6.00% per annum
Principal payment	:	Principal payment on redemption 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.4/2018

Specific name	:	Unsecured debentures of Property Perfect Public Company Limited No. 4/2018, maturing in 2022
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	1,789,100 units
Face value	:	Bt1,000
Issue size	:	Bt1,789.10 million
Offering method	:	Offered to institutional investors and/or big-time investors

Issue date	:	7 December 2018
Maturity	:	3.5 years from issue date
Maturity date	:	7 June 2022
Interest rate	:	Fixed 6.00% per annum
Principal payment	:	Principal payment on redemption 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

### Grande Asset Hotels and Property Public Company Limited

#### (1) 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	:	1,000Baht
Issue size	:	Bt.700 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	17 February2016
Maturity	:	2 years 11 month and 28 days from issue date
Maturity date	:	14 February2019
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

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

Specific name	:	Unsecured debentures of Grande Asset Hotels and property Plc. No.3/2016, maturing in 2019
Type	:	Holder-bearing, unsubordinated, unsecured debentures without trustee
No. of debentures	:	200,000 units
Face value	:	1,000Baht
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

### (3) 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

### (4) 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

#### (5) 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

#### (6) 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

#### (7) Unsecured debentures No.1/2018

Specific name	:	Unsecured debentures of Grande Asset Hotels and Property Plc. No.1/2018, maturing in 2020
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	423,500 units
Face value	:	Bt1,000
Issue size	:	Bt423.50 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	16 March 2018
Maturity	:	2 years from issue date
Maturity date	:	16 March 2020
Interest rate	:	Fixed 6.00% per annum
Principal payment	:	Principal payment on redemption 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

#### (8) Unsecured debentures No.2/2018

Specific name	:	Unsecured debentures of Grande Asset Hotels and Property Plc. No.2/2018, maturing in 2021
Type	:	Holder-bearing, unsubordinated, unsecured debentures with trustee
No. of debentures	:	1,000,000 units
Face value	:	Bt1,000
Issue size	:	Bt1,000 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	21 June 2018
Maturity	:	3 years from issue date
Maturity date	:	21 June 2021
Interest rate	:	Fixed 6.25% per annum
Principal payment	:	Principal payment on redemption 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 outstanding book value of debentures as of 31 December 2018 totaled Bt25,610.78 million.

### 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	:	Bt1,000
Issue size	:	Bt447.70 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
Registrar	:	Bank of Ayudhya Public Company Limited

#### (2) Perpetual subordinated debentures No.1/2018

Specific name	:	Property Perfect's No.1/2018 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 and in any installments as the issuer sees fit.
No. of debentures	:	60,300 units
Face value	:	Bt1,000

Issue size	:	Bt60.30 million
Offering method	:	Offered to institutional investors and/or big-time investors
Issue date	:	29 November 2018
Maturity	:	Perpetual
Maturity date	:	Perpetual
Interest rate	:	Year 1-5: 9.5% per annum Year 6-25: 5-year government bond coupon rate + 7.33% per annum Year 26 onward: 5-year government bond coupon rate + 8.08% per annum The 5-year government bond coupon rate is adjusted every 5 years.
Principal payment	:	Principal payment on redemption date
Early redemption	:	The Company holds the right to redeem the debentures 5 years from the issue date or under other conditions specified in the prospectus.
Issuer's credit rating	:	"BB+/Stable" by Tris Rating Co., Ltd.
Debentures' rating	:	"B+/Stable" by Tris Rating Co., Ltd.
Trustee	:	Bank of Ayudhya Public Company Limited
Registrar	:	Bank of Ayudhya Public Company Limited

### 3.4 Bills

As of 31 December 2018, the Company and subsidiaries own a total to Bt 736.66 million through the issuance of bills of exchange which offer the interest rate of 3.90 — 4.65 % per annum. They will come due within January March and May 2019.

## 4. Dividend policy of the company and subsidiaries

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

Annual dividend payouts as follows:

Separate Financial Statement	2016	2017	2018
Net profit per share (Baht) <sup>1/</sup>	0.06668	0.0761	0.1342
Dividend per share (Baht) <sup>2/</sup>	0.04	0.05	0.66*
Dividend payout (%) <sup>3/</sup>	67.78	64.40	50.32*

Note

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

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

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

\* The Board of Directors resolved to pay dividend for the 2018 performance.

# MANAGEMENT AND AUTHORIZED PERSON OF THE COMPANY

AS OF 31 DECEMBER 2018

Name-Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
1 Dr. Thanong Bidaya*	71	<ul style="list-style-type: none"> <li>▶ Ph.D. in Management, Northwestern University, U.S.A.</li> <li>▶ M.A. in Economics, Northwestern University, U.S.A</li> <li>▶ B.A. in Economics, Yokohama National University, Japan</li> <li>▶ Director Accreditation Program (DAP) Class 25/2004, Thai Institute of Directors Association</li> </ul>	0.000%		Nov.2018 - Present Aug.2018 - Present Mar.2018 - Present 2014 - Present 2012 - Present 2012 - 2015 2010 - Present 2008 - Present	Chairman Chairman and Independent Director Director Chairman and Independent Director Chairman and Independent Director Chairman Chairman Chairman and Independent Director	Property Perfect Plc. S. Khonkaen Foods Public Co., Ltd. Kiroo Resort Holdings Co., Ltd. Scan Inter Public Company Limited CK Power Public Company Limited Srisawad Power 1979 Public Co., Ltd. Xayaburi Power Company Limited TTW Public Company Limited
2 Mr. Chainid Adhyanasakul Director Vice Chairman Chief Executive Officer Chief Executive Director Authorized Signatory Directors	64	<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 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	Property Perfect Plc. Grand Star Co., Ltd. We Retail Plc. Grande Asset Hotels and Property Plc. Centrepont Shopping Mall Co., Ltd. / Property Development Bright Development Bangkok Co., Ltd. / 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 Mr. Vidhya Nativivat Director Chairman of Nomination and Remuneration Committee	64	<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 (DAF) 77/2009;</li> <li>Thai Institute of Directors (IOD)</li> </ul>	1.243%		June 2014 - Present  2004 - Present 1986 - Present 2004 - June 2014	Chairman of Nomination and Remuneration Committee Non-Executive Director Managing Director Nomination and Remuneration Committee	Property Perfect Plc.  Property Perfect Plc. Bunchong and Vidhya Law Office Ltd. / Law Property Perfect Plc.
4 Ms. Nuanual Swadikul-Na-Ayudhaya Director Independent Director Audit Committee	70	<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,</li> <li>Thai Banker Association</li> <li>➤ Wor.Por.Ror.Oor. Class 411, National Defense College</li> <li>➤ Director Accreditation Program (DAF) 114/2015 ;</li> <li>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 / Nomination 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	Ms. Sirirat Wongwattana Director Executive Director Chief Financial Officer Authorized Signatory Directors	➤ Master of Science in Finance, University of Houston — Clear Lake, USA ➤ B.A. of Science, Economics & Business Administration-Finance, Kasetsart University ➤ Director Certification Program (DCP) 126/2009; Thai Institute of Directors (IOD)	0.000%		2015 - Present	Director / Nomination and Remuneration Committee	Property Perfect Plc.
2011 - Present					Director / Executive Director & Secretary of Executive Director / Chief Financial Officer	Property Perfect Plc.	
2015 - Present					Director	Estate Perfect Co., Ltd.	
2015 - Present					Director	Bright Development Bangkok Co., Ltd.	
2015 - Present					Director	Residence Number Nine Co., Ltd.	
6	Mr. Wicharn Sirivejwarawut Director Executive Director Chief Operating Officer 1 Authorized Signatory Directors	➤ Master of Business Administration, Chulalongkorn University ➤ Bachelor of Civil Engineer, Chulalongkorn University ➤ Director Certification Program (DCP) 126/2016; Thai Institute of Directors (IOD)	0.006%		2014 - Present	Director / Executive Director / Chief Operating Officer 1	Property Perfect Plc.
2011 - 2014					Executive Director / Act for Chief Operating Officer 1 / Deputy	Property Perfect Plc.	
2003 - 2010					Chief Operating Officer 1	Property Perfect Plc.	
2016 - Present					Assistant Chief Operating Officer	Bright Development Bangkok Co., Ltd.	
2014 - Present					Director	Estate Perfect Co., Ltd.	
					2014 - Present	Managing Director	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 Katechulasirroj Director Executive Director Chief Operating Officer 2 Authorized Signatory Directors	52	➤ Bachelor of Engineer, King Mongkut's Institute of Technology Ladkrabang ➤ Director Certification Program (DCP) 129/2016; Thai Institute of Directors (IOD)	0.000%		2015 - Present 2015 - Present 2014 - Present  2010 - 2014  2014 - Present  2009 - Present	Director Director Executive Director / Chief Operating Officer 2 Executive Director / Act for Chief Operating Officer 2 / Deputy Chief Operating Officer 2 Managing Director / Chief Operating Officer 2 Director / Act for Chief Operating Officer 2 / Chief Operating Officer 2	Property Perfect Plc. Thai Property Plc. Property Perfect Plc.  Property Perfect Plc.  Bright Development Bangkok Co., Ltd.  Estate Perfect Co., Ltd.
8 Mr. Wongsakorn Prasitvpat Managing Director Director Executive Director Authorized Signatory Directors	58	➤ Master of Business Administration, Chulalongkorn University ➤ achelor of Architect, Chulalongkorn University ➤ Real Estate Course (RECU#10) Chulalongkorn University ➤ Director Certification Program (DCP) 126/2016; Thai Institute of Directors (IOD)	0.000%		2017 - Present 2015 - Present 2014 - 2017  2014 - Present 2011 - 2014  2008 - 2010	Managing Director Director Executive Director / Chief Business Development Officer Managing Director Executive Director / Act for Chief Business Development officer / Deputy Chief Business Development Officer Assistant Chief Operation Officer	Property Perfect Plc. Property Perfect Plc. Property Perfect Plc.  Chiang Mai Development Co., Ltd. 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	
9 Prof. Dr. Suchatvee Suwansawat Director Independent Director Chairman of Risk Management Committee	46	▶ Ph.D. in Civil and Environmental Engineering, Massachusetts Institute of Technology (MIT), USA ▶ Master of Science (MS.) in Technology and Policy, Massachusetts Institute of Technology (MIT), USA ▶ Mater of Science (MS.), in Civil and Environmental Engineering, The University of Wisconsin—Madison, USA ▶ Bachelor of Engineer (B.Eng.), in Civil Engineering, Honors King Mongkut's Institute of Technology Ladkrabang ▶ Audit Committee Program (ACP) 27/2009; Director Certification Program (DCP) 105/2008; Thai Institute of Directors (IOD) ▶ Certified of Top Executives in Business and Industrial Development, Institute of Business and Industrial Development. (#1) and Industrial Development. (#1) ▶ Certificate of Real Estate Development (#43) ▶ Certified of Top Executives, Capital Market Academy (#13)	0.000%		2015 - Present 2014 - Present 2017 - Present 2015 - Present 2014 - 2016 2011 - Present 2012 - 2013 2010 - 2014 2009 - 2010	Chairman of Risk Management Committee Director / Executive Director President President President of the Association of Engineering Institute of Thailand Director of Board President of National Housing Authority Dean of Faculty of Engineering Chairman of the Airport Rail Link Monitoring Committee	Property Perfect Plc. Property Perfect Plc. Council of university Presidents in Thailand King Mongkut's Institute of Technology Ladkrabong The Association of Engineering Institute of Thailand (EIT) Board of Investment of Thailand National Housing of Thailand King Mongkut's Institute of Technology Ladkrabong 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	Mr. Ekamol Kiriwat Independent Director	▶ University Governance, Programed : UGP (#9) Knowledge Network Institute of Thailand ▶ Executive Development Program (#11) Thai Listed Companies Association ▶ M.B.A. (Finance), Harvard Graduate School of Business Administration, U.S.A. ▶ B.A. Magna Cum Luade (Economics) \ Dartmouth College, U.S.A. ▶ Director Certificate Program (DCP), 2005, Thai Institute of Directors (IOD)	0.000%				
					2013 - Present 2011 - Present 2005 - Jan.2015 2008 - 2011 1997 - 2000	Independent Director Independent Director Chairman and Independent Director Chairman and Independent 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	Mr.Banlue Chantadisai Director Independent Director Chairman of Audit Committee	▶ M.B.A., University of Chicago Business School, U.S.A. ▶ B.Sc., Massachusetts Institute of Technology, U.S.A ▶ Joint Public-Private Sector Course, Class 15 National Defense College ▶ Director Certification Program (DCP), 2001, Thai Institute of Directors(IOD) ▶ Advanced Audit Committee Program 2017 Thai Institute of Directors (IOD)	0.006%		2015 - Present 2006 - Present 2010 - 2015 2006 - 2010 1998 - 2006	Independent Director and Chairman of Audit Committee Chairman Independent Director and Chairman of Audit Committee Senior Executive Vice President, Corporate Accounting & Finance Executive Vice President, Investment Banking	Property Perfect Plc. Lynn Phillips 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	Mr. Mani Sutaporn Director Independent Director Audit Committee	<ul style="list-style-type: none"> <li>Leadership Program, Class 5, 2007</li> <li>Capital Market Academy (CMA)</li> <li>Financial Institutions Directors' Education Programme 2018, The Iclif Leadership and Governance Centre, Malaysia</li> </ul>	0.000%		2015 - Present	Independent Director and Audit Committee	Property Perfect Plc.
	65	<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,</li> <li>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) , 134/2553</li> <li>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> </ul>			2015 - Present	Legal Consultant	RPC Plc.
					2007 - 2014	Senior Executive Vice President, Corporate Legal	RPC Plc.
					2004 - 2006	Deputy Permanent Secretary, Head of the mission of Justice Promotion Cluster	Ministry of Justice

Name-Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
13	Mr. Thongchai Jira-alongkorn Director	<p>➤ Thammasat Leadership Program (TLP) (1st) Thammasat University</p> <p>➤ Bachelor of Business Administration, Major Marketing, Bangkok University</p> <p>➤ Director Accreditation Programme (DAP) Thai Institute of Directors (IOD)</p>	0.000 %		<p>2017 - Present 2013 - Present 2013 - Present 2009 - Present 1997 - Present 1996 - Present 1994 - Present 1987 - Present</p>	<p>Director Director Director Deputy Managing Director Managing Director Director and Managing Director Director and Managing Director General Manager</p>	<p>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.</p>
14	Mr. Pramote Remyindee Company Secretary	<p>➤ Bachelor of Laws, Chulalongkorn University</p> <p>➤ Thai Barrister-at-Law Thai Bar Association Graduate Diploma in Business Law, Thammasat University</p> <p>➤ Director Certification Program (DCP) 69/2006, Director Accreditation Program (DAP) 43/2005 Finance for Non-Finance Director, Thai Institute of Directors(IOD)</p>	1.581%		<p>1998 - Present 1992 - Present 1994 - 1997</p>	<p>Company Secretary Partner Manager Executive Director</p>	<p>Property Perfect Plc. Ordinary Partnership, Thammathit Law Office / Law Sapthamrong Securities Limited. / Financial Institution</p>
15	Mr. Phairat Senachak Director Executive Director Advisor to Chief Executive Officer	<p>➤ MINI MBA, Thammasat University</p> <p>➤ Bachelor of Business Administration, Assumption University</p>	0.000 %		<p>2017 - Present 2015 - Present 2011 - 2015 1996 - 2010</p>	<p>Director Executive Director / Advisor to Chief Executive Officer Director / Executive Director Deputy Chief Operating Officer</p>	<p>Property Perfect Plc. Property Perfect Plc. Property Perfect Plc. Property Perfect Plc.</p>

Name-Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
16	Ms. Wilawun Leongnarkthongdee Assistant Chief Executive Officer	60 ▶ Director Certification Program (DCP) 74/2006, Director Accreditation Program (DAP) 30/2004; Thai Institute of Directors (IOD) ▶ Master of Business Administration, Sasin Graduate Institute of Business Administrator of Chulalongkorn University ▶ Master of Financial Economic, National Institute of Development Administration ▶ Diploma in Professional Studies in Accounting, Chulalongkorn University ▶ Bachelor of Arts in Accounting, Thammasart University ▶ Director Certification Program (DCP) 72/2006), Thai Institute of Directors (IOD) ▶ Executive Development Program Class of 2nd , Thai Listed Companies Association Experiences	0.000%				Property Perfect Plc. Grande Asset Hotels and Property Plc. Centrepont Shopping Mall Co., Ltd. Krungthep Land Plc. Krungthep Land Plc. Krungthep Land Plc. Krungthep Land Plc.
17	Mr. Surasak Vatcharapongpreecha Executive Director Chief Support Officer	54 ▶ Master of Business Administration, Thammasart University ▶ Bachelor of Accountancy, Thammasart University ▶ Certified Public Accountant	0.044%		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 Property Perfect Plc. Property Perfect Plc. Property Perfect Plc. Bright Development Bangkok Co., Ltd.

Name-Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Career experience within the past 5 years		Company / Business Type
					Timing	Designation	
18 Mr. Wason Srirattanapong Executive Director Chief Business Development Officer	51	➤ Bachelor of Engineer, Chiang Mai University ➤ Master of Business Administration, NIIDA Business School	0.000 %		2018 - Present  2014 - 2018  2011 - 2014 2006 - 2011	Executive Director / Chief Business Development Officer Deputy of Chief Business Development Officer Assistant of Chief Business Development Officer Business Development Director	Property Perfect Plc Estate Perfect Co., Ltd.  Property Perfect Plc Property Perfect Plc
19 Dr. Tawatchai Nakhata* Chairman Authorized Signatory Directors	71	➤ Ph.D. University of Illinois ➤ Audit Committee Program (ACP) 13/2006; Director Accreditation Program (DAP) 52/2006; Thai Institute of Directors (IOD)	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. Kiroo Resort Holdings Co., Ltd. We Retail Plc. Khonburi Sugar Plc.

Note

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

Dr. Tawatchai Nakhata passed away on 31 October 2018, Dr. Thanong Bidaya took over the chairmanship under the Board of Directors' resolution reached at the 8/2018 meeting on 8 November 2018.



## 2. Detail of directors, executive directors and authorized person director of Property Perfect Plc., subsidiary affiliates and related company As of 31 December 2018.

Company's Name		Company		Subsidiary Company																														
Name	PF	EP	BD	R9	CMD	TPROP	PED	MPH	Sce- Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	C- point	All -D	RM	GS	GRF	U&i	P- PREFAB	PSC	T- Utilities	ROH	HKL- PF	PF- HKL1	PF- HKL2	PF- HKL3	PF- Seksul
1. Dr. Tawatchai Nakhata	x												/	/	/	/	/	/																
2. Dr.Thanong Bidaya	X														/																			
3. Mr. Chanid Adhyanasakul	xxx , / , // , ///									/	/	/	/	/	/	/	/	/	x	/	/	/	/	/	/				/					
4. Mr. Phairat Senachak	/ , // , ///																																	
5. Mr. Vidhya Nativivat	/																																	
6. Ms. Sirirat Wongwattana	/ , // , ///	/	/	/	/																									/	/	/	/	/
7. Ms. Nuanual Swasdikula-Na-Ayudhaya	* , /																																	
8. Mr. Thongchai Jira-alongkorn	/																																	
9. Mr. Pramote Rernyindee	@					/	/	/											/	/	/								@					
10. Mr. Wicharn Sriwetwarawut	/ , // , ///	/	/	/																						/								
11. Mr. Pornswat Katechulasitroj	/ , // , ///	/	/	/	/	/	/	/	/										/	/														
12. Mr. Wongsakorn Prasitvipart	/ , // , ///				/															/										/	/	/	/	/
13. Mr. Surasak Vacharapongprecha	// , ///																																	
14. Prof. Dr. Suchatvee Suwansawat	* , /																																	
15. Mr. Ekamol Kiriwat	*																																	
16. Mr. Bunlue Chantadisai	* , /																																	
17. Mr. Manit Suthaporn	* , /																																	
18. Ms. Wilawun Leongnarkthongdee	///									/	/	/	/	/						/														
19. Mr. Wasorn Srirattanpong	// , ///	/			/																													

Note :

PF	=	Property Perfect Public Company Limited	EP	=	Estate Perfect Company Limited	BD	=	Bright Development Bangkok Company Limited
R9	=	Residence Number 9 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	Sce-Peak	=	Scenery Peak Company Limited
GRAND	=	Grande Asset Hotel and Property Public Company Limited	GRE	=	Grand Equity Development Company Limited	HB	=	Honor Business Company Limited
OWD	=	Owendelle Company Limited	PPI	=	Property Perfect International Pte. Ltd.	KRH	=	Kiroro Resort Holdings Company Limited
KA	=	Kabushiki Kaisha Kiroro Associates Company Limited	KH	=	Kabushiki Kaisha Kiroro Hotels Company Limited	KRD	=	Kabushiki Kaisha Kiroro Resort Development Co., Ltd.
WR	=	We Retail Public Company Limited	C-Point	=	Centrepont Shopping Mall Company Limited	ALL-D	=	All Discount Company Limited
RM	=	Ramintra Mall Company Limited	GS	=	Grand Star Company Limited	GRF	=	Grand River Forest Company Limited
U&I	=	U&I Construction Bangkok Company Limited	P-PREFAB	=	Perfect Prefab Company Limited	PSC	=	Perfect Sportclub Company Limited
T-Utilities	=	T Utilities Company Limited	ROH	=	Royal Orchid (Thailand) Public Company Limited	HKL-PF	=	HKL Perfect Company Limited
PF-HKL1	=	PFHKL 1 Company Limited	PF-HKL2	=	PFHKL 2 Company Limited	PF-HKL3	=	PFHKL3 Company Limited
PF-SEKISUI	=	PF SEKISUI Company Limited	xx	=	Deputy Chairman	xxx	=	Chief Executive Officer
x	=	Chairman	/	=	Director	//	=	Executive Director
*	=	Independent Director	@	=	Company Secretary			
///	=	Executive						

## Details of Directors of Subsidiaries, Affiliates and Related Company as of 31 December 2018

Company's Name		Subsidiary Company																										PF-Sekisui								
Name		EP	BD	R9	CMD	TPROP	PED	MPH	Sea-Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	C-point	AI-D	RM	GS	GRF	U&I	P-PREFAB	PSC	Unitoft	T-Utilities	ROH	HKL-PF	PF-HKL1	P-F-HKL2	PF-HKL3		
1. Dr. Tawatchai Nakhaia*														/	/	/		/	X																	
2. Dr.Thanong Bidaya*															/																					
3. Mr.Chainid Adhyanasakul										/	/	/	/	/	/	/	/	X	/	/	/	/	/	/	/				/							
4. Mr.Bichai Rattakul													X	X	X																					
5. Mr.Ooi Boon Aun																	/																			
6. Mr. Phairat Senachak																										/										
7. Mr. Pramote Remyindee						/	/	/										/	/	/	/	/								@						
8. Mr. Pornswat Katechulasriroj	/	/	/	/	/	/	/	/	/									/	/	/	/															
9. Mr. Wicharn Sriwetwarawut	/																										/									
10. Mr. Wongsakorn Prasitvipart					/	/														/												/	/	/		
11. Ms. Sirirat Wongwattana	/	/	/	/																											/	/	/	/		
12. Mr.Wason Sirittanpong	/			/																							/									
13. Mr. Sunet Suwatchanakorn						/																														
14. Mr. Kittapaa Pongpakawat	/	/	/	/														/									/									
15. Mr.Natawee Jiravechanon																																				
16. Mr.Kishnavei dlo Sandanam														/													/									
17. Mr.Yoshiro Ito															/																					
18. Mr.Kampol Tallyakavee																		/																		
19. Mr. Chirdsak Kukiatinun																			*. xxx																	
20. Mr. Chaikom Boonlapapat																		/																		
21. Mr. Porchai Keliek																																				
22. Mr. Sanpetch Sukkasem			/																																	
23. Mr. Prakit Rerkpreedapong			/																							/	/									
24. Mr. Pipat Nittayakosol																										/	/									
25. Mr. SurasakVachrapongpreecha																										/	/									
26. Dr. Warasak Jakrapanyanun																										/	/									
27. Mr. Vichaya Watananukit																										/	/									
28. Mr. Puwit Phaengsuk																										/	/									
29. Mr.Annop Angkunsatornsri																										/	/									
30. Mr. Roongroj Singhattanaigige																										/	/									/
31. Mr. James Stevenson Wadboys																												/	/							/
32. Mr. Saranyu Adhyanasakul																/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	

Company's Name				Subsidiary Company																							PF-										
Name	EP	BD	R9	CMD	TPROP	PED	MPH	Se- Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	C -point	AI-D	RM	GS	GRF	U&I	P- PREFAB	PSC	Uniloft	T -Utilities	ROH	HKL -PF	PF -HKL1	P F-HKL2	PF -HKL3	Sekisui			
33. Mr. Natthaphon Sueb-Am																										/											
34. Mr. Pathompop Inbanrung																										/											
35. Dr. Bhichit Rattakul				/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	* , ///</td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>/</td> <td>/</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									/	/								
36. Mr. Prasong Waratanakul				/																																	
37. Mr. Likit Somnuantad				/																																	
38. Mr. Wichai Thongtong							/	/	/						/			/				/	/														
39. Mr. Vitavas Vibhagool							/	/	/		/	/	/				/		/			/	/														
40. Ms. Wilawaun Leorngrakthongdee							/	/	/		/	/	/						/																		
41. Mr. Suradej Narula							/	/	/		/	/	/																								
42. Mr. Anarin Narula							/	/	/		/	/	/																								
43. Mr.Chaiwat Uthaiwan							/		/																												
44. Mr. Porchai Kittipanyangam							/		/																												
45. Mr. Wattana Sutthipijitham							/		/																												
46. Dr. Thitipong Nandhabiwat							/		/								/																				
47. Mr.Raich Martin														/			X																		/		
48. Mr.Benjamin Lam														/	/	/	/																		/		
49. Mr.Lotar Richard Pehl																		/																			
50. Mr. Pisit Poosanakhom																				/																	
51. Ms. Sopit Poosanakhom																					/																
52. Mr.Noppol Milinthangpon																										/											
53. Mr. Kazuhiko Matake																						/	/										/	/			
54. Mr.Atsuhisa Ogura																						/	/										/	/			
55. Ms.Aunada Phrutinrakorn																												/									
56. Mr.Nandhapon Patpongpanit																												/									
57. Mr.Somchai Bulsuk																													/								
58. Dr.Seri Wongmota																													/								
59. Mr.Pakorn Thavisin																													/								
60. Gen. Winit Krachangson																													/								
61. Mr.Annop Suthakavatin																													/								
62. Mr. Tan Wee Heien																													/	/	/	/	/	/	/		
63. Ms. Ong Lay Kuan																													/	/	/	/	/	/	/		
64. Mr.Michio Sakai																																				/	
65. Mr.Tetsuji Ando																																				/	
66. Mr.Piyasvasti Amaranand														/																						/	
67. Mr.Jesd Jesdpyawong														/																							
69. Mr.Dawance Frederic Alphonse															/																						

Company's Name		Subsidiary Company																										PF- -HLK3 Sekisui						
Name	EP	BD	R9	CMD	TPROP	PED	MPH	Se- Peak	GRAND	GRE	HB	OWD	PPI	KRH	KA	KH	KRD	WR	C -point	AI-D	RM	GS	GRF	U&I	P- PREFAB	PSC	Uniloft	T -Utilities	ROH	HKL	PF -PF	P F-HKL2	PF	PF- -HLK3 Sekisui
69. Mr.Simon Lim																		/																
70. Mr.Kongsak aewsuriyathamrong																									/									

**Note :**

EP	= Estate Perfect Company Limited	BD	= Bright Development Bangkok Company Limited	R9	= Residence Number 9 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	Sce-Peak	= Scenery Peak Company Limited	GRAND	= Grande Asset Hotel and Property Public Company Limited
GRE	= Grand Equity Development Company Limited	HB	= Honor Business Company Limited	OWD	= Owendelle Company Limited
PPI	= Property Perfect International Pte. Ltd.	KRH	= Kiroro Resort Holding Co., Ltd.	KA	= Kabushiki Kaisha Kiroro Associates Co., Ltd.
KH	= Kabushiki Kaisha Kiroro Hotels Company Limited	KRD	= Kabushiki Kaisha Kiroro Resort Development Co., Ltd.	WR	= We Retail Public Company Limited
C-Point	= Centrepont Shopping Mall Company Limited	ALL-D	= All Discount Company Limited	RM	= Ramintra Mall Company Limited
GS	= Grand Star Company Limited	GRF	= Grand River Forest Company Limited	U&I	= U&I Construction Bangkok Company Limited
P-PREFAB	= Perfect Prefab Company Limited	PSC	= Perfect Sportclub Company Limited	Uniloft	= Uniloft Service (Thailand) Company Limited
T-Utilities	= T Utilities Company Limited	ROH	= Royal Orchid (Thailand) Public Company Limited	HKL-PF	= HKL Perfect Company Limited
PF-HKL1	= PFHKL 1 Company Limited	PF-HKL2	= PFHKL 2 Company Limited	PF-HKL3	= PFHKL3 Company Limited
PF-SEKISUI	= PF SEKISUI Company Limited			xxx	= Chief Executive Officer
x	= Chairman	xx	= Deputy Chairman	//	= Executive Director
*	= Independent Director	/	= Director		
///	= Executive	@	= Company Secretary		

\*Dr. Tawatchai Nakhata passed away on 31 October 2018

# CORPORATE GOVERNANCE POLICY

## 1. Corporate Governance Policy

The Board of Directors recognizes the importance of good corporate governance in enhancing transparency; competitiveness; trust from shareholders, investors and other stakeholders; and 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.

The Company's corporate governance policy covers shareholders' rights, equitable treatment of shareholders, stakeholders' roles, transparent information disclosure and the Board of Directors' responsibilities. Details are as follow:

### 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 Company encourages all shareholders to attend the general meetings, to take part in the review of significant issues. The general shareholder meeting is organized once a year, within 4 months after the end of an accounting period. Meanwhile, extraordinary meetings can be organized on the date and time and at the venue decided by the Board.

In organizing the AGM, the Board puts forward the shareholders' rights. Invitation containing agenda in details and the Board's opinions in Thai and English 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.

### 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:

- Allow minority shareholders to propose their own agenda in advance. An invitation to do so is posted on the Company's website.
- 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.
- Ensure all directors, high-level executives and the auditor attend AGM, to answer shareholders' questions and clearly explain their concerns.
- Shareholders who show up late can register their attendance and vote on the remaining agenda.
- 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.
- Allow shareholders' proxies to observe vote counting and the announcement of votes - Yes, No and abstention - for each agenda.



- The meeting is thoroughly recorded. The meeting minutes contain all significant information like questions, explanations and opinions raised. Meeting resolutions and “Yes, No and abstention” votes are added to the record room.
- 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. (Details of the Board of Directors concerning their names and responsibilities appeared in Management Structure Section, Item 8.1 and details of sub-committees appeared in Corporate Governance Section, Item 9.2.)

#### **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". (Details of Board of Directors' meetings appeared in Management Structure Section, Item 8 and sub-committees' meetings appeared in Item 9.2.)

#### **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. (Details of directors' remunerations appeared in Item 8.4: Directors and executives' remunerations.)

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.

### **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



# CONNECTED TRANSACTIONS

## 1.Connected Transactions of PF Group

### 1.1 Transactions of the Company with subsidiaries

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Loan													<p>The company loaned to subsidiaries for working capital.</p> <p><b>Audit Committee's comment</b></p> <p>The transactions were to provide financial assistance to subsidiaries at the interest rate of 0.25% above the Company average funding cost and the Management believes the subsidiaries are capable of repaying the loans.</p>
1 Jan.	6,235	7,499	3,285	2,600	242	108	-	4,511	2,556	30	402	-	
Extra (repayment)	2,554	882	1,395	993	166	-	-	191	455	212	24	-	
	(1,557)	(2,146)	(1,500)	-	-	(57)	-	(1,418)	(410)	-	(318)	-	
31 Dec.	7,232	6,235	3,180	3,593	408	51	-	3,284	2,601	242	108	-	
Interest Received													
1 Jan.	167	161	99	59	8	1	-	155	5	1	-	-	
Extra (repayment)	279	291	173	81	20	5	-	207	65	7	12	-	
	(257)	(285)	(190)	(61)	-	(6)	-	(262)	(11)	-	(12)	-	
31 Dec.	189	167	82	79	28	-	-	100	59	8	-	-	

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Advance Payment for Land purchase Debtor	2	2	2	-	-	-	-	2	-	-	-	-	<p>The Company transferred the advance payment for land to subsidiaries which will develop the land, as required by lending institutions. The transaction was completed at its cost.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction was to support the subsidiary's operations and in line with the lending institutions' criteria.</p> <p>2) Transaction at cost.</p>
Advance Payment on Operating Expense Debtor	32	13	-	32	-	-	-	-	13	-	-	-	<p>The Company sold land on which roads inside its development projects are located to subsidiaries. Transferring the ownership to subsidiaries, the Company, as the project developer, needs not transfer the land for public use.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction benefits the Company's operations, deemed normal among property developers. Such transfer is a normal practice among property developers.</p> <p>2) The Company and the subsidiary jointly agreed on the price.</p>

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Land Sale Revenue from Land Sale Cost	363	6	363	-	-	-	-	6	-	-	-	-	<p>The Company sold land on which roads inside its development projects are located to subsidiaries. Transferring the ownership to subsidiaries, the Company, as the project developer, needs not transfer the land for public use.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction benefits the Company's operations, deemed normal among property developers. Such transfer is a normal practice among property developers.</p> <p>2) The Company and the subsidiary jointly agreed on the price.</p>
	300	9	300	-	-	-	-	9	-	-	-	-	

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Land Purchase Costs	33	-	33	-	-	-	-	-	-	-	-	-	<p>The Company bought land plots from subsidiaries in line with its land bank accumulation policy. It also bought the land locating property projects' roads from subsidiaries, so that the subsidiaries need not to give up the land for public use.</p> <p><b>Audit Committee's comment</b></p> <p>1) The transaction benefits the Company's operations, deemed normal among property developers. Such transfer is a normal practice among property developers.</p> <p>2) The Company and the subsidiary jointly agreed on the price.</p>
Project development and sales/general management Management Fee	-	13	-	-	-	-	-	13	-	-	-	-	<p>The Company was contracted to handle sale and admin operations for subsidiaries, 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>

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)						Amount in 2017 sorted by business group (Million Baht)				Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Rental Properties Income (Club House)													The Company rented space in its club houses and condominium units to subsidiaries, to set up convenience stores. <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.
Other income	3	2	-	-	-	-	3	-	-	-	-	2	
Rental Properties Income (Shopping Mall)													The Company rented space in subsidiaries' shopping malls to set up sales gallery. <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.
Rent	1	1	-	-	1	-	-	-	-	1	-	-	
Procure prefab materials													The Company hired subsidiaries to produce, assemble and install prefabricated construction materials for the house and condominium projects. <b>Audit Committee's comment</b> 1) Normal business transaction to support the subsidiary's operations. 2) The transaction price was comparative to market price.
Contract value	395	254	-	-	-	395	-	-	-	-	254	-	
Construction cost	439	144	-	-	-	439	-	-	-	-	144	-	The Company hired subsidiaries to produce, assemble and install prefabricated construction materials for the house and condominium projects. <b>Audit Committee's comment</b> 1) Normal business transaction to support the subsidiary's operations. 2) The transaction price was comparative to market price.
Advance payment to contractors	1	-	-	-	-	1	-	-	-	-	-	-	
Trade payables	44	14	-	-	-	44	-	-	-	-	14	-	



Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Product/service procurement													
Sale expenses	2	-	-	2	-	-	-	-	-	-	-	-	<p>The company bought product and service from subsidiaries.</p> <p><b>Audit Committee's comment</b></p> <p>1) Normal business transaction to support the subsidiary's operations.</p> <p>2) The price and condition is the same as those offered to outsiders.</p>
Furniture sale													
Other revenue	-	1	-	-	-	-	-	1	-	-	-	-	<p>The company sold furniture to subsidiaries.</p> <p><b>Audit Committee's comment</b></p> <p>The Company and the subsidiary jointly agreed on the price.</p>
Tool/machinery purchase													
Tools and machine	3	-	3	-	-	-	-	-	-	-	-	-	<p>The Company bought construction tools and equipment from subsidiaries.</p> <p><b>Audit Committee's comment</b></p> <p>The Company and the subsidiary jointly agreed on the accounting price.</p>

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Front End Fee Collection Debtors	18	-	-	18	-	-	-	-	-	-	-	-	The transaction is completed according to the accounting value and the Company collected the front end fee paid to a lending bank for a loan reloaned to a subsidiary to finance the latter's operations. <b>Audit Committee's comment</b> 1) The transaction was to support subsidiaries' business operations and in line with the lending bank's condition. 2) The transaction was at cost.
Borrowing	284	285	284	-	-	-	-	285	-	-	-	-	The Company loans subsidiaries for working capital.
1 Jan	31	100	31	-	-	-	-	100	-	-	-	-	<b>Audit Committee's comment</b>
Additional loan (Repayment)	(237)	(101)	(237)	-	-	-	-	(101)	-	-	-	-	The transaction was part of the Group's liquidity management. The loan rate was set at 0.25% above the average financial cost.
31 Dec	78	284	78	-	-	-	-	284	-	-	-	-	
Interest expenses	1	7	1	-	-	-	-	7	-	-	-	-	
1 Jan	13	21	13	-	-	-	-	21	-	-	-	-	
Interest expenses (Interest payment)	(13)	(27)	(13)	-	-	-	-	(27)	-	-	-	-	
31 Dec	1	1	1	-	-	-	-	1	-	-	-	-	

Items	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Guarantee Amount	9,422	7,298	9,407	-	-	-	15	7,298	-	-	-	-	<p>The Company guaranteed a loan from financial institutions to a subsidiary.</p> <p><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.</p>
Dividend Dividend income	21	200	-	2	-	19	-	200	-	-	-	-	<p>The Company received dividends from subsidiaries.</p> <p><b>Audit Committee's comment</b> The transaction was the resolution of the subsidiaries' board of directors.</p>

## 1.2 Connected transactions between PF and joint ventures

Items	Total value in 2018 (Million Baht)	Transaction values in 2018 (Million Baht)							Necessity and Reasonableness of the transaction and Audit Committee's Comment
		HKL Perfect Co., Ltd. (HKLPF) Relationship: - 51% owned by PF - PF executives Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana serve as its directors	PF-Sekisui JV Co., Ltd. (PF-Sekisui) Relationship: - 51% owned by PF - PF employees (Mr. Roongroj Singhathanakit and Mr. Saranyu Adhyanasakul) serve as its directors	Grand Star Co., Ltd. (GSTAR) Relationship: - 11% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	Grand River Forest Co., Ltd. (GRF) Relationship: - 9% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	PFHKL 1 Co., Ltd. (PFHKL1) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 2 Co., Ltd. (PFHKL2) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 3 Co., Ltd. (PFHKL3) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	
Borrowing									The company loaned to subsidiaries for working capital.
1 Jan	-	-	-	-	-	-	-	-	<b>Audit Committee's comment</b> 1) The transactions was to support joint ventures' business operations at the interest rate of 0.25% above the Company average funding cost - HKLPF = 6% per annum - PF-Sekisui = 5.869% per annum - GRF = MLR-0.225% per annum 2) The loan was determined by the Company's equity. The Management is convinced the JV is able to repay the loan.
Additional loan (Repayment)	1,419 (729)	1,045 (423)	306 (306)	-	68	-	-	-	
31 Dec	690	622	-	-	68	-	-	-	
Interest expenses									
1 Jan	-	-	-	-	-	-	-	-	
Interest expenses (Interest payment)	24 (17)	16 (11)	5 (5)	-	3 (1)	-	-	-	
31 Dec	7	5	-	-	2	-	-	-	

Items	Total value in 2018 (Million Baht)	Transaction values in 2018 (Million Baht)							Necessity and Reasonableness of the transaction and Audit Committee's Comment
		HKL Perfect Co., Ltd. (HKLPF) Relationship: - 51% owned by PF - PF executives Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana serve as its directors	PF-Sekisui JV Co., Ltd. (PF-Sekisui) Relationship: - 51% owned by PF - PF employees (Mr. Roongroj Singhathanakit and Mr. Saranyu Adhyanasakul) serve as its directors	Grand Star Co., Ltd. (GSTAR) Relationship: - 11% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	Grand River Forest Co., Ltd. (GRF) Relationship: - 9% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	PFHKL 1 Co., Ltd. (PFHKL1) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 2 Co., Ltd. (PFHKL2) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 3 Co., Ltd. (PFHKL3) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	
Land sale									The Company sold developed and undeveloped land plots to joint ventures. <b>Audit Committee's comment</b> 1) The transaction was to achieve the Company's development target. 2) The price and payment condition were mutually agreed upon and based on market prices.
Revenue from land sale	2,369	-	673	-	-	548	293	855	
Cost	1,313	-	394	-	-	229	230	460	



Items	Total value in 2018 (Million Baht)	Transaction values in 2018 (Million Baht)							Necessity and Reasonableness of the transaction and Audit Committee's Comment
		HKL Perfect Co., Ltd. (HKLPF) Relationship: - 51% owned by PF - PF executives Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana serve as its directors	PF-Sekisui JV Co., Ltd. (PF-Sekisui) Relationship: - 51% owned by PF - PF employees (Mr. Roongroj Singhathanakit and Mr. Saranyu Adhyanasakul) serve as its directors	Grand Star Co., Ltd. (GSTAR) Relationship: - 11% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	Grand River Forest Co., Ltd. (GRF) Relationship: - 9% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	PFHKL 1 Co., Ltd. (PFHKL1) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 2 Co., Ltd. (PFHKL2) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 3 Co., Ltd. (PFHKL3) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	
Pre-development preparation service									The Company provides joint ventures with pre-development preparation service.
Pre-development preparation									<b>Audit Committee's comment</b> 1) The transaction was to support joint ventures' business operations. 2) The fee is set by both sides.
Other revenue	34	-	-	-	-	18	16	-	

Items	Total value in 2018 (Million Baht)	Transaction values in 2018 (Million Baht)							Necessity and Reasonableness of the transaction and Audit Committee's Comment
		HKL Perfect Co., Ltd. (HKLPF) Relationship: - 51% owned by PF - PF executives Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana serve as its directors	PF-Sekisui JV Co., Ltd. (PF-Sekisui) Relationship: - 51% owned by PF - PF employees (Mr. Roongroj Singhathanakit and Mr. Saranyu Adhyanasakul) serve as its directors	Grand Star Co., Ltd. (GSTAR) Relationship: - 11% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	Grand River Forest Co., Ltd. (GRF) Relationship: - 9% owned by PF - 40% owned by GRAND - PF's CEO (Mr. Chainid Adhyanasakul) serves as its director	PFHKL 1 Co., Ltd. (PFHKL1) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 2 Co., Ltd. (PFHKL2) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	PFHKL 3 Co., Ltd. (PFHKL3) Relationship: - 100% owned by HKLPF - PF owns 51% stake in HKLPF - PF's directors and executives (Mr. Wongsakorn Prasitvipat and Ms. Sirirat Wongwattana) serve as its directors	
Land provision for joint ventures									The Company collected a fee from joint ventures for its service in exploring potential land plots on behalf of the JVs, as the exploration was done prior to the JV establishment.
Other revenue	6	-	-	-	6	-	-	-	<b>Audit Committee's comment</b> 1) The transactions were to support joint ventures' business operations. 2) The fee was agreed upon by the Company and the joint ventures.
Debtors	6	-	-	-	6	-	-	-	
Project development, sale and general administration									The Company offered project development, sales and general administration service to joint ventures.
Management fee	14	-	6	-	-	4	4	-	<b>Audit Committee's comment</b> 1) The transactions were to support joint ventures' business operations. 2) The fee was agreed upon by the Company and the joint ventures.
Debtors	8	-	-	-	-	4	4	-	

### 1.3 PF's transactions with connected individuals and incorporations

Legal Entity / Relationship	Transaction	Amount (Million Baht)		Necessity and Reasonableness of the transaction and Audit Committee's Comment
		2018	2017	
<b>Center of Standard Precast Co., Ltd. (CSP)</b> Relationship: - CSP holds P-PREFAB 49% - PF holds P-PREFAB 51% - No individual with conflict of interest holds shares or sits in the board of directors.	contracted CSP for the production and installation of prefab Value of Contract Construction Cost Advance Payment Contractor Trade Creditor	79 82 2 11	48 37 3 3	PF contracts CSP for the manufacturing of prefab construction materials. CSP is also contracted to produce, assemble and install construction materials. <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

\* In 2017, PF owned 51% of P-Prefab and later purchased more shares as follows:

- Buying capital-increase shares in October 2018, raising its stake from 51% to 80%
- Buying remaining shares from CSP, boosting its stake to 100%

## 1.4 Connected transactions between subsidiaries

Connected transactions of subsidiaries	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)				Amount in 2017 sorted by business group (Million Baht)				Amount in 2017 sorted by business group (Million Baht)				Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others			
Estate Perfect Company Limited (EP)															
land leasing															
Advance Received	-	51	-	-	-	-	-	-	-	51	-	-	-		
Revenue from Leasing	-	7	-	-	-	-	-	-	-	7	-	-	-		
Debtor	-	12	-	-	-	-	-	-	-	12	-	-	-		
<b>Audit Committee's comment</b> 1) The transaction was to support the operations of the subsidiary (leasee). 2)The Company and the subsidiary jointly agreed on the price. 3) The leasing contract abolishment was based on the mutually-agreed condition and the compensation is based on the appraisal of SEC-approved appraisers.															

Connected transactions of subsidiaries	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)						Amount in 2017 sorted by business group (Million Baht)				Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Prefab material supply and installation													EP hired a construction subsidiary to supply prefab materials and construct its projects.
Value of Contract	172	113	-	-	-	172	-	-	-	-	113	-	<b>Audit Committee's comment</b> 1) The transaction was to support EP's operations.
Construction Cost	191	59	-	-	-	191	-	-	-	-	59	-	2) The transaction price and condition was reasonable and comparative to market price.
Advance Payment Contractor	-	-	-	-	-	-	-	-	-	-	-	-	
Trade Creditor	21	15	-	-	-	21	-	-	-	-	15	-	
<b>Bright Development Bangkok Company Limited (BD)</b>													
Contracted to construction													BD awarded a condominium construction service to a construction subsidiary.
Value of Contract	673	12	-	-	-	673	-	-	-	-	12	-	<b>Audit Committee's comment</b> 1) The transaction was to support BD's operations.
Construction Cost	75	25	-	-	-	75	-	-	-	-	25	-	2) The transaction price and condition was reasonable and comparative to market price.
Advance Payment Contractor	37	1	-	-	-	37	-	-	-	-	1	-	
Trade Creditor	26	2	-	-	-	26	-	-	-	-	2	-	



Connected transactions of subsidiaries	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Residence Number Nine Company Limited (R9)													
Prefab supply and installation contract													R9 hired a construction subsidiary to manufacture prefab materials and construct its projects.
Value of Contract	25	1	-	-	-	25	-	-	-	-	1	-	<b>Audit Committee's comment</b>
Construction Cost	28	5	-	-	-	28	-	-	-	-	5	-	1) The transaction was to support R9 's operations.
Advance Payment	-	-	-	-	-	-	-	-	-	-	-	-	2) The transaction price and condition was reasonable and comparative to market price.
Contractor													
Trade Creditor	3	1	-	-	-	3	-	-	-	-	1	-	
Property Perfect International Pte.Ltd. (PPI)													
Charged from subsidiaries													PPI collected a consulting fee from a rental property and hotel development subsidiary.
Other income	3	3	-	3	-	-	-	-	3	-	-	-	<b>Audit Committee's comment</b>
													1) The transaction was actual.
													2) The transaction at cost
Kiroro Resort Holdings Co. Ltd. (KRH)													
Loan													KRH extended a working-capital loan to a rental property and hotel development subsidiary, charging the interest rate of 2% per annum.
Loan	850	736	-	850	-	-	-	-	736	-	-	-	<b>Audit Committee's comment</b>
Interest Received	14	19	-	14	-	-	-	-	19	-	-	-	The transaction was to financial assistance to subsidiaries.
Interest Receivables	65	50	-	65	-	-	-	-	50	-	-	-	

Connected transactions of subsidiaries	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)					Amount in 2017 sorted by business group (Million Baht)					Necessity and Reasonableness of the transaction and Audit Committee's Comment
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	
Advance payment for management fee													KRH paid an advance payment for a rental property and hotel development subsidiary.
Debtors	211	136	-	211	-	-	-	-	136	-	-	-	<b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost
Leased assets													KRH leased office space to a rental property and hotel development subsidiary.
Revenue from leasing	193	200	-	193	-	-	-	-	200	-	-	-	<b>Audit Committee's comment</b> 1) The transaction was to support subsidiaries' operations. 2) The leasing fee was jointly determined.

Connected transactions of subsidiaries	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)				Amount in 2017 sorted by business group (Million Baht)				Necessity and Reasonableness of the transaction and Audit Committee's Comment		
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business		Construction Business	Hospitality Business and others
The transaction was to support Administration cost	1	1	-	1	-	-	-	-	1	-	-	-	KRH used a rental property and hotel development subsidiary's services including services at the latter's hotel and ski resort. <b>Audit Committee's comment</b> The transaction was to support KRH's operations
Kabushiki Kaisha Kiroro Associates Co., Ltd. (KA)													
Advance payment													KA paid an advance payment for a rental property and hotel development subsidiary. <b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost
Debtor	29	28	-	29	-	-	-	-	28	-	-	-	
Kiroro Hotel Co., Ltd. (KH)													
Advance payment													KH paid an advance payment for a rental property and hotel development subsidiary. <b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost
Debtor	33	17	-	33	-	-	-	-	17	-	-	-	

Connected transactions of subsidiaries	Amount (Million Baht)		Amount in 2018 sorted by business group (Million Baht)				Amount in 2017 sorted by business group (Million Baht)				Necessity and Reasonableness of the transaction and Audit Committee's Comment		
	2018	2017	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business	Construction Business	Hospitality Business and others	Real Estate Business	Real Estate Business Development for rental and Hotel	Retail Business		Construction Business	Hospitality Business and others
Kiroyo Resort Development Co., Ltd. (KRD)													
Advance payment													KRD paid an advance payment for a rental property and hotel development subsidiary.
Debtor	1	-	-	1	-	-	-	-	-	-	-	-	<b>Audit Committee's comment</b> 1) The transaction was actual. 2) The transaction at cost
Using subsidiaries' service													KRD used a rental property and hotel development subsidiary's services such as hotel and ski area.
Administration Cost	1	-	-	1	-	-	-	-	-	-	-	-	<b>Audit Committee's comment</b> The transaction was to support KRD's operations.

### 1.5 Transactions between subsidiaries and connected individuals/entities

Connected entities	Item	Total value (Million)		Necessity and Reasonableness of the transaction and Audit Committee's Comment
		2018	2017	
<b>Center of Standard Precast Co., Ltd. (CSP)</b> <b>Relationship:</b> - CSP holds 20% in P-PREFAB - PF holds 80% in P-PREFAB* - No individual with conflict of interest holds shares or sits in the board of directors.	CSP contracted for the production and installation  Value of Contract  Construction Cost  Trade Creditor	  33  23  6	  11  10  4	A property development subsidiary hires CSP for the supply of prefabricated construction materials.  <b>Audit Committee's comment</b> 1) The transaction was to support subsidiaries' operations. 2) The transaction price and condition was reasonable and comparative to market price.
<b>Queen Frozen Fruit Co., Ltd. (Queen Frozen)</b> <b>Relationship:</b> - Legal Entity, Miss Kannika Adhayanasakul, Mr.Chainid Adhayanasakul's wife, Chief Executive officer is a director and major Shareholder.	Value of Contract  Construction Revenue  Advance Payment  Debtor	  -  1  22	5  32  1  78	A construction-related subsidiary is contracted to build a coldstorage building for Queen Frozen Co., Ltd.  <b>Audit Committee's comment</b> The service fee was jointly set, taking into considering the cost and targeted profits.

\* In 2017, PF owned 51% in P-PREFAB and bought more shares as follows:

- Subscribing to capital-increase shares and boosting stake from 51% to 80% in October 2018
- Buying shares from CSP, raising stake to 100% in January 2019

### 1.6 Information on other subsidiaries and joint ventures which made no connected transactions with the Company and subsidiaries during 2017 -2018

Legal Entity	Relationship
<b>Subsidiaries</b> Uniloft Service (Thailand) Co., Ltd. (UNILOFT) <i>In March 2018, Renamed to Thai Connect 2019 Company Limited</i>	- 100% owned by PF - PF employees (Mr.Saranyu Adhayanasakul, Mr.Natthaphon Sueb-Am, and Mr.James Stevenson Worboys) serve as its directors. - EP employee (Mr.Prathompob Intr-Bumrong) serves as a director.
<b>Joint Venture</b> T-Utilities Co., Ltd. (TU)	- PF holds 45% - PF Chief Executive Officer (Mr.Chainid Adhayanasakul) is a director. - The company's consultant (Dr.Bhichit Rattakul)* is a director. * Resigned in February 2017.
TU1 Co., Ltd. (TU1)	- TU holds 100% - PF holds TU 45%
TU2 Co., Ltd. (TU2)	- TU holds 100% - PF holds TU 45%
TU3 Co., Ltd. (TU3)	- TU holds 100% - PF holds TU 45%
TU5 Co., Ltd. (TU5)	- TU holds 100% - PF holds TU 45%
TU6 Co., Ltd. (TU6)	- TU holds 100% - PF holds TU 45%
<b>The Affiliates</b> Real Service Co.,Ltd.	- PF holds 19% - The company's employee (Mr.Sanphet Sukkasem and Mr.Chainarong Ngernsopa) are directors.



## 2. Connected transactions concerning TPROP

During the year, business activities were struck with subsidiaries and connected entities. The activities complied with mutually-agreed terms and conditions and were considered normal business transactions. They are summarized as follows:

Pricing Policy	
<u>Transactions with subsidiaries</u>	
Management fee	Contract price
Interest receivables	The interest rates are 0.25% above the average financial cost and 12-month fixed interest rates at 6.25% per annum and 9.0% per annum.
Interest	12-month THBFIX plus at 0.25% per annum
<u>Transaction with Joint Venture</u>	
Management fee	Contract price
Interest receivables	The interest rates are 0.25% above the average financial cost and MLR minus 0.225%.
<u>Transactions with connected parties</u>	
Management fee	Contract price
Hotel business management fee	Market price

### Revenue

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Interest receivables	-	-	18,213,51	16,132,948
<b>Joint Venture</b>				
Management fee	54,150,000			
Interest receivables	10,034,509	10,424,708		
<b>Other Related business</b>				
Hotel management fee	476,414	-		

### Expenses

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Interest Expense	-	-	1,409,877	-
Administrative Expense	-	-	9,181	83,269
<b>Other Related business</b>				
Rental and Administration cost	30,176,762	33,191,230	-	-

## Outstanding unpaid amounts for products and services

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Other debtors	-	-	791,461	644,915
<b>Accrued interest receivables</b>	-	-	109,540,667	94,099,356
Other creditors	-	-	12,437,324	8,000
Accrued interest payables			1,409,877	-
<b>Joint ventures</b>				
Other debtors	-	22,241,403	-	-
Accrued interest receivables	6,858,844	11,782,855	-	-
<b>Real Estate Investment Trust (REIT)</b>				
Accrued interest receivables	123,561	118,619	-	-
Rent guarantee contract	88,000,000	88,000,000	-	-
Other creditors	14,407,200	14,407,200	-	-
Accrued rents	16,240,000	17,412,405	-	-
<b>Other related businesses</b>				
Trade debtors	444,851	-	-	-
Other creditors	2,595,179	2,910,662	-	-

## Loans to subsidiaries and related businesses

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>	-	-	929,900,000	774,000,000
Joint ventures	315,000,000	440,528,220	-	-
<b>Total</b>	315,000,000	440,528,220	929,900,000	774,000,000

The movement of short-term loans extended to connected entities in the past year ended 31 December 2018 is as follows:

(Unit : Baht)

	Consolidated	Non-consolidated
<b>Subsidiaries</b>		
Amount at beginning of year	-	774,000,000
Additional loans extended during the year	-	155,900,000
End-of-year value	-	929,900,000
<b>Joint ventures</b>		
Amount at beginning of year	440,528,220	-
Additional loans extended during the year	315,000,000	-
Repayments made during the year	(440,528,220)	-
End-of-year value	315,000,000	-

Short-term loans to connected entities are in line with trade-related conditions. The loans are not collateralized. The interest charges are 0.25% above the Company's average financial cost and MLR minus 0.225%

### Long-term loans to connected entities

(Unit : Baht)

	Consolidated	
	2018	2017
<b>Subsidiaries</b>	-	73,638,940
Total	-	73,638,940

The movement of long-term loans extended to connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated
	2017
<b>Subsidiaries</b>	
Amount at beginning of year	73,638,940
Additional loans extended during the year	-
Repayments made during the year	73,638,940
End-of-year value	-

Long-term loans to connected entities are in line with market conditions. The loans are not collateralized. The interest charge is equivalent to Krung Thank Bank Public Company Limited's fixed deposit rate. The loans were repaid through debt-to-equity conversion.

### Short-term loans to connected entities

(Unit : Baht)

	Consolidated	
	2018	2017
<b>Subsidiaries</b>	145,000,000	-
Total	145,000,000	-

The movement of short-term loans borrowed from connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated
Amount at beginning of year	-
Additional loans borrowed during the year	190,000,000
Repayments made during the year	(45,000,000)
End-of-year value	145,000,000

Short-term loans borrowed from connected entities are not collateralized and are returned on demand.

## Directors and executives remuneration

Executives include directors (serving as executives or not). Executives' remuneration, paid or unpaid, is as follows:

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
Salary and short-term benefits	99,799,939	65,085,952	12,656,188	10,030,000
End-of-contract payment	2,882,466	1,386,324	-	-
Total	102,682,405	66,472,276	12,656,188	10,030,000

## 3.Connected transactions with GRAND Group

Individuals and entities directly or indirectly connected with business units in the Group through one or more entities and having control over the group or being under the group's control as well as investment companies and subsidiaries in the same group are considered connected parties. Affiliates and individuals with significant votes in the group, key executives including directors as well as employees of the group and their close family members are considered connected parties.

Considering the connection of individuals and related businesses takes into account their relationship rather than legal connection.

As of 31 December 2018, the group is owned 33.84%, 5.45% and 9.50% by Metro Premier Holding Company Limited, Thai Property Public Company Limited and Property Perfect Public Company Limited, respectively. The remaining 51.21% shares are held by the general public. The ratio in 2017 was 35.53%, 5.09%, 1.70% and 57.68%.

During the year, the group struck transactions with subsidiaries and connected entities under the term and condition agreed by the group and those companies and based on normal business practices. The transactions are summarized as follows:

	Pricing Policy
<u>Connected transactions with subsidiaries</u>	
Revenue from property sales	Cost and profit
Management Revenue	Specified in contract
Interest receivables	Interest rate at 0.25% per annum above the Company's average financial cost
Other income	Cost and profit
Interest expenses	12-month THBFIX plus at 0.25% per annum.
<u>Transactions with joint ventures</u>	
Management Revenue	Specified in contract
Interest receivables	Interest rate at 0.25% per annum above the Company's average financial cost and MLR minus 0.225%
<u>Transactions with connected parties</u>	
Revenue from hotel business	Market price
Interest expenses	6.25 - 9.00% per annum

## Revenue

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Revenue from property sales	-	-	40,058,200	-
Management Revenue	-	-	8,400,000	21,000,000
Interest receivables	-	-	2,898,630	86,004,038
Other Income	-	-	8,411,215	-
<b>Joint ventures</b>				
Management Revenue	54,150,000	-	54,150,000	-
Interest receivables	10,034,509	10,424,708	10,034,509	10,424,708
<b>Transactions with connected parties</b>				
Revenue from Hotel Business	476,414	-	-	-

## Expenses

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Interest expenses	-	-	-	-
<b>Transactions with connected parties</b>				
Interest expenses	9,031,090	8,702,740	9,031,090	8,702,740

## Outstanding unpaid amounts for services and products

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Other debtors	-	-	3,447,879	3,786,652
Interest receivables	-	-	3,498,037	599,408
Other creditors	-	-	13,802	1,156,254
Accrued interest payable	-	-	103,715	5,332,869
<b>Joint ventures</b>				
Other Debtor	-	22,241,403	-	22,241,403
Interest receivables	6,858,844	11,782,855	6,858,844	11,782,855
<b>Real Estate Investment Trust (REIT)</b>				
Accrued Interest Receivables	123,561	118,619	-	-
Lease guarantee	88,000,000	88,000,000	-	-
Other Creditor	14,407,200	14,407,200	-	-
Unpaid rents	16,240,000	17,412,405	-	-



(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Transactions with connected parties</b>				
Account Receivable	444,851	-	-	-
Accured Interest	19,470,000	9,620,000	19,470,000	9,620,000

**Short-term loans to connected parties**

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>	-	-	65,000,000	46,528,405
Joint ventures	315,000,000	440,528,220	315,000,000	440,528,220
<b>Total</b>	315,000,000	440,528,220	380,000,000	487,056,625

The movement of short-term loans to connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated	
	2018	2017
<b>Subsidiaries</b>		
Amount at beginning of year	-	46,528,405
Additional loans borrowed during the year	-	18,471,595
End-of-year value	-	65,000,000
<b>Joint ventures</b>		
Amount at beginning of year	440,528,220	440,528,220
Additional loans borrowed during the year	315,000,000	315,000,000
Repayments made during the year	(440,528,220)	(440,528,220)
End-of-year value	315,000,000	315,000,000

Short-term loans to connected entities are in line with normal trade-related conditions. The loans are not collateralized. The interest charges are 0.25% above the Company's average financial cost and MLR minus 0.225%.

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>Subsidiaries</b>	-	-	224,000,000	266,679,957
Joint ventures	140,000,000	140,000,000	140,000,000	140,000,000
<b>Total</b>	140,000,000	140,000,000	364,000,000	406,679,957

The movement of short-term loans from connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated	Non-consolidated
Amount at beginning of year	140,000,000	406,679,957
Additional loans borrowed during the year	-	(42,679,957)
End-of-year value	140,000,000	364,000,000

Short-term loans from connected parties are not collateralized and returned on demand.

The paid and unpaid remuneration of the group executives including directors (serving as executives or not) are as follows:

#### Remuneration of key business executives

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
Salary and short-term benefits	87,143,751	55,055,952	57,896,806	55,055,952
End-of-contract payment	2,882,466	1,386,324	1,786,962	1,386,324
Total	90,026,217	56,442,276	59,683,768	56,442,276

## 4. Connected transactions concerning WR

Individuals and entities directly or indirectly connected with business units in the Group through one or more entities and having control over the group or being under the group's control as well as investment companies and subsidiaries in the same group are considered connected parties. Affiliates and individuals with significant votes in the group, key executives including directors as well as employees of the group and their close family members are considered connected parties

In considering the connection of individuals and related businesses, their relationship is taken into account rather than legal connection.

The Group is controlled by Property Perfect Public Company Limited, which is located in Thailand. The Company is owned 94.97% by the aforementioned major shareholders and 5.03% by the general public.

During the year, the Company and subsidiaries struck transactions which were in line with the conditions and criteria agreed upon by both parties and in line with normal business practices.

The following transactions are significant transactions with connected individuals or entities.

## Rental and service revenue, building management fee and interest receivables

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>The Company</b>				
Rental and service revenue	554,554	988,917	554,544	988,917
<b>Subsidiaries</b>				
Interest receivables	-	-	68,757,410	59,338,379
<b>Affiliated companies</b>				
Building management fee	30,176,762	33,191,230	30,176,762	33,191,230
Interest receivables	21,156,678	9,174,658	21,156,678	9,174,658

## Rental and Interest

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>The company</b>				
Interest Expense	16,753,572	5,103,054	16,753,572	5,103,054
<b>Related Company</b>				
Rental	-	4,872,888	-	4,872,888

## Remuneration of key executives

The paid and unpaid remuneration of the group executives including directors (serving as executives or not) are as follows:

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
Short-term benefits	6,879,306	5,906,833	6,879,306	5,906,833
Total remuneration of key executives	6,879,306	5,906,833	6,879,306	5,906,833

The outstanding debts to connected parties, short-term loans to connected parties, loans to connected parties, connected parties' creditors and long-term loans from connected parties are summarized as follows:

## Connected debtors

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>The Company</b>				
Connected debtors	-	64,940	-	64,940
<b>Subsidiaries</b>				
Interest receivables	-	-	323,743,888	254,986,477
<b>Related Company</b>				
Connected debtors	2,599,615	2,914,053	2,595,179	2,910,663
Interest receivables	14,609,589	7,551,370	14,609,589	7,551,370

## Short-term loans to connected parties

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
Subsidiaries	-	-	1,189,992,000	1,143,492,000
	-	-	1,143,492,000	1,143,492,000

The movement of short-term loans to connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated	Non-consolidated
Accounting value at beginning of year, Revise	140,000,000	1,143,492,000
Increase during the year	-	46,500,000
End-of-year accounting value	140,000,000	1,189,992,000

Short-term loans to connected parties are not collateralized and returned on demand. They carry 5.76%-5.87% in annual interest rate.

## Loans to connected parties – Net

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017 Revise	2018	2017 Revise
Related Company	282,076,059	159,142,897	405,000,000	225,000,000
	282,076,059	159,142,897	405,000,000	225,000,000

Loans to connected parties appearing in the financial statements are the net amount against its interests in joint ventures, as summarized below:

(Unit : Baht)

	Consolidated	
	2018	2017 Revise
Loans to connected parties	405,000,000	1,143,492,000
Minus Accumulated share discount in joint ventures	(122,923,941)	(65,857,103)
Loans to connected parties — Net	282,076,059	159,142,897

The movement of short-term loans to connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated	Non-consolidated
Accounting value at beginning of year, revised	159,142,897	225,000,000
Increase during the year	180,000,000	180,000,000
Share discount in joint ventures	(57,066,838)	-
End-of-year accounting value — Net	282,076,059	405,000,000

1-year promissory notes are not collateralized and carry 6.25% in annual interest rate. As the repayment is not planned in the near future, loans to connected parties are thus booked as non-current assets. The Group reviews loan repayment plan on an annual basis, to classify loans to connected parties.

### Connected parties' creditors

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>The Company</b>				
Connected parties' creditors	333,814	159,142,897	405,000,000	225,000,000
Interest Payable	21,856,626	159,142,897	405,000,000	225,000,000

### Long-term loans to connected parties

(Unit : Baht)

	Consolidated		Non-consolidated	
	2018	2017	2018	2017
<b>The Company</b>				
	356,500,000	200,000,000	356,500,000	200,000,000
	356,500,000	200,000,000	356,500,000	200,000,000

The movement of long-term loans from connected entities in the past year ended 31 December 2018 is as follows;

(Unit : Baht)

	Consolidated	Non-consolidated
Accounting value at beginning of year,	200,000,000	200,000,000
Increase during the year	156,500,000	156,500,000
End-of-year accounting value	<b>356,500,000</b>	<b>356,500,000</b>

Long-term loans from connected parties are not collateralized and carry the interest charges of 5.76%-5.87% per annum.

## 5. Connected transactions with ROH Group

### Transactions with subsidiaries concerning the sale and lease of land, building, machinery and furniture

In 2018, the Company launched an organizational and financial restructuring to update the value of land, buildings and other permanent assets and raise commercial opportunities. The process included:

A) Sale of land, buildings, machinery and furniture to subsidiaries

(Unit : Million Baht)

	Land	Building, machinery and furniture	Total
Selling price	173	1,248	1,421
Net accounting value	(55)	(761)	(816)
Profit margin	118	487	605
Transfer fee and related expenses	(4)	(22)	(26)
<b>Net profit</b>	<b>114</b>	<b>465</b>	<b>579</b>

The selling price was materially based on an independent appraiser's estimates, to find the assets' present value.

B) Lease land, building, machinery and furniture (as mentioned in B) from subsidiaries to operate a hotel business. On 20 September 2017, the lease contract was extended for a year, from 20 October 2017, with a promise to pay a fixed amount of Bt24 million for the annual lease of land and building and Bt21 million for machinery and furniture. The amount will be paid on demand.

On 5 October 2018, the lease contract was extended for another year, from 20 October 2018 with a promise to pay a fixed amount of Bt24 million for land and building and Bt20 million for machinery and furniture. The amount is paid on demand.

During the year, the Company's significant transactions with the subsidiary concerning the aforementioned items and short-term loans are as follows:



(Unit : Million Baht)

	Non-consolidated		Pricing policy
	2018	2017	
Land and building rental fee	24	24	As specified in contract
Machinery and furniture rental fee	21	22	As specified in contract
Interest expenses	21	20	MLR minus 1.25%
Interest receivables	31	32	MLR minus 1.25%
Received dividend	9	9	As announced

As of 31 December 2017 and 2018, the outstanding amounts were separately shown in the financial statements as follows:

(Unit : Baht)

	Non-consolidated	
	2018	2017
Other debtors — subsidiaries	219,856,826	199,524,141
Long-term loans to subsidiaries	629,211,200	638,711,200
Trade payables — subsidiaries	434,994,623	424,193,548
Other creditors — subsidiaries	149,782,070	129,014,703

### Long-term loans to subsidiaries

During 2012, the Company loaned Bt720 million working capital to subsidiaries and charged MLR minus 1.25% as the interest rate. The loan was not collateralized. The Management intended not to demand repayment within 12 months.

The outstanding loans to subsidiaries as 31 December 2017 and 2018 and the movement of loans were as follows:

(Unit : Baht)

Company	Relationship	Non-consolidated			
		Outstanding as of 31 December 2017	Increase during the year	Decrease during the year	Outstanding as of 31 December 2018
Thai Royal Orchid Real Estate Co., Ltd.	Subsidiary	638,711,200	9,500,000	(19,000,000)	629,211,200
Total		638,711,200	9,500,000	(19,000,000)	629,211,200

### Connected transactions concerning management contract

The Company inked a management contract with US-based Sheraton Overseas Management Corporation's business unit in Thailand, binding the latter to manage the Company's hotels. The Company is obligated to pay management fee at the rate, period and calculation method as stated in the contract which took effect on 31 January 1985. In 2006, the contractual party agreed to extend the contract period to 31 December 2011. In 2011, a new contract was struck, to last 10 years from 1 January 2012. The new hotel management fee took effect on 1 January 2012.

A change in the Company's major shareholder on 25 April 2018 effectively terminated the connected transaction with the old major shareholder. In the 2018 accounting year, the transaction with the previous major shareholder was thus booked until 24 April 2018. From 25 April, the transaction instead concerned Grand Asset Hotels and Property Public Company Limited which became a new major shareholder.

Significant transactions with the connected party were as follows:

(Unit : Million Baht)

	Consolidated and non-consolidated financial statements		
	2018	2017	Pricing policy
Hotel management and trademark fees as well as marketing expenses	26	61	As specified in contract

As of 31 December 2017 and 2018, the outstanding value of such transactions and payment expenses were shown in the financial statements under the following items:

(Unit : Million Baht)

	Consolidated and non-consolidated financial statements	
	2018	2017
<b>Trade debtors - Connected parties</b>	-	1,059,765
Related companies (joint ownership)	-	1,059,765
<b>Other debtors - Connected parties</b>	-	122,166
Related companies (joint ownership)	-	122,166
<b>Advance payments - Connected parties</b>	-	1,123,981
Related companies (joint ownership)	-	1,123,981
<b>Accrued expenses - Connected parties</b>		
Related companies (joint ownership and joint operation contract)	-	5,993,591
Related companies (joint ownership)	-	3,542,870
	-	9,536,461

### Connected transactions concerning sale and service

The change in a major shareholder effectively terminated transactions with the parties connected with the previous major shareholder on 25 April 2018. As such, the transactions with the previous major shareholder were booked in the financial statements for the year ended 31 December 2018 until 24 April 2018. The transactions were booked as the transactions with Grand Asset Hotels and Property Public Company Limited, the new major shareholder, from 25 April 2018 onwards.

From 1 January 2018 through 24 April 2018, there was another connected transaction with Thai Airways International Public Company Limited, a shareholder, concerning sale and service worth Bt0.1 million (against about Bt1.5 million in 2017). The value was based on market price.

From 25 April 2018 through 31 December 2018, there was a connected transaction with Grand Asset Hotels and Property Public Company Limited, the major shareholder, concerning sale and service worth Bt0.4 million (against none in 2017). The value was based on market price. The outstanding value of this transaction was about Bt0.4 million as of 31 December 2018.

### Connected transactions with financial institutions concerning deposits

The change in ownership terminated the transactions with the previous major shareholder's interests on 4 July 2018. As such, the transactions with the previous major shareholder were booked in the financial statements for the year ended 31 December 2018 until 3 July 2018. The transactions were booked as the transactions with Grand Asset Hotels and Property Public Company Limited, the new major shareholder, from 4 July 2018 onwards.

During 1 January 2018 and 3 July 2018, the company and a subsidiary deposited money at Thanachart Bank Public Company Limited, a party connected through indirect ownership. Significant transactions were as follows:

(Unit : Million Baht)

	Consolidated		Non-consolidated		Pricing policy
	2018	2017	2018	2017	
Interest receivables	3,107,428	5,306,614	3,040,971	5,173,958	Market price

The outstanding value of the transactions as of 31 December 2017 (when no connection appeared) and as of 31 December 2018 (when they were connected) was as follows:

(Unit : Million Baht)

Interest receivables	Consolidated		Non-consolidated	
	2018	2017	2018	2017
Thanachart Bank	1,608,729	1,292,452	1,533,008	1,215,849
Fixed deposits with more than 3 months in tenure at Thanachart Bank	460,064,526	460,000,000	450,064,526	450,000,000

## Directors and executives' remuneration

In the accounting year ended 31 December 2017 and 2018, the company and a subsidiary paid out the following amounts to directors and executives;

(Unit : Million Baht)

	Consolidated and non-consolidated financial statements	
	2018	2017
Short-term benefits	43,067,990	41,969,131
End-of-contract payment	1,095,504	398,384
Other long-term benefits	2,544	3,097
<b>Total</b>	<b>44,166,038</b>	<b>42,370,612</b>

# 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 also coordinated with banks like Small and Medium Enterprise Development Bank (SME Bank) in providing funds to the Company's 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 ease 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 850 houses per annum. Siam Cement Public Company Limited, Italian-Thai Development Public Company Limited, CPanel Co., Ltd. and others are also contracted to manufacture and install prefab parts while Christiani & Nielsen (Thai) is contracted for the project-level structural and architectural works. In the past year, Perfect Prefab Co., Ltd. was recapitalized from Bt10 million to Bt60 million, to prepare for factory relocation and capacity expansion from 850 housing units per year to 1,700-1,800 units. While the relocation is not completed, a warehouse at Perfect Park Bang Yai Project was rented.

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 Bt9,422 million, as of 31 December 2018.

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 30 June 2018, the Company and subsidiaries' consolidated current liabilities totaled Bt12,841million; chiefly consisting of debentures with 1-year maturity worth Bt5,905million, a portion of term loans to be repaid within 1 year worth Bt1,327million, and loans to trade creditors and other creditors worth B33,310million.

Based on the balance in all credit facilities worth Bt9,128.55million on top of cash and equivalents worth Bt4,777.16million as of 31 December 2018, the Company has sufficient cash to repay current liabilities and cash reserves for the Company and subsidiaries' project development.

#### **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 2018, the consolidated interest-bearing liabilities totaled Bt34,992.58 million. Most of them were fixed-rate debentures. In case of an interest rate increase, only project finance loans worth Bt8,395.64 million will post higher interest expenses. The expenses will rise by approximately Bt84 million for every 1 percentage point increase in interest rate.

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

The Company carries a risk in maintaining the debt to equity ratio at 2.0:1. In the past years, the ratio has been kept below 2.0:1. As of 31 December 2018, the ratio stood at 1.88:1, which increased from 1.55:1 in 2017.

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, taking into account the debenture issues No.3/2017 and No.4/2017 which will mature in 2021, Property Perfect debentures #1/2018 due 2021, Property Perfect debentures #2/2018 due 2021, Property Perfect debentures #3/2018 due 2022, and Property Perfect debentures#4/2018 due 2022.

\* 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.

Guidelines to control debt to equity ratio

1. Emphasize businesses that generate higher returns such as low-rise development.
2. Speed up the development of purchased land plots or sell the plots which are not supported by clear development plans, to quicken revenue realization.
3. Enhance operational efficiency to meet targets and increase profits and shareholders' equity.

The aforementioned guidelines will increase operating cash flow, which can be used to retire bank loans as well as short-term and long-term debentures. In process, the Company's debt to equity ratio will be maintained at an appropriate level.

## **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

At the 2/2019 meeting on 26 February 2019, the Board of Directors with the presence of all 5 independent directors assessed the Company's internal control against the Office of the SEC's internal control sufficiency assessment procedure. After asking the Management questions, approving the assessment plan prepared by the Management, and reviewing the Audit Committee's report, the Board concluded that the Company's internal control in 5 aspects - organizational control, risk assessment, operational control, ICT and communications, and monitoring process - was sufficient and appropriate. Control officers were appointed to ensure effective compliance. Meanwhile, there was a process to prevent the misuse of the Company's and subsidiaries' assets or transactions with the parties that may have conflicts of interest. The Board's conclusion was agreed by the Audit Committee. Meanwhile, the auditor did not mention any significant flaws in the internal control system that may harm the business. Details of the internal control in the 5 aspects are as follows:

## 1) Internal control

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

## 2) Risk assessment

The Risk Management Committee is tasked to formulate the risk management structure, policy and framework as well as the risk management plan, a review and monitoring. The Board will be consistently updated.

## 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 and auditors are 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 Audit Committee at the 1/2019 meeting on 26 February 2019 agreed to extend Ms. Duangporn Rermyindee's term as the Company's internal audit head thanks to her educational background, internal audit experience and thorough understanding in the Company's business. Under the Company's guideline, the appointment, dismissal and transfer of the internal audit head must be endorsed by the Audit Committee. The internal audit head's qualifications were outlined in Attachment 3.



# 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. 3
2. Transparency in business operation and Good Internal Control System. m
3. Creation of long-term value to all stakeholders and Fiduciary Duties towards Stakeholders.

### The Roles of the Board of Directors

Every member of the Board of Directors must have strong leadership and be able to control the management team effectively, ensuring that they can deliver the fair return to the shareholders and all stakeholders. The Board of Directors will work with the management team to define the Company's vision, mission, and corporate value for everyone to follow. The Board of Directors has the responsibilities to comply by the Company's ethics and laws as well as the stakeholders; and they should perform their duties with integrity and express their opinions freely. Their roles also include the improvement of the Company's

business guidelines making sure they are in line with the new Code of Conduct principles as defined by the Stock Exchange of Thailand for the listed companies in the Real Estate and Construction sector, taking into account to incorporate CSR Best Practices in the implementation of Social and Environmental Responsibility of the Company.

### Business Vision

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

### Mission

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

### The Roles of Stakeholders

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

#### Shareholders

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

#### Employees

The Company realizes the importance of employees, which is the major driving force of a business organization.

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

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

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

Employees' welfare and rights are clearly emphasized to keep employees happy, both physically and mentally, so that they feel motivated to work at full capacity. Welfare include the public holidays, social security, compensation fund, the right for annual leave, sick leave, vacation leave, maternity leave, ordination leave, leave for sterilization, military training leave, leave for training, health and life

insurance, health insurance for OPD, provident fund, and scholarships. For employees who want to buy a residential house or unit managed by the Company, they will also get special discount as an employee. They are also allowed to use the Sport Club of each project for exercise to keep their health fit and strong.

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

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

- People media: Those who are involved with the business plans will be required to visit sites on a monthly basis as to get comments and opinion and also to update the information for staff in each project such as updates on the Company's new rules, news updates, updates on economic, social or legal trends so that they are able to keep abreast of the changing situation.
- Create communication channel via Social Network through which Human Resources Department will have to propose the Company's year-plan activities and then communicate to employees via these

channels.

- Communicate through social activities. In the future, the Company has set the plans to encourage employees to do more social activities. It will be a good opportunity for employees to meet and share ideas or information for future development of the organization.
- Provide educational opportunities for employees to study further in the field related to the Company's business, so that they can apply new knowledge, experience and skills for future use in the business development.
- Provide more learning tools for human resources development, apart from classroom or in-house training within the organization. Open opportunities for employees to further studies as to acquire new experience, learn of new technology, innovation, or new techniques and integrate them in the jobs under their responsibility.
- Keep on improving the compensation management plans in accordance with the changing economic situation, cost of living and the inflation rates so that employees have sufficient income for living.
- Keep on improving the welfare scheme in accordance with the changing economic and social situation to ensure 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 follow the conditions and contract agreements made with the creditors and bond holders. The financial report of the Company will be updated to creditors accurately and timely with transparency, without concealing any information that will cause any damages to the creditors. The Company has issued the bond according to the requirements of the Securities and Exchange Commission and strictly complied with the policies and resolutions of the shareholders' meetings. If the Company cannot fulfill its obligations in the contract, it will immediately inform or disclose the information to seek out solutions and measures to prevent any damages that may occur. Creditors are categorized as follows:

- **Partners:** The Company would inquire about the product information and prices from the partners prior to making any purchasing or hiring orders, and will always join them in doing activities. At present, the business relationships have 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 have 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 acts as a broker for information or sourcing suppliers. The operations of this process comply 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, product 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 have 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:



- 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.
- Support the fair and free trade and avoid the any behaviors that lead to conspiracy.
- Do not support any activities that would violate the intellectual property rights.
- 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.

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 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

### Contributions to Communities and Society

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 to support consistent growth in Internet usage. 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 durable 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's customers and employees took part in the construction of a dyke in Huay Mahad Mount, Rayong province and delivered construction as well as maintenance tools and equipment to conservation officers. The goal was to build happy society and preserve nature for public benefits.

The Company assisted pineapple growers by buying the output from farmers in Mae Sai district, Chiang Rai province for its "Pick and Drop" activity. The pineapples were handed out to employees and the general public through sale offices and the Head Office. Such project was to help farmers who suffered from oversupplies.

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.

Out of concern in the environmental impacts of non-disposable plastic, the Company together with "Department of Environmental Quality Promotion" launched "Doing a good deed: Reducing environmental impacts". A policy was formulated along with guidelines to discourage plastic use among employees. This included a reduction in drinking-water plastic bottle production; a switch from plastic straws to natural ones; the use of glass containers instead of single-use containers; a cloth bag campaign; the segregation of recyclable waste; and etc. Altogether, the adopted practices will reduce plastic consumption by 80 tonnes per year. Aside, there was a campaign encouraging customers to reduce plastic use and segregate waste. Club houses at the Company's projects are equipped with trash bins for different types of waste.

#### 4. Corruption Prevention Measures (Construction Dept.)

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):** 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). The company launched 2 new brands in 2018, Perfect Residence and Bella Del Monte

**Condominium (low-rise and high-rise):** The group has developed low-rise condominiums (with height no more than 8 floors) and high-rise condominiums, with focus on high-potential locations near electric train routes, communities and transport networks. The brands include Hyde, The Sky, Metro Sky, Metro Luxe, The Lake, Metro Park, iCondo, Bella Costa and Yu Kiroro in Japan.

**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

The Group earned income from a hotel business following the investment in Kiroro ski resort in the fourth quarter of 2012. The ski resort in Akaigawa Village, Hokkaido, Japan boasts one of the best snow 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.

The portfolio expanded after the acquisition of Thai Property Public Company Limited in June 2015, which owned 3 hotel properties — The Westin Grand Sukhumvit, Sheraton Huahin Resort and Spa and Sheraton Huahin Pranburi Villa. And Hyatt Regency Bangkok Sukhumvit opened in this year.

### (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, 19 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.

### Summary of past performance

The Company and subsidiaries continuously launched development projects in line with growing demand in Thailand.

In 2016, the consolidated revenue totaled Bt 15,552.52 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 Bt 8,145.14 million, while the hotel business operating cost was at Bt 1,573.63 million. The rental and service cost was Bt368.00 million and construction cost Bt.69.30 million. This translated into 34.66%, 28.27%, 1.86% and 22.02% in gross profit margin, respectively. The consolidated net profit in the year was Bt332.29 million or 2.14% in net profit margin.

In 2017, the consolidated revenue stood at Bt16,735.47 million: Bt13,445.77 million from the real estate development business; Bt2,323.28 million from the hotel business; Bt381.41 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 Bt340.73 million from other businesses. The consolidated cost of the real estate

development business was registered at Bt8,875.44million, while that of the hotel business, rents and service business and the construction business was Bt1,605.83 million, Bt366.09million and Bt39.11 million, generating the gross profit margins of 33.99%, 30.88%, 4.02% and -20.45%, respectively. The consolidated net profit was Bt474.55million or 2.84% in net profit margin.

In 2018, the consolidated revenue totaled Bt19,647.02 million: Bt15,586.56 million from real estate development business; Bt2,914.76 million from hotel business; Bt342.71

million from rental and service business; Bt235.39 million gains from transactions priced below fair value; Bt0.72 million gain from the selling of a land purchase rights and Bt566.88million from other items. In the year, the Company and subsidiaries shouldered Bt10,054.94 million in consolidated real estate development cost; Bt2,008.20 million in hotel business operating cost; Bt350.76 million in rental and service cost; The figures translated to 35.49%, 31.10% and -8.05% in gross profit margin, respectively. The consolidated net profit stood at Bt693.51 million, representing 3.53% in net profit margin.

## Revenue

Consolidated financial statements	Accounting year ended					
	31 December 2018		31 December 2017		31 December 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue</b>						
Revenue from sales of land and houses	8,818.07	44.88	7,454.71	44.54	6,614.02	42.53
Revenue from sales of condominium units	5,535.26	28.17	4,765.61	28.48	4,987.60	32.07
Revenue from sale of land	1,233.23	6.28	1,225.45	7.32	863.67	5.55
Revenue from hotel operations	2,914.76	14.84	2,323.28	13.88	2,193.95	14.11
Revenue from rental and service	342.72	1.74	381.41	2.28	361.29	2.32
Revenue from construction	-	-	32.47	0.19	88.87	0.57
Other Incomes						
Gain from transactions priced below cost	235.39	1.20	-	-	-	-
Gain from sale of land-purchase rights	0.72	0.00	104.80	0.63	118.72	0.76
Gain from liquidation of investment in joint ventures	-	-	107.01	0.64	-	-
Gain from loss of control in subsidiaries	-	-	8.75	0.05	-	-
Received	121.45	0.62	82.41	0.49	29.09	0.19
Others	445.42	2.27	249.57	1.50	295.30	1.90
<b>Total revenue</b>	<b>19,647.02</b>	<b>100.00</b>	<b>16,735.47</b>	<b>100.00</b>	<b>15,109.40</b>	<b>100.00</b>

In 2016, the consolidated revenue totaled Bt15,552.52 million, increasing by Bt2,647.23 million or 20.51% from 2015. The non-consolidated revenue amounted to Bt8,217.31 million, up by Bt979.91 million or 13.53% from the previous year.

In 2017, the consolidated revenue totaled Bt16,735.47 million, increasing by Bt1,182.95 million or 7.61% from 2016. The non-consolidated revenue amounted to Bt8,925.77 million, up by Bt708.46 million or 8.62% from a year earlier.

In 2018, the consolidated revenue totaled Bt19,647.02 million, increasing by Bt2,911.55 million or 17.40% from 2017. The non-consolidated revenue amounted to Bt12,236.19 million, up by Bt3,310.42 million or 37.09% from the previous year.

Details are as follows:

## 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 2016, the consolidated revenue from land and house sale totaled Bt 6,614.02 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 Bt 7,454.71 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.

In 2018, the consolidated revenue from land and house sale amounted to Bt8,818.07 million or 44.88% of total revenue, an increase of Bt1,363.36 million or 18.29% from the previous year, thanks to revenue from new projects launched in 2018.

### Revenue from condominium sales

In 2016, the consolidated revenue from condominium sales reached Bt 4,987.60 million or 32.07% of total, up by Bt 1,828.01 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.

In 2018, the consolidated revenue from condominium sale reached Bt5,535.26 million or 28.17% of total revenue, an increase by Bt769.65 million or 16.15% from a year earlier. The increase was attributable to the transfer of completed units in existing and new projects to customers.

## Revenue from land sales

In 2016, the consolidated land sales revenue reached Bt 863.67 million or 5.55% of total, up by Bt362.25 million from the previous year.

In 2017, the consolidated land sales revenue reached Bt 1,225.45million or 7.32% of total, up by Bt361.78million or 41.89% from the previous year due to the sale of land plots in Ladphrao and Romklao areas.

In 2018, the consolidated land sales revenue reached Bt 1,233.23 million or 6.28 % of total, up by Bt7.79 million or 0.64% from the previous year

## Revenue from hotel business

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

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.

In 2018, revenue from the overseas hotel business totaled Bt1,175.85 million, down by Bt54.31 million or 4.41% from the previous year. Meanwhile, the hotel business in Thailand generated Bt1,738.91 million in revenue, an increase of Bt645.79 million or 59.08%, thanks to the amalgamation of Royal Orchid Sheraton Hotel's Bt595 million revenue following the takeover of Royal Orchid Hotel (Thailand) Public Company Limited in April 2018. The consolidated revenue from the hotel business thus reached Bt2,914.76 million, an increase of Bt591.48 million from the previous year.

## Rental and service revenue

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 Bt381.41million or 2.28% of total revenue, a increase by Bt20.13 million from the previous year.

In 2018, the consolidated rental and service fees were registered at Bt342.71 million or 1.74% of total revenue, a decrease by Bt38.69million from the previous year.

## Cost and expenses related to sales, administration and others

The consolidated cost and expenses in 2016 totaled

Bt14,046.16 million, an increase by Bt2,057.61 million or 17.16% from 2015. The non-consolidated cost and expenses stood at Bt6,687.25 million, up by Bt424.60 million or 6.77% from a year earlier.

The consolidated cost and expenses in 2017 totaled Bt15,263.06 million, an increase by Bt1,216.90 million or 8.66% from 2016. The non-consolidated cost and expenses stood at Bt7,160.33 million, up by Bt473.08 million or 7.07% from the previous year.

The consolidated cost and expenses in 2018 amounted to Bt16,719.15 million, an increase by Bt1,456.08 million or 9.54% from 2017. The non-consolidated cost and expenses totaled Bt9,767.78 million, up by Bt2,607.45 million or 36.42% from the previous year.

Details are as follows

## Cost and gross earnings.

Consolidated financial statements	Accounting year ended					
	31 December 2018		31 December 2017		31 December 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Cost and expenses</b>						
Cost of land and house sales	5,869.94	47.29	4,870.69	44.74	4,280.66	42.15
Cost of condominium sales	3,525.41	28.40	3,097.17	28.45	3,166.08	31.17
Cost of land sales	659.59	5.31	907.58	8.34	698.39	6.88
Hotel operating cost	2,008.20	16.18	1,605.83	14.75	1,573.63	15.49
Rental and service cost	350.76	2.82	366.09	3.36	368.00	3.62
Construction service cost	-	-	39.11	0.36	69.30	0.68
<b>Total</b>	<b>12,413.90</b>	<b>100.00</b>	<b>10,886.47</b>	<b>100.00</b>	<b>10,156.08</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, construction, borrowing cost; and others.

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

In 2017, the consolidated cost of low-rise residential projects stood at Bt4,870.69million, showing an increase of Bt590.03million or 13.78% from the previous year. This is in line with an increase in sale revenue in the same period.

In 2018, the consolidated cost of low-rise residential projects stood at Bt5,869.94 million, showing an increase of Bt999.25 million or 20.52% from the previous year. This is in line with an increase in sale revenue in the same period.

## Cost of condominium sales

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 Bt3,097.17 million, a decrease by Bt68.91 million or 2.18% from the previous year, in line with a decrease in condominium sale revenue in the corresponding periods.

In 2018, the consolidated condominium sale cost was Bt3,525.41 million, an increase by Bt428.24 million or 13.83% from the previous year, in line with an increase in condominium sale revenue in the corresponding periods.

#### Cost of land sales

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.

In 2018, the consolidated cost totaled Bt659.59 million, down by Bt247.99 million from the previous year.

#### 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.

Increase of Bt4.40 million from 2015, partly due to an increase in sale revenue which boosted the special business tax. 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 9.72% 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.

In 2018, the consolidated sale cost was Bt1,943.70 million or 10.31% of total revenue (excluding other revenues), an increase of Bt371.26 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.

### Gross profit and gross profit margin

Based on the consolidated revenue and cost, the gross profit of each business is summarized as follows:

	Consolidated financial statements		
	2018	2017 (Revised)	2016
<b>Real estate development business</b>			
<b>Single houses and townhouses</b>			
Profit (Million Baht)	2,948.13	2,584.01	2,333.36
Gross profit margin (%)	33.43	34.66	35.28
<b>Condominiums</b>			
Profit (Million Baht)	2,009.86	1,668.44	1,821.52
Gross profit margin (%)	36.31	35.01	36.52
No. of revenue-generating projects	14	17	15
<b>Land bank</b>			
Profit (Million Baht)	573.64	317.87	165.28
Gross profit margin (%)	46.52	25.94	19.14
<b>Hotel business</b>			
Profit (Million Baht)	906.55	717.45	620.31
Gross profit margin (%)	31.10	30.88	28.27

## Administrative expenses

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

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 Bt2,726.55 million or 16.85% of total revenue (excluding other revenue), an increase of Bt143.06 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.

In 2018, the consolidated administrative cost stood at Bt3,238.99 million or 17.19% of total revenue (excluding other revenue), an increase of Bt512.44 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. The cost rose also because of the acquisition of Royal Orchid Hotel in the second quarter of 2018.

## Other expenses

### 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 expenses	(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 2016-2018, the consolidated financial expenses totaled Bt866.99 million, Bt711.07 million and Bt899.98 million, respectively. It comprises interest expenses and financial charges.

In 2016, the consolidated financial expenses increased by Bt231.71 million, partly due to the completion of 6 condominium projects and unit delivery to customers. Incurred interest was thus booked as expenses. Aside, interest expenses also increased due to continued business expansion by the Company and subsidiaries.

In 2017, the financial expenses dropped by Bt155.92 million despite increasing project construction. The faulty booking of borrowing cost was amended: the financial cost was effectively booked as the borrowing cost for project development.

In 2018, the consolidated financial cost increased by Bt188.91 million, partly due to continued business expansion.

## 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.

In 2016, the consolidated income taxes increased by Bt272.67 million from 2015, in line with a rise in pre-tax profits. Of total, income taxes for the accounting year amounted to Bt222.53 million while the remaining Bt50.14 million was deferred income taxes.

In 2017, the consolidated income taxes dropped by Bt64.85 million from the previous year, in line with a decrease in pre-tax profits. Of total, while income taxes for the accounting year increased by Bt89.15 million, deferred income taxes dropped by Bt154 million.

In 2018, the consolidated income taxes increased by Bt108.72 million from the previous year, in line with a rise in pre-tax profits. Of total, while income taxes for the accounting year increased by Bt214.11 million, deferred income taxes dropped by Bt105.39 million.

## 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.

(Unit: Million Baht)	Consolidated financial Statements		
	2018	2017 (Revised)	2016
EBITDA	2,722.83	2,176.67	2,231.78
Net profit	693.51	474.55	332.29
Shareholders' equity	548.65	443.04	399.50
Subsidiaries' non-controlling interests	144.86	31.51	(67.21)

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 Bt2,176.67million, generating the profit margin of 13.01 % of total revenue. The EBITDA decreased by Bt55.11 million from 2016.

In 2018, the consolidated EBITDA totaled Bt2,722.83 million, generating the profit margin of 13.86% of total revenue. The EBITDA increased by Bt546.16million from 2017.

## Net profits and Net Profit Margin

The consolidated net profits during 2016-2018 are as follows:

(Unit: Million Baht)	Consolidated financial Statements		
	2018	2017 (Revised)	2016
Net profit	693.51	474.55	332.29
Shareholders' equity	548.65	443.04	399.50
Subsidiaries' non-controlling interests	144.86	31.51	(67.21)
Net profit margin (%)	3.53	2.84	2.14

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 Bt474.55 million, up by Bt142.26 million or 42.81% from the previous year.

In 2018, the consolidated net profit amounted to Bt693.51 million, an increase of Bt218.96 million or 46.14% from the previous year thanks to increasing revenue from the real estate development business. House, condominium and land bank sales went up while the Company gained Bt235.39 million from the acquisition of Royal Orchid Hotel below fair value.

## Return on equity

(Unit: Million Baht)	Consolidated financial statements		
	2018	2017 (Revised)	2016
Net Profit	693.51	474.55	332.29
PF shareholders' equity	548.65	443.04	399.50
Subsidiaries' non-controlling interests	144.86	31.51	(67.21)
Paid-up capital	8,667.83	8,667.83	7,667.83
Shareholders' equity	15,727.74	15,254.98	13,936.78
PF shareholders' equity	12,882.13	12,664.85	11,388.66
Subsidiaries' non-controlling interests	2,845.62	2,590.13	2,548.12
ROE (%)	4.30	3.68	3.58

In 2016- 2018, the Company and subsidiaries' return on earnings (ROE) stood at 3.58%, 3.68% and 4.30%, 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 2017

## Consolidated financial position

Table presented consolidated financial status

(Unit :Million Baht)	Assets	Liabilities	Shareholders' equity
As of 31 December 2016	57,565.55	41,837.81	15,727.74
As of 31 December 2017 (Revised)	47,684.49	32,429.51	15,254.98
As of 31 December 2018	48,790.22	34,853.44	13,936.78

### Assets

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 valued 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 Bt47,684.49 million, a decrease by Bt1,105.73 million from the previous year. At the end of 2017, the value of property development projects Bt24,242.74 million, accounted for 50.84% of total assets. The value of land, Bt 5,741.99 million and advance land-purchase payments worth B760.15 million or 13.64% of total; 11.15% was buildings and equipment worth Bt5,318.43 million, cash and cash equivalents worth Bt3,887.30 million or 8.28% ; 4.77% was investment property worth Bt2,276.13 million; and 3.89% was lease rights worth Bt1,855.41 million.

As of 31 December 2018, the consolidated assets were valued at Bt57,565.55 million, an increase by Bt9,881.07 million from the previous year. At the end of 2018, the value of property development projects amounted to Bt26,563.47 million, accounting for 46.14% of total assets. Following were land, building and equipment worth Bt10,382.25 million or 18.04%. The value of land bank worth Bt6,216.31 million and advance land-purchase payments worth B923.27 million accounted for 12.40% of total assets. Cash and cash equivalents worth Bt4,777.17 million

accounted for 8.28%; investment property worth Bt2,112.82 million, 3.67%; and lease rights worth Bt1,687.88 million or 2.93%.

### 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. .

As of 31 December 2016, the consolidated property development cost totaled Bt25,303.74 million, down by Bt3,664.23 million from the previous year. The value accounted for 51.86% of total assets.

As of 31 December 2017, the consolidated property development cost was valued at Bt24,242.74 million, down by Bt1,061.00 million from the previous year. The value accounted for 50.84 % of total assets.

As of 31 December 2018, the consolidated property development cost was valued at Bt26,563.47 million, an increased by Bt2,320.73 million from the previous year. The value accounted for 46.14 % of total assets.

### 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 consolidated land bank was valued at Bt6,621.25 million, Bt5,741.99 million, and Bt6,216.31 million at the end of 2016, 2017 and 2018, respectively. The value in 2017 decreased by Bt879.26 million from the previous year, but in 2018 the value increased by Bt474.32 million. The land bank value during the 3-year period accounted for 13.57%, 12.04% and 10.80% of total assets. Land bank value moved up and down because of the Company's policy

to expand business in various areas. The Company and subsidiaries will consider booking land bank as real estate development cost only when the development kicks off. For instance, when land clearing starts or when land allocation plan is ready. Land bank is accumulated to support the Group's low-rise and high-rise property development.

As of 31 December 2017, the net land bank of the Group was valued at Bt5,741.99 million, down by Bt879.26 million from the previous year partly due to the disposal of some land plots. The value accounted for 12.04 % of total assets.

At the end of 2018, the net land bank of the Group was valued at Bt6,621.25 million, an increase by Bt474.32 million from the previous year due to the purchase of additional land plots. The net value accounted for 10.08% of total assets.

### 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 totaled Bt921.25 million in 2016, increasing by Bt243.25 million from a year earlier. The advance payment accounted for 1.89% of total assets.

In 2017, the advance payment reached Bt760.15 million, a decrease by Bt161.10 million from the previous year. The advance payment accounted for 1.59% of total assets.

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

- Advance payment to landlords, worth Bt640.15million, in accordance with sale/purchase agreements, signed by the Company and subsidiaries and landlords.
- Advance payment to agents, worth Bt120.00million, for the land of which sale/purchase agreements were in the signing process.

In 2018, the advance payment reached Bt923.27 million, an increase by Bt163.12 million from the previous year. The advance payment accounted for 1.60% of total assets.

As of 31 December 2018, the payments contained the following details.

- Advance payment to landlords, worth Bt633.27million,

in accordance with sale/purchase agreements, signed by the Company and subsidiaries and landlords.

- Advance payment to agents, worth Bt290.00million, for the land of which sale/purchase agreements were in the signing process.

### Net land, building and equipment

The net value of land, building and equipment totaled Bt6,433.41 million at the end of 2016, showing an increase by Bt981.29 million from a year earlier. The value accounted for 13.19% of total assets.

As of 31 December 2017, the net value of land, buildings and equipment totaled Bt5,318.43 million, down by Bt1,114.98 million at the end of 2017, or 11.15% of total assets, partly due to the sale of a hotel in Hua Hin to a trust.

As of 31 December 2018, the consolidated net value of land, building and equipment reached Bt10,382.25 million, showing an increase of Bt5,063.82 million from a year earlier due to the acquisition of Royal Orchid Hotel (Thailand) Public Company Limited in April 2018. The net value accounted for 18.04% of total assets.

### Cash and cash equivalents

At the end of 2016, cash and cash equivalents reached Bt2,448.83 million, down by Bt591.72 million from the previous year. The value amounted to 5.02% of total assets.

As of 31 December 2017, cash and cash equivalents totaled Bt3,887.30 million, up by Bt1,438.47 million from the previous year, or 8.15% of total assets.

As of 31 December 2018, cash and cash equivalents totaled Bt4,777.17 million, up by Bt889.87 million from the previous year, or 8.30% of total assets.

### Leasing rights

The value of the Group's leasing rights at the end of 2016 totaled Bt2,024.61 million, showing a decrease by Bt125.99 million from the previous year. The value accounted for 4.15% of total assets.

As of 31 December 2017, the consolidated leasing rights were valued at Bt1,855.41million, down by Bt169.20million from the previous year, or 3.89% of total assets.

As of 31 December 2018, the consolidated leasing rights were valued at Bt1,687.88million, down by

Bt169.53million from the previous year, or 2.93% of total assets.

### Investment properties

As of 31 December 2016, the consolidated value of investment properties totaled Bt2,225.88 million, showing a decrease by Bt60.99 million from the previous year. The value accounted for 4.56% of total assets.

At the end of 2017, the investment properties were valued at Bt2,276.13 million, increased by Bt50.25 million from the previous year, or 4.77 % of total assets, partly due to the sale of a hotel in Hua Hin to a trust.

At the end of 2018, the investment properties were valued at Bt2,112.82 million, down by Bt163.31 million from the previous year, or 3.67% of total assets.

### Investment in joint ventures

Equity investment in joint ventures at the end of year is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		
	2018	2017	2016
Beginning book value	652,038	133,852	128,184
Additional investment	379,070	669,203	24,500
Net investment	-	(136,502)	-
Losses from equity method Investments	(70,676)	(14,515)	(18,832)
Minus connected transactions	(134,227)	-	-
Year-end book value	826,205	652,038	133,852

In May 2018, T-Utilities Company Limited called for the payment for 22.50 million new shares or 40% of allotted shares worth totally Bt90 million. The Company's investment on equity method was Bt40.50 million.

In June 2018, the Company and Sekisui Chemical Company Limited jointly set up PF-Sekisui JV Company Limited for the development of property projects for sale.

In June 2018, All Discount Company Limited called for the payment for the remaining 75% shares worth totally Bt37.50 million. At the end of 2018, the Company's equity investment in All Discount was thus valued at Bt50 million, or 50% of All Discount's Bt100 million registered capital. The Group's investment loss on equity method in the year reached Bt94.57 million (against Bt62.92 million in 2017). The loss was realized until it wiped out the investment value and the loss above the investment value worth Bt57.07 million was subsequently booked as loans to a connected party, which are considered part of net investment in joint ventures. (Note: 40.8) As a result, at the end of 2018, the Group's accumulated losses from equity investment in joint ventures booked as loans to connected parties reached Bt122.92 million (against Bt65.86 million in 2017).

In July 2018, the Company joined hands with GRAND and Sumitomo Forestry Singapore Ltd to set up Grand River Forest Company Limited for the investment and development of property projects for sale. The Company's equity investment was fully paid for.

During the year, the Group reaped unrealized gain worth Bt552.17 million (against zero gain in 2017) from the sale of land plots to the subsidiaries of HKL Perfect Company Limited and PF-Sekisui JV Company Limited. The unrealized gain was booked as investment in joint ventures to bring the investment value to zero. The remaining unrealized gain worth Bt417.95 million was booked as account payable from transactions with joint ventures, being part of non-current liabilities.

The Group had zero liabilities possibly incurred by its equity investment in joint ventures.

## Trade and other receivables

### Property development business

The Company and subsidiaries realize sale revenue only after the transfer of home, condominium units and land ownership to buyers. Down payments and installments are thus booked as liabilities (Items: down payments and customers' advance payments). Regarding customers who are transferred the complete units but have not yet made full payments, they will become part of trade receivables.

At the end of 2016, the Group's real estate trade receivables totaled Bt4.06 million, or 0.01% of total assets. Provisions worth Bt4.06 million were set aside, bringing the value of trade receivables to zero.

As of 31 December 2017, the Group's net real estate account receivables totaled Bt4.85 million, up by Bt0.79 million from the previous year. Provisions worth Bt4.06 million were set aside, bringing the net real estate account receivables to Bt0.79 million or 0.01% of total assets.

At the end of 2018, the Group's net real estate account receivables amounted to Bt4.06 million, down by Bt0.79 million from the previous year. Provisions worth Bt4.06 million were set aside, bringing the net real estate account receivables to zero.

### 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.

At the end of 2018, construction-related trade receivables amounted to Bt22.53 million or 0.04% of total assets. Of total, Bt20.86 million was overdue for more than 3 months and not yet due Bt1.76 million and the rest was not due for payment. The subsidiary did not set aside provisions for the loans because of confidence that it will be fully repaid.

### Overseas hotel business

At the end of 2016, a subsidiary's trade receivables in the overseas hotel business amounted to Bt39.69 million or 0.45% of total assets. 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 Bt49.94million or 0.31% of total assets. The amount of loans less than 3 months overdue totaled Bt98.83million, 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 Bt150.08million.

As of 31 December 2018, overseas hotel business trade receivables totaled Bt134.74 million or 0.23% of total assets. The loans were entirely undue.

### Domestic hotel, rental office and retail business

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.

At the end of 2018, a subsidiary's trade receivables in the domestic hotel, rental office and shopping mall business amounted to Bt199.21 million or 0.35% of total assets. Of total, Bt96.41 million was more than 3 months overdue while the rest was not due or less than 3 months overdue. Provisions worth Bt84.22 million were set aside, bringing the net trade receivables down to Bt114.99 million.

## Other debtors

Other debtors of the Group owed it a total of Bt50.46 million at the end of 2016, or 0.10% of total assets. The amount showed a decrease by Bt33.63 million from the previous year.

Other debtors' combined loan amount totaled Bt247.27 million at the end of 2017, or 0.52% of total assets.



At the end of 2018, the combined loan amount stood at Bt398.21 million or 0.69% of total assets.

### Land receivables (promissory notes – land)

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.

At the end of 2018, land receivables were zero after full payments were received.

### Liabilities

As of 31 December 2016, The consolidated liabilities stood at Bt34,853.44 million, 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 Bt32,429.51 million, a decrease by Bt2,423.93 million from the previous year. The liabilities accounted for 68.01% of total assets. Major changes during 2017 are as follows:

1. The liabilities decreased as the Company owned bills of exchange worth Bt3,289.35 million; trade receivables and other receivables worth Bt385.59 million; and deferred income tax worth Bt177.35 million.
2. The liabilities increased due to the issuance of Bt455.60 million debentures; short-term borrowing from financial institutions worth Bt331.68 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.

The consolidated liabilities as of 31 December 2018 totaled Bt41,837.81 million, an increase of Bt9,408.30 million from the previous year. The liabilities amounted to 72.68% of total assets as of 30 June 2018. Major changes in liabilities during 2018 are as follows:

1. Liabilities decreased due to financial institutions’ Bt102.18 million short-term loans and Bt157.38 million advance down payments.
2. Liabilities increased because of Bt4,251.00 million debentures; Bt2,822.61 million term loans; Bt298.99 million bills of exchange; Bt831.57 million trade credits and others; Bt685 million deferred corporate tax; Bt417.95 million deferred gains from transactions with joint ventures; and Bt101.79 million advance revenue.

The Company and subsidiaries’ liabilities structure at the end of 2016 through the end of 2018 is as follows:

### Debentures

The outstanding debentures issued by the Company and subsidiaries at the end of 2016 were valued at Bt20,904.18 million, increasing by Bt5,334.18 million from the previous year. The value amounted to 59.98% of total liabilities. 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 Bt5,455.60 million from the previous year. The value accounted for 65.87% of total liabilities. The debentures were issued to raise funds for land development purposes, working capital and debt repayments.

At the end of 2018, the consolidated value of debentures increased by Bt4,251.00 million to Bt25,610.78 million, or 61.21% of total liabilities. The value of debentures had continually increased in the 3-year period due to a number of new projects, both single houses and condominiums.

Additional investment required additional funding. All the debentures were issued by the Company to finance new project development, reserve as working capital and retire loans.

**Details of outstanding debentures as of 31 December 2018:**

	Value (Million Baht)	Issue Date	Maturity Date	Condition
<b>Unsecured debentures No.5/2015</b> Bt3,000 million, interest 5.50% per annum, payable every 3 months	2,998.64	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	2,996.27	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#2</b> Bt1,450 million, interest 5.50%, payable every 3 months	1,447.64	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	1,197.65	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	1,199.01	22 September 2016	22 September 2020	The ratio of total loans <sup>1</sup> 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	427.81	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	722.44	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	1,505.60	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 5.90%, payable every 3 months	1,192.17	30 November 2017	30 November 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1
<b>Unsecured debentures No. 1/2018</b> Bt1,034.50 million, interest 5.75%, payable every 3 months	1,029.27	27 April 2018	27 April 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1
<b>Unsecured debentures No. 2/2018</b> Bt2,069.4 million, interest year 1-2 = 5.75%, year 3 = 6.25%, payable every 3 months	2,057.97	19 July 2018	19 July 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1

	Value (Million Baht)	Issue Date	Maturity Date	Condition
<b>Unsecured debentures No. 3/2018</b> Bt. 1,819.9 million, Interest 6.00%, payable every 3 months	1,809.31	22 August 2018	22 February 2022	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1
<b>Unsecured debentures No. 4/2018</b> Bt. 1,789.10 million, Interest 6.00%, payable every 3 months	1,777.82	7 December 2018	7 June 2022	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 2.5:1
<b>Total- Debenture of the company</b>	<b>20,361.60</b>			
<b>Unsecured debentures No.1/2016</b> Bt. 700 million, interest 5.70% per annum, payable every 3 months	699.85	17 February 2016	14 February 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.3/2016</b> Bt. 200 million, interest 5.35% per annum, payable every 3 months	199.91	27 May 2016	20 May 2019	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.1/2017</b> Bt. 261 million, interest 5.35% per annum, payable every 3 months	260.63	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> Bt. 380 million, interest 5.75% per annum, payable every 3 months	379.46	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> Bt. 491.70 million, interest 5.95% per annum, payable every 3 months	490.60	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> Bt. 467.90 million, Interest 6.25% per annum, payable every 3 months	466.61	19 October 2017	19 October 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.1/2018</b> Bt. 423.50 million, Interest 6.00% per annum, payable every 3 months	421.77	16 March 2018	16 March 2020	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.2/2018</b> Bt. 1,000.00 million, Interest 6.25% per annum, payable every 3 months	994.53	21 June 2018	21 June 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Unsecured debentures No.3/2018</b> Bt. 1,344.20 million, Interest 6.25% per annum, payable every 3 months	1335.81	1 November 2018	1 November 2021	The ratio of total loans <sup>1</sup> to shareholders' equity must not exceed 3:1
<b>Total- Debenture of subsidiaries [Grande Asset Hotels and Property Plc.]</b>	<b>5,249.17</b>			
<b>Total</b>	<b>25,610.77</b>			

Note :

“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

The consolidated long-term loans at the end of 2016 were valued at Bt5,215.87 million, or 14.97% of total liabilities. The value decreased by Bt1,091.11 million from the previous year. All the long-term borrowing was used to finance project development and increase working capital.

As of 31 December 2017, the long-term loan value increased on year by Bt357.16 million to Bt5,573.03 million, or 17.19% of total liabilities. The entire amount was used to finance project development and increase working capital.

At the end of 2018, long-term loans increased on year by Bt2,822.61 million to Bt8,395.64 million or 20.07% of total liabilities. All the loans were used to finance project development and increase working capital.

At the end of 2018, the loans with maturity of less than 1 year were worth Bt1,326.80 million and long- term net of current portion were worth Bt 7,068.84 million. The details are as follow:

Unit: Million Baht	Consolidated financial statements		
	As of 31 December 2018	As of 31 December 2017	As of 31 December 2016
Long — term loans	8,395.64	5,573.03	5,215.87
Minus- amount due within 1 year	(1,326.80)	(1,012.97)	(726.62)
Long — term loans (Net)	7,068.84	4,560.05	4,489.25

### Trade payables and others

The consolidated trade payables and others were valued at Bt2,863.65 million at the end of 2016, or 8.22% of total liabilities. The amount increased by Bt35.51 million from the previous year.

As of 31 December 2017, the consolidated trade payables and others were valued at Bt2,478.06 million, down by Bt385.59 million from the previous year. The amount accounted for 7.64% of total liabilities.

As of 31 December 2018, the consolidated trade payables and others were valued at Bt3,309.63 million, increased by Bt831.57 million from the previous year. The amount accounted for 7.91 % of total liabilities.

### Short-term loans from financial institutions

The consolidated short-term loans stood at Bt20.00 million at the end of 2016, or 0.06% of total liabilities. The amount decreased by Bt352.20 million from the previous year.

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.

As of 31 December 2018, the consolidated short-term loans were valued at Bt249.50million, down by Bt102.18million from the previous year, or 0.60% of total liabilities.

### Bills of exchange

At the end of 2016, the group's outstanding bills of exchange were valued at Bt3,727.03 million or 10.69% of total liabilities. The bills were 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.

As of 31 December 2018, the value of bills of exchange stood at Bt736.66 million, down by Bt298.98 million from the end of 2017. The amount accounted for 1.76% of total liabilities. The bills are due in the first and second quarters of 2019.

## Shareholders' equity

### Shareholders' equity structure

(Unit :Million Baht)

Unit: Million Baht	As 31 December 2017	As 31 December 2017 (Revised)	As 31 December 2016
Paid-up capital	8,667.83	8,667.83	7,667.83
Discount on capital stock	(90.50)	(89.73)	(73.52)
Perpetual subordinated bonds	508.00	447.70	-
Advance payment for shares	-	-	300.00
Retained earnings , allocated and set aside as legal reserves	394.60	334.60	300.60
Unallocated retained earnings	3,486.62	3,471.94	3,298.72
Other elements of equity	(84.42)	(167.49)	(104.96)
PF shareholders' equity	12,882.12	12,664.85	11,388.66
Non-controlling interests	2,845.62	2,590.13	2,548.12
<b>Total shareholders' equity</b>	<b>15,727.74</b>	<b>15,254.98</b>	<b>13,936.78</b>

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

#### 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 Bt15,254.98 million, up by Bt1,318.20 million from the previous year. The increase was attributable to a Bt104.86 million sum incurred from accounting revision, the annual net profit worth Bt466.12 million, a Bt52.45 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,

#### As of 31 December 2018

The consolidated shareholders' equity as of 31 December 2018 amounted to Bt15,727.74 million, an increase by Bt472.27million from the end of 2017. The increase was attributable to the annual net profit of Bt548.65million, the Bt64 million increase in non-controlling interests, a Bt139.77million loss of controlling stake in subsidiaries, Bt29.16million additional investment in subsidiaries' stocks, the issue of Bt59.53 million perpetual subordinated bonds, a decrease in dividend payment by Bt433.38 million, subsidiaries' dividend payments worth Bt25.78million, and the dividend payment for perpetual subordinated debentures worth Bt40.59 million.

## Appropriateness of capital structure

### Debt to equity ratio

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 2.13:1 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.

At the end of 2018, the Group's debt to equity ratio slightly went up to 2.66:1, because of an increase in borrowing and debentures to support future property development and the construction of existing projects and hotel expansion business of subsidiaries.

## Analysis of consolidated cash flow

### Statements of cash flow as follows:

(Unit : Million Baht)

Consolidated financial statements	Accounting year ended		
	2018	2017 (Revised)	2016
Cash flow from operating activities	1,214.19	3,438.60	(1,891.48)
Cash flow from investment activities	(7,201.74)	(559.52)	(3,629.66)
Cash flow from financing activities	6,874.87	(1,491.04)	4,934.56
Lower difference on financial statement translation	2.55	50.43	(5.13)
Net cash flow increase (decrease)	887.33	1,388.04	(591.72)

### Cash flow from operating activities

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 Bt3,438.60 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.

In 2018, the Group's operating cash flow amounted to Bt1,214.19 million.

### Cash flow from investing activities

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 Bt559.52million, chiefly because of land acquisition for future development projects. The advance payment for land purchase was valued at Bt805.57 million, land worth Bt637.41million was sold, the value of buildings and equipment rose by Bt863.86 million, short-term investments increased by Bt665.53 million, investment in joint ventures went up by Bt669.20 million, down payments for common shares were valued at Bt144.38 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

In 2018, the Group's cash flow from investing activities amounted to Bt7,204.74 million. Major items included the Bt3,521.24 million investment in a subsidiary; an increasing value in land, building and equipment by Bt1,227.50 million; the purchase of land bank worth Bt790.15 million; the Bt650.93 million advance payment for land and the Bt379.07 million investment in joint ventures.



### Cash flow from financing activities

In 2016, the consolidated cash flow from financing activities totaled Bt4,934.55 million, due to the net increase in debenture value by Bt5,310.25 million, the net increase in promissory notes and bills of exchange by Bt794.28 million, the net loan repayment worth Bt1,094.63 million, the Bt300 million payment for new shares (issued in a private placement), and the Bt231.01 million dividend payment.

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.

In 2018, the Group's cash flow from financing activities amounted to Bt6,874.87 million. Of total, Bt2,858.85 million was raised through long-term loans; Bt4,280.60 million through debentures; Bt300 million from bills of exchange; and Bt60.30 million from perpetual subordinated debentures. In the year, the Group paid Bt102.18 million to retire short-term loans; Bt457.23 million as dividend; Bt42.53 million as perpetual subordinated bonds' dividend; and Bt22.73 million to repay loans relating to leasing and financial lease contracts.

### 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
2017	0.050	433.39	25 May 2018
2018*	0.066	572.08	

\*The Board of Directors approved the dividend payment for the 2018 performance.

### Obligations and contingent liabilities

As of 31 December 2018, the Group's future obligations and liabilities are as follows:

#### Obligations on capital expenditure

- A) The Group's obligations on capital expenditure were valued about Bt 2,746.36 million and 6,419.65 million yen (non-consolidated statements: Bt 753.48 million), against Bt2,353.36 million and 157.03 million yen in 2017 (non-consolidated statements: Bt 682 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.
- B) The Group's obligations on the procurement of land, building and equipment were valued at Bt3,142 million in 2018, against Bt2,706 million in the previous year.

#### 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:

sw	31 December 2018	31 December 2017	31 December 2016
1 year—	Bt318 million and 1.5 million yen	Bt312 million and 1 million yen	Bt168 million and 3 million yen
2-5 years	Bt1,091 million and 2 million yen	Bt1,002 million and 1 million yen	Bt457 million and 2 million yen
5 years up	Bt.5,534 million	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 2018	31 December 2017	31 December 2016
1 year	Bt.29 million	Bt28 million	Bt30 million
More than 1 year but less than 5 years	Bt.23 million	Bt16 million	Bt20 million

#### Other loan guarantees

The Company and subsidiaries were issued bank guarantees as follows:

(Unit: million baht)

Infrastructure	Consolidated			Non-consolidated		
	31 December 2018	31 December 2017	31 December 2016	31 December 2018	31 December 2017	31 December 2016
	1,797	1,360	1,084	1,178	946	699

# INDEPENDENT **AUDITOR'S REPORT**

To the shareholders and the Board of Directors of Property Perfect Public Company Limited

## My opinion

In my opinion, the consolidated financial statements of Property Perfect Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

## What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

## Basis for opinion

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

## Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Brought forward adjustment of real estate project development costs</i></b></p> <p>Refer to Note 6 'Correction of errors' and Note 14 'Real estate project development costs' to the financial statements.</p> <p>The source of funds that the Group used for developing the real estate projects was mainly loans from financial institutions and from debentures issuance. Therefore, Group management considered the accounting records of borrowing costs to be included as part of the real estate projects to be appropriate and in accordance with the TAS 23 'Borrowing costs'.</p> <p>Management considered the recording of the borrowing costs in real estate project development costs of the brought forward from the previous year. It was found that the Group under recorded the interest expenses in the real estate project development costs.</p> <p>In 2018, the Group corrected the errors in the financial statements for the previous year. This affected the retained earnings of the consolidated and separate financial statements as at 31 December 2017 to increase by Baht 334 million and Baht 220 million, respectively.</p> <p>I focussed on this area because the consideration of the recording of the interest expenses as the real estate project development costs is an important transaction based on the nature of the business. And there was a significant amount to the financial statements. In addition, it affected the operation of the real estate business.</p>	<p>My audit procedures for the brought forward adjustment transaction of real estate project development costs are as follows:</p> <ul style="list-style-type: none"> <li>• Inquired the management about how to determine the borrowing costs in the real estate project development costs and evaluated that the measure was suitable and in accordance with Thai Financial Reporting Standards.</li> <li>• Tested whether the general loan was used to procure qualifying assets accorded with the condition in each project or not. This is to consider the appropriateness of recording the interest expenses arising from loans as part of real estate project development costs.</li> <li>• Examined the supporting documents for each transaction that used loans to pay for each project to determine that the expenses were actually used for real estate project development.</li> <li>• Considered the appropriateness of determining the commencement and cessation date of capitalisation as borrowing costs of each project.</li> <li>• Evaluated the appropriateness of the loan interest rate used in calculating project development costs, including testing the calculation of the capitalisation rate.</li> <li>• Reviewed the brought forward adjustment transaction of real estate project development costs that it was appropriately correction.</li> </ul> <p>From these procedures, I found that the brought forward adjustment of real estate project development costs was appropriate and in accordance with Thai Financial Reporting Standards.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Entrance-exit rights fee by passing the tunnel under the railway</i></b></p> <p>Refer to Note 38.5 'Significant litigation', to the financial statements.</p> <p>The Company was sued by 261 residents of one of the projects with a lawsuit filed in many cases on the same issue. The lawsuit concerned the right to access the entrance-exit of the project which passed the land of the State Railway of Thailand. The claim for damages amounts to approximately Baht 2,600 million in total. In this respect, the Company made a contract that provides the entitlement for the right to pass the way by the construction of the tunnel under the railway with the State Railway of Thailand since 2007. But, the said contract doesn't cover the rights of 261 residents who sued the Company.</p> <p>In August 2018, management decided to enter into an additional contract with the State Railway of Thailand in order to remedy the damage to the 261 residents. With this all residents could use the tunnel under the railway as the entrance-exit of the projects. In this regard, the Company had to pay entrance-exit rights fees for passing the way the additional amount of Baht 226 million to the State Railway of Thailand. This whole amount was recorded as a part of the cost of land and houses in the statement of income for the year 2018. In addition, the reason that the said amount was recorded as an expense in 2018 was due to the fact that the economic benefits which were regarded as the profits from selling the houses to all 261 residents were already recognised in the statement of income of the previous year.</p> <p>I focussed on this area because the dispute has a significant impact both on the reputation of the Group and the business operations in the present and also in the future. The Company also has to consider whether the accounting records regarding the expense record in the statement of income are appropriate and in accordance with Thai Financial Reporting Standards or not.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Inquired the management of the Company and related persons to understand the details and status of the case.</li> <li>• Reviewed the correspondence documents between the Company and its legal advisor related to the case, including reading the minutes of meeting of the Board of Directors meeting to consider that there were no incidents affecting the provision resulting from the litigation.</li> <li>• Sent confirmation letters to all external legal counsel that the Company used in order to report the details, status and opinion of these legal advisors regarding the impact of the litigation that might occur to the Company.</li> <li>• Read the additional contract that the Company made with the State Railway of Thailand that provides the entitlement for the right to pass the way by the construction of the tunnel under the railway.</li> <li>• Considered the appropriateness of the expense record that is related to the contract that provides the entitlement for the right to pass the way by the construction of the tunnel under the railway.</li> </ul> <p>From these procedures, I found that the expense record that relates to the contract that provides the entitlement for the right to pass the way by the construction of the tunnel under the railway was appropriated and in accordance with Thai Financial Reporting Standards.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Business combination of the Group</i></b></p> <p>Refer to Note 39 to the consolidated and separate financial statements on the acquisition of the subsidiary.</p> <p>During the year 2018, Grande Asset Hotels and Property Public Company Limited which is a subsidiary of the Group acquired 98.48% of the shares of Royal Orchid Hotel (Thailand) Public Company Limited (Royal Orchid Hotel), which is a company listed on the Stock Exchange of Thailand. As a result, the Royal Orchid Hotel Group became a subsidiary of the Group. The Group management assessed that the acquisition of this shareholding qualifies as a business combination according to the definition in Thai Financial Reporting Standard 3, Business Combinations.</p> <p>Royal Orchid Hotel Group consists of three companies: Royal Orchid Hotel (Thailand) Public Company Limited, which is engaged in a hotel business; Thai Royal Orchid Real Estate Company Limited, which is engaged in an asset rental business; and Sheraton Royal Orchid Company Limited, which is a holding company.</p> <p>Group management determined that the fair value of identifiable net assets acquired was Baht 3,837 million, mainly comprising property, plant and equipment of Baht 4,246 million. Also, management assessed a gain on bargain purchase of Baht 235 million, being the difference between the total net consideration paid and the fair value of the net assets acquired. In this regard, Group management hired an independent valuation expert to make a valuation of the net assets acquired as part of the Purchase Price Allocation.</p> <p>I focussed on this area due to the significant amount of gain on bargain purchase, and because the nature of the transactions requires a valuation of the fair value of the identifiable net assets acquired on the acquisition date. In addition, the valuation methodology involves significant judgements, based on information and assumptions in the model, to determine the valuation of the gain on bargain purchase.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"> <li>• I evaluated Group management's acquisition assessment to determine that the acquisitions should be accounted for as business combinations and that they are appropriately accounted for in accordance with the requirements set out in Thai Financial Reporting Standard 3, Business Combinations. In addition, I consulted my accounting experts regarding the analysis of this transaction.</li> <li>• I read the sales and purchase agreement of Royal Orchid Hotel Group, including the minutes of the Board of Directors' meeting and the Annual General Meeting of Shareholders relating to the approval of the acquisition.</li> <li>• I assessed the qualifications, competency, and independence of the independent valuation expert to evaluate the reliability of the Purchase Price Allocation report prepared by the independent valuation expert.</li> <li>• I assessed the appropriateness of the fair value of identifiable net assets as at the acquisition date by challenging Group management and independent valuation expert's procedures for determining the fair value of identifiable net assets. I also assessed the appropriateness of assumptions used to determine the fair value of identifiable net assets.</li> <li>• I tested the calculation of the gain on bargain purchase arising from the acquisition, being the difference between the total net consideration paid and the fair value of the identifiable net assets acquired.</li> <li>• I evaluated the adequacy of the disclosures made in the notes to the financial statements.</li> </ul> <p>From the procedures performed, I found that Group management's key assumptions used in assessing the fair value of the identifiable net assets were reasonable based on available evidence. And the record of the accounting practice for business combination was appropriate in accordance with the related Thai Financial Reporting Standard.</p>



## Other information

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

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

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

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

## Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



**Chanchai Chaiprasit**

Certified Public Accountant (Thailand) No. 3760

Bangkok

26 February 2019

STATEMENT OF **FINANCIAL POSITION**

PROPERTY PERFECT PUBLIC COMPANY LIMITED

AS AT 31 DECEMBER 2018

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2018	Restated 31 December 2017	31 December 2018	Restated 31 December 2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	4,777,168,372	3,887,296,539	2,342,255,268	1,350,869,488
Short-term investments	10	530,634,485	60,662,276	569,958	662,276
Trade and other receivables, net	11	670,473,336	535,588,428	304,120,841	243,450,050
Receivables from the Revenue Department		110,418,929	62,975,094	-	-
Receivables from sale of land	12	-	337,239,877	-	337,239,877
Inventories	13	42,333,345	40,998,649	-	-
Project development costs, net	14	26,563,467,943	24,242,740,026	15,340,910,676	14,178,330,789
Short-term loan to related parties	40.7	1,004,700,000	440,528,220	689,700,000	-
Advances to contractors		82,330,831	52,794,653	34,833,089	43,399,057
Other current assets		134,224,492	83,865,444	23,803,116	11,215,278
<b>Total current assets</b>		<b>33,915,751,733</b>	<b>29,744,689,206</b>	<b>18,736,192,948</b>	<b>16,165,166,815</b>
<b>Non-current assets</b>					
Pledged and restricted withdrawal bank deposits	9	113,272,178	125,627,551	63,404,505	90,943,356
Available-for-sale investments	15	168,983,136	179,453,628	3,135,636	3,953,628
Investments in subsidiaries	16	-	-	8,097,989,386	7,758,764,409
Investments in joint ventures	17	826,204,697	652,037,957	406,632,700	191,062,500
Other long-term investments		1,900,341	1,725,000	1,725,000	1,725,000
Long-term loans to related parties	40.8	282,076,059	159,142,897	7,214,647,072	6,234,575,895
Deposits for acquisition of shares and assets in other companies		40,000,000	184,375,823	-	-
Advance for purchases of land	18	923,271,435	760,145,133	797,096,225	646,735,535
Land held for development, net	19	6,216,314,616	5,741,990,152	4,850,288,125	4,774,201,679
Investment properties, net	20	2,112,817,071	2,276,133,400	139,764,354	140,258,863
Property, plant and equipment, net	21	10,382,251,463	5,318,427,501	144,978,111	131,609,888
Intangible assets, net	22	69,122,376	46,560,938	8,122,861	9,293,694
Leasehold rights, net	23	1,687,881,235	1,855,408,474	35,964,404	40,675,500
Deposits for hotel construction		24,482,814	85,287,347	-	-
Guarantee for lease agreement		88,000,000	88,000,000	-	-
Deferred tax assets	24	503,943,458	284,801,824	136,814,639	139,712,985
Other non-current assets		209,279,491	180,678,349	125,730,693	125,737,195
<b>Total non-current assets</b>		<b>23,649,800,370</b>	<b>17,939,795,974</b>	<b>22,026,293,711</b>	<b>20,289,250,127</b>
<b>Total assets</b>		<b>57,565,552,103</b>	<b>47,684,485,180</b>	<b>40,762,486,659</b>	<b>36,454,416,942</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF **FINANCIAL POSITION** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

AS AT 31 DECEMBER 2018

(Unit: Baht)

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2018	Restated 31 December 2017	31 December 2018	Restated 31 December 2017
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions		249,500,000	351,677,352	249,500,000	20,000,000
Trade and other payables	25	3,309,630,119	2,478,057,386	1,541,135,681	1,162,626,196
Bills of exchange payables	26	736,664,422	437,676,284	387,193,492	188,231,019
Short-term borrowings from related parties	40.7	-	-	78,044,656	284,086,326
Current portion of debentures	27	5,904,690,698	5,194,688,486	4,625,469,121	4,744,970,823
Current portion of long-term borrowings from financial institutions	29	1,326,799,862	1,012,974,758	974,861,237	-
Deposits and cash received in advance		596,336,712	753,717,207	76,954,199	117,337,582
Deferred revenue		264,637,657	162,845,578	178,307,316	105,748,581
Corporate income tax payable		173,541,865	153,087,675	87,033,323	43,082,872
Other current liabilities		279,429,229	210,640,697	97,699,373	86,349,203
<b>Total current liabilities</b>		<b>12,841,230,564</b>	<b>10,755,365,423</b>	<b>8,296,198,398</b>	<b>6,752,432,602</b>
<b>Non-current liabilities</b>					
Debentures	27	19,706,085,892	16,165,090,991	15,736,139,662	13,671,908,892
Borrowings from financial institutions	29	7,068,836,340	4,560,053,928	3,315,614,535	3,411,710,963
Employee benefit obligations	30	334,254,719	256,003,496	113,955,659	110,825,145
Provisions		183,058,696	160,440,592	146,029,793	126,447,374
Deferred unrealised profit from transactions with joint ventures	17	417,946,774	-	-	-
Unearned lease rights		52,630,719	73,131,413	32,714,165	41,723,099
Deferred tax liabilities	24	910,702,807	225,699,812	-	-
Other non-current liabilities		323,063,064	233,723,204	-	-
<b>Total non-current liabilities</b>		<b>28,996,579,011</b>	<b>21,674,143,436</b>	<b>19,344,453,814</b>	<b>17,362,615,473</b>
<b>Total liabilities</b>		<b>41,837,809,575</b>	<b>32,429,508,859</b>	<b>27,640,652,212</b>	<b>24,115,048,075</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF **FINANCIAL POSITION** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

AS AT 31 DECEMBER 2018

(Unit: Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		31 December 2018	Restated 31 December 2017	31 December 2018	Restated 31 December 2017
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
Ordinary shares, 9,000,000,000 shares					
at par value of Baht 1 each	35	9,000,000,000	9,000,000,000	9,000,000,000	9,000,000,000
Issued and paid-up share capital					
Ordinary shares, 8,667,826,432 shares					
paid-up at Baht 1 each	35	8,667,826,432	8,667,826,432	8,667,826,432	8,667,826,432
Share discount		(90,501,802)	(89,727,550)	(90,501,802)	(89,727,550)
Subordinated perpetual debentures	28	508,000,000	447,700,000	508,000,000	447,700,000
Share subscription received in advance		-	-	-	-
Retained earnings					
Appropriated - Legal reserve	36	394,600,000	334,600,000	394,600,000	334,600,000
Unappropriated		3,486,623,358	3,471,939,251	3,646,249,070	2,982,654,845
Other component of equity		(84,422,907)	(167,491,557)	(4,339,253)	(3,684,860)
Equity attributable to owners of the parent		12,882,125,081	12,664,846,576	13,121,834,447	12,339,368,867
Non-controlling interests		2,845,617,447	2,590,129,745	-	-
<b>Total equity</b>		<b>15,727,742,528</b>	<b>15,254,976,321</b>	<b>13,121,834,447</b>	<b>12,339,368,867</b>
<b>Total liabilities and equity</b>		<b>57,565,552,103</b>	<b>47,684,485,180</b>	<b>40,762,486,659</b>	<b>36,454,416,942</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.



# STATEMENT OF COMPREHENSIVE INCOME

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2018	Restated 2017	2018	Restated 2017
<b>Revenues</b>				
Revenues from sales of land and houses	8,818,068,866	7,454,705,599	6,489,510,304	4,951,746,236
Revenues from sales of residential condominium units	5,535,263,299	4,765,606,160	2,382,465,194	2,357,589,099
Revenues from sales of land	1,233,233,325	1,225,446,714	2,779,174,770	692,612,203
Revenues from hotel operations	2,914,757,027	2,323,280,281	-	-
Revenues from rental and service income	342,714,045	381,413,327	23,435,486	42,070,254
Revenues from construction	-	32,474,418	-	-
<b>Total revenues</b>	<b>18,844,036,562</b>	<b>16,182,926,499</b>	<b>11,674,585,754</b>	<b>8,044,017,792</b>
<b>Cost of sales of goods and services</b>				
Cost of sales of land and houses	(5,869,940,472)	(4,870,691,715)	(4,407,168,634)	(3,207,594,447)
Cost of sales of residential condominium units	(3,525,405,659)	(3,097,170,532)	(1,500,811,452)	(1,514,358,444)
Cost of sales of land	(659,592,617)	(907,575,720)	(1,617,424,680)	(510,585,249)
Cost of hotel operations	(2,008,203,900)	(1,605,830,846)	-	-
Cost of rental and services	(350,761,815)	(366,093,758)	(6,944,520)	(36,683,287)
Cost of construction	-	(39,105,099)	-	-
<b>Total cost of sales of goods and services</b>	<b>(12,413,904,463)</b>	<b>(10,886,467,670)</b>	<b>(7,532,349,286)</b>	<b>(5,269,221,427)</b>
<b>Gross profit</b>	<b>6,430,132,099</b>	<b>5,296,458,829</b>	<b>4,142,236,468</b>	<b>2,774,796,365</b>
Gain on bargain purchase <b>39</b>	235,393,020	-	-	-
Other incomes <b>31</b>	567,592,818	552,538,811	561,601,349	881,747,517
Loss on sales of assets to trust	-	(71,351,919)	-	-
Selling expenses	(1,943,703,995)	(1,572,439,903)	(1,061,218,172)	(852,577,352)
Administrative expenses	(3,238,996,216)	(2,726,553,511)	(1,174,217,480)	(1,038,533,719)
Share of loss from investments in joint ventures	(127,742,347)	(72,578,272)	-	-
<b>Profit before finance costs and income tax expense</b>	<b>1,922,675,379</b>	<b>1,406,074,035</b>	<b>2,468,402,165</b>	<b>1,765,432,811</b>
Finance costs	(899,983,188)	(711,071,173)	(908,468,393)	(826,396,744)
<b>Profit before income tax expense</b>	<b>1,022,692,191</b>	<b>695,002,862</b>	<b>1,559,933,772</b>	<b>939,036,067</b>
Income tax expense <b>33</b>	(329,177,525)	(220,455,462)	(362,369,318)	(150,462,887)
<b>Profit for the year</b>	<b>693,514,666</b>	<b>474,547,400</b>	<b>1,197,564,454</b>	<b>788,573,180</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF **COMPREHENSIVE INCOME** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2018	Restated 2017	2018	Restated 2017
<b>Other comprehensive income (expense):</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of financial statements in foreign currency	42,807,195	(60,506,620)	-	-
Change in value of available-for-sale investments 15	(10,470,492)	(4,532,081)	(817,992)	(4,532,081)
Income tax on item that will be reclassified	(6,467,341)	13,007,740	163,599	906,416
Total items that will be reclassified subsequently to profit or loss	25,869,362	(52,030,961)	(654,393)	(3,625,665)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gain	-	28,861,293	-	26,840,830
Income tax on items that will not be reclassified	-	(5,772,259)	-	(5,368,166)
Total items that will not be reclassified subsequently to profit or loss	-	23,089,034	-	21,472,664
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>25,869,362</b>	<b>(28,941,927)</b>	<b>(654,393)</b>	<b>17,846,999</b>
<b>Total comprehensive income for the year</b>	<b>719,384,028</b>	<b>445,605,473</b>	<b>1,196,910,061</b>	<b>806,420,179</b>
<b>Profit attributable to:</b>				
Owners of the parent	548,654,336	443,035,157	1,197,564,454	788,573,180
Non-controlling interests	144,860,330	31,512,243	-	-
	<b>693,514,666</b>	<b>474,547,400</b>	<b>1,197,564,454</b>	<b>788,573,180</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	579,613,942	413,674,329	1,196,910,061	806,420,179
Non-controlling interests	139,770,086	31,931,144	-	-
	<b>719,384,028</b>	<b>445,605,473</b>	<b>1,196,910,061</b>	<b>806,420,179</b>
<b>Earnings per share</b>				
Basic earnings per share (Baht) 34	<b>0.059</b>	<b>0.049</b>	<b>0.134</b>	<b>0.090</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

# STATEMENT OF CHANGES IN EQUITY

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

Consolidated financial statements															
Attributable to owners of the parent															
	Issued and paid-up share capital	Share discount	Subordinated perpetual debentures	Share subscription received in advance	Retained earnings		Other component of equity						Total owners of the parent	Non-controlling interests	Total equity
							"Other comprehensive income (expense)"		Difference resulting from share swap between the subsidiaries	Deficit from the changes in the ownership interests	Total other component of equity				
					Share discount from change in value of available for sale investments	Exchange differences on translation of financial statements in foreign currency									
Opening balance at 1 January 2017 (as previously reported)	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	
Correction of errors (Note 6)	-	-	-	-	-	104,863,000	-	-	-	-	-	104,863,000	-	104,863,000	
Balance after adjustments	7,667,826,432	(73,524,495)	-	300,000,000	300,600,000	3,403,585,624	(59,195)	29,042,823	(46,091,945)	(87,852,451)	(104,960,768)	11,493,526,793	2,548,117,674	14,041,644,467	
Changes in equity for the year															
Issuance of new ordinary shares	1,000,000,000	(12,293,960)	-	(300,000,000)	-	-	-	-	-	-	-	687,706,040	-	687,706,040	
Issuance of new subordinated perpetual debentures	-	(3,909,095)	447,700,000	-	-	-	-	-	-	-	-	443,790,905	-	443,790,905	
Legal reserve (Note 36)	-	-	-	-	34,000,000	(34,000,000)	-	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	(346,711,354)	-	-	-	-	-	(346,711,354)	-	(346,711,354)	
Dividend paid of subordinated perpetual debentures - net of income tax (Note 28)	-	-	-	-	-	(17,059,210)	-	-	-	-	-	(17,059,210)	-	(17,059,210)	
Effect of change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	(10,080,927)	(10,080,927)	(10,080,927)	10,080,927	-	
Total comprehensive income	-	-	-	-	-	466,124,191	(3,625,665)	(48,824,197)	-	-	(52,449,862)	413,674,329	31,931,144	445,605,473	
(expense) for the year															
Closing balance as at 31 December 2017 (as restated)	8,667,826,432	(89,727,550)	447,700,000	-	334,600,000	3,471,939,251	(3,684,860)	(19,781,374)	(46,091,945)	(97,933,378)	(167,491,557)	12,664,846,576	2,590,129,745	15,254,976,321	

The accompanying notes are an integral part of these consolidated and separate financial statements

## PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

Consolidated financial statements													
Attributable to owners of the parent													
	Issued and paid-up share capital	Share discount	Subordinated perpetual debentures	Share subscription received in advance	Retained earnings		Other component of equity				Non-controlling interests	Total equity	
					Share discount from change in value of available for sale investments	Unappropriated - legal reserve	Share discount from change in value of financial statements in foreign currency	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			Total other component of equity
Opening balance at 1 January 2018 (as previously reported)	8,667,826,432	(89,727,550)	447,700,000	-	334,600,000	3,206,798,168	(3,684,860)	(19,781,374)	(46,091,945)	(97,933,378)	(167,491,557)	2,590,129,745	14,991,835,238
Correction of errors (Note 6)	-	-	-	-	-	263,141,083	-	-	-	-	-	-	263,141,083
Balance after adjustments	8,667,826,432	(89,727,550)	447,700,000	-	334,600,000	3,471,939,251	(3,684,860)	(19,781,374)	(46,091,945)	(97,933,378)	(167,491,557)	2,590,129,745	15,254,976,321
Changes in equity for the year													
Issuance of ordinary shares in subsidiaries	-	-	-	-	-	-	-	-	-	52,109,044	52,109,044	77,503,949	129,612,993
Dividend paid from subsidiary	-	-	-	-	-	-	-	-	-	-	-	(25,781,900)	(25,781,900)
Increase in non-controlling interest from investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	63,995,567	63,995,567
(Note 39)													
Issuance of new subordinated perpetual debentures	-	(774,252)	60,300,000	-	-	-	-	-	-	-	-	-	59,525,748
Legal reserve (Note 36)	-	-	-	-	60,000,000	(60,000,000)	-	-	-	-	-	-	-
Dividend paid (Note 37)	-	-	-	-	-	(433,378,191)	-	-	-	-	-	(433,378,191)	(433,378,191)
Dividend paid of subordinated perpetual debentures - net of income tax (Note 28)	-	-	-	-	-	(40,592,038)	-	-	-	-	-	(40,592,038)	(40,592,038)
Total comprehensive income for the year	-	-	-	-	-	548,654,336	(3,360,585)	34,320,191	-	-	30,959,606	139,770,086	719,384,028
Closing balance at 31 December 2018	8,667,826,432	(90,501,802)	508,000,000	-	394,600,000	3,486,623,358	(7,045,445)	14,538,817	(46,091,945)	(45,824,334)	(84,422,907)	2,845,617,447	15,727,742,528

The accompanying notes are an integral part of these consolidated and separate financial statements.

# STATEMENT OF CHANGES IN EQUITY (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital	Share discount	Subordinated perpetual debentures	Share subscription received in advance	Other component of equity		
					Retained earnings	Other comprehensive income (expense)	Total equity
					Appropriated legal reserve	Unap-propriated	
<b>Opening balance as at 1 January 2017</b> <b>(as previously reported)</b>	7,667,826,432	(73,524,495)	-	300,000,000	300,600,000	2,469,400,953	10,664,243,695
Correction of errors (Note 6)	-	-	-	-	-	100,978,612	100,978,612
Balance after adjustments	7,667,826,432	(73,524,495)	-	300,000,000	300,600,000	2,570,379,565	10,765,222,307
<b>Changes in equity for the year</b>							
Issuance of new ordinary shares	1,000,000,000	(12,293,960)	-	(300,000,000)	-	-	687,706,040
Issuance of new subordinated perpetual debentures	-	(3,909,095)	447,700,000	-	-	-	443,790,905
Legal reserve (Note 36)	-	-	-	-	34,000,000	(34,000,000)	-
Dividend paid	-	-	-	-	-	(346,711,354)	(346,711,354)
Dividend paid of subordinated perpetual debentures - net of income tax (Note 28)	-	-	-	-	-	(17,059,210)	(17,059,210)
Total comprehensive income (expense) for the year	-	-	-	-	-	810,045,844	806,420,179
<b>Closing balance as at 31 December 2017</b> <b>(as restated)</b>	<b>8,667,826,432</b>	<b>(89,727,550)</b>	<b>447,700,000</b>	<b>-</b>	<b>334,600,000</b>	<b>2,982,654,845</b>	<b>12,339,368,867</b>
<b>Opening balance at 1 January 2018</b> <b>(as previously reported)</b>	8,667,826,432	(89,727,550)	447,700,000	-	334,600,000	2,766,073,849	12,122,787,871
Correction of errors (Note 6)	-	-	-	-	-	216,580,996	216,580,996

The accompanying notes are an integral part of these consolidated and separate financial statements.

# STATEMENT OF CHANGES IN EQUITY (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

Separate financial statements									
	Issued and paid-up share capital	Share discount	Subordinated perpetual debentures	Share subscription received in advance	Other component of equity				Total equity
					Retained earnings		Other comprehensive income (expense)		
					Appropriated legal reserve	Unap-propriated	Share discount from change in investments	Total other component of equity	
Balance after adjustments	8,667,826,432	(89,727,550)	447,700,000	-	334,600,000	2,982,654,845	(3,684,860)	(3,684,860)	12,339,368,867
Changes in equity for the year									
Issuance of new subordinated perpetual debentures	-	(774,252)	60,300,000	-	-	-	-	-	59,525,748
Legal reserve (Note 36)	-	-	-	-	60,000,000	(60,000,000)	-	-	-
Dividend paid (Note 37)	-	-	-	-	-	(433,378,191)	-	-	(433,378,191)
Dividend paid of subordinated perpetual debentures - net of income tax (Note 28)	-	-	-	-	-	(40,592,038)	-	-	(40,592,038)
Total comprehensive income for the year	-	-	-	-	-	1,197,564,454	(654,393)	(654,393)	1,196,910,061
Closing balance at 31 December 2018	8,667,826,432	(90,501,802)	508,000,000	-	394,600,000	3,646,249,070	(4,339,253)	(4,339,253)	13,121,834,447

The accompanying notes are an integral part of these consolidated and separate financial statements



STATEMENT OF **CASH FLOWS**

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

	Notes	Consolidated financial information		Separate financial information	
		2018	Restated 2017	2018	Restated 2017
<b>Cash flows from operating activities</b>		1,022,692,191	695,002,862	1,559,933,772	939,036,067
Profit before income tax					
Adjustments for:					
Share of loss from investments in joint ventures		127,742,347	72,578,272	-	-
Depreciation and amortisation		800,155,864	770,600,015	41,126,794	34,858,116
Allowance for doubtful accounts		1,212,221	4,538,053	-	-
Amortisation of front end fees for long-term borrowings from financial institutions		1,687,813	-	1,241,218	-
Amortisation of front end fees of debentures	27	32,026,512	29,348,924	24,925,886	25,866,131
Amortisation of withholding taxes and revenue department receivables		-	4,760,807	-	3,900,948
Trade and other receivables written-off		-	4,089,712	-	-
Amortisation of unearned lease rights		(28,470,525)	(17,401,756)	(15,892,502)	(2,928,646)
Changes in fair value of investments		129,377	(61,542)	92,318	(61,542)
Reversal of reduction of cost to net realisable value		(9,650,133)	(5,462,570)	(10,297,019)	(9,027,814)
Loss on investment properties written-offs		-	659,745	-	-
Loss on impairment of investment property	20	10,648,598	-	-	-
Loss on sales of assets to trust		-	71,351,919	-	-
Loss (gain) on disposal of property, plant and equipment, and intangible assets		(636,578)	1,604,952	991,806	25,809
Gains on sales of rights in land purchases		-	(104,796,681)	-	(104,796,681)
Gains 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 deposit written-offs		-	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)	-	-
Unrealised loss on foreign currency exchange		16,636,200	-	16,636,200	-
Dividend income	31	(139,732)	(6,484,812)	(19,482,869)	(206,484,812)
Warranty provision for real estate projects		17,243,878	16,064,677	7,758,987	8,132,408
Employee benefit expenses		40,180,431	33,821,146	12,215,854	(14,363,829)
Interest income	31	(121,449,293)	(82,412,797)	(360,357,747)	(333,310,081)
Finance cost		866,268,862	681,722,249	882,301,289	800,530,613
Gain on bargain purchase	39	(235,393,020)	-	-	-

The accompanying notes are an integral part of this interim financial information.

STATEMENT OF **CASH FLOWS** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

	Notes	Consolidated financial information		Separate financial information	
		2018	Restated 2017	2018	Restated 2017
<b>Changes in operating assets and liabilities :</b>					
Trade and other receivables		(116,319,411)	(27,344,474)	(44,034,056)	17,891,156
Receivable from the Revenue Department		(46,730,437)	38,285,445	-	-
Receivable from sales of land	12	340,500,000	194,176,571	340,500,000	(337,239,877)
Inventories		1,940,488	(6,095,084)	-	-
Project development costs, net		(586,941,612)	3,068,148,379	45,093,165	1,196,478,202
Advances to contractors		(29,536,178)	56,209,469	8,565,967	30,574,618
Guarantee for lease agreement		-	(88,000,000)	-	-
Other current assets		(38,339,359)	(54,586,128)	(12,587,838)	(8,223,961)
Other non-current assets		(12,872,324)	123,296,728	6,503	95,309,907
Trade and other payables		597,067,114	(398,252,845)	344,311,417	(241,744,164)
Deposits and cash received in advance		(55,588,418)	(5,928,368)	32,175,354	(42,381,365)
Other current liabilities		(17,566,116)	86,410,506	(5,011,749)	41,502,274
Unearned lease rights		7,969,831	-	6,883,568	-
Deferred revenue under equity method of investment in joint venture	17	552,174,726	-	-	-
Employee benefit obligations		(21,159,205)	(6,747,000)	(9,085,340)	(2,004,000)
Non-current provision		22,618,104	-	19,582,419	-
Other non-current liabilities		70,245,397	53,901,577	-	12,419,661
<b>Cash generated from operating activities</b>		<b>3,208,347,613</b>	<b>5,106,799,731</b>	<b>2,867,593,397</b>	<b>1,806,542,356</b>
Interest paid		(1,551,940,839)	(1,579,873,842)	(1,288,365,360)	(1,252,775,783)
Income tax paid		(575,621,474)	(268,621,708)	(306,747,040)	(82,496,322)
Interest received		133,409,572	65,334,648	57,216,754	43,000,983
Income tax refund		-	114,960,035	-	79,491,983
<b>Net cash generated from operating activities</b>		<b>1,214,194,872</b>	<b>3,438,598,864</b>	<b>1,329,697,751</b>	<b>593,763,217</b>

The accompanying notes are an integral part of this interim financial information.

STATEMENT OF **CASH FLOWS** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

		Consolidated financial information		Separate financial information	
Notes		2018	Restated 2017	2018	Restated 2017
<b>Cash flows from investing activities</b>					
Decrease (increase) in pledged and restricted withdrawal bank deposits	9	12,355,373	(24,022,152)	27,538,852	(37,589,480)
Increase in short-term investments		(40,064,526)	(665,528,220)	-	(882,931,000)
Payment for loan payment to related parties	40.7, 40.8	(1,914,000,000)	-	(3,973,296,400)	-
Proceed from loan to related parties	40.7, 40.8	1,169,828,220	-	2,286,910,461	1,765,072,447
Front end fee of long term loan received from related parties		-	-	16,686,563	-
Interest received		-	-	283,244,134	284,921,854
Dividends received		139,732	6,484,812	19,482,869	206,484,812
Increase in deposits for acquisition of shares and assets in other companies		144,375,823	(144,375,823)	-	-
Payment for investments in subsidiaries	16, 39	(3,521,243,346)	-	(354,224,678)	-
Proceeds from disposals of investment in subsidiary	16	14,999,700	-	14,999,700	-
Payment for investments in joint ventures	17	(379,070,200)	(669,202,500)	(215,570,200)	(189,202,500)
Cash received from sale of investment in joint venture		-	233,508,325	-	233,508,325
Cash received from sales of investments in available-for-sale securities		-	100,512,000	-	100,512,000
Payment for investments in available-for-sale securities		-	(174,646,872)	-	-
Decrease (increase) in other long-term investments		(212,400)	-	-	853,128
Decrease (increase) in land held for development		(650,931,690)	637,406,449	(334,952,607)	532,288,673
Increase in advances for purchases of land		(790,145,962)	(805,567,549)	(632,373,225)	(407,188,385)
Purchases of property, plant and equipment		(1,227,504,918)	(863,865,945)	(49,633,058)	(62,641,330)
Purchases of intangible assets		(28,506,284)	(5,231,747)	(1,356,118)	(87,653)
Payment for deposits for hotel construction		(11,465,559)	(38,811,172)	-	-
Proceeds from disposals of equipment		20,046,077	767,729	1,878,790	186,916
Purchases of investment properties		(339,210)	(3,588,851)	-	-
Cash received from sales of assets to trust		-	1,637,354,278	-	-
Proceeds from disposals of rights in land purchases		-	219,289,081	-	219,289,081
<b>Net cash generated from (used in) investing activities</b>		<b>(7,201,739,170)</b>	<b>(559,518,157)</b>	<b>(2,910,664,917)</b>	<b>1,763,476,888</b>

The accompanying notes are an integral part of this interim financial information.

STATEMENT OF **CASH FLOWS** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

Unit: Billion

	Notes	Consolidated financial information		Separate financial information	
		2018	Restated 2017	2018	Restated 2017
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		2,213,896,000	2,777,596,500	2,213,896,000	1,112,865,000
Repayment for short-term loans from financial institutions		(2,316,073,352)	(2,445,919,148)	(1,987,468,015)	(1,112,865,000)
Proceed from short-term loans from related parties	40.9	-	-	31,186,470	100,000,000
Repayment for short-term loans from related parties	40.9	-	-	(237,228,140)	(100,913,674)
Proceeds from bills of exchange payable	26	2,970,000,000	2,029,389,450	1,550,000,000	1,240,587,461
Repayments of bills of exchange payable	26	(2,670,000,000)	(5,373,000,000)	(1,350,000,000)	(3,885,000,000)
Proceeds from debentures	27	9,480,600,000	5,436,253,793	6,712,900,000	3,842,718,795
Repayments of debentures	27	(5,200,000,000)	(5,010,000,000)	(4,750,000,000)	(5,010,000,000)
Proceeds from long-term borrowings from financial institutions	29	10,465,211,861	5,969,257,622	5,581,588,129	2,780,272,856
Repayments of long-term borrowings from financial institutions	29	(7,606,358,860)	(5,619,752,641)	(4,675,157,426)	(1,782,746,497)
Proceeds from issue of ordinary shares of subsidiaries from non-controlling interests		129,612,993	684,632,550	-	684,632,550
Proceeds from issuance of subordinated perpetual debentures	28	60,300,000	442,813,631	60,300,000	442,813,631
Payment of liabilities under finance lease agreements		(22,729,225)	(15,017,638)	-	-
Payment for front end fees of long-term loan from financial institutions		(37,506,698)	-	(28,552,313)	-
Payment for underwriting fee for debentures		(62,403,653)	-	(43,871,070)	-
Dividends paid to subordinated perpetual debentures	28	(42,531,501)	(21,324,012)	(42,531,501)	(21,324,012)
Dividends paid		(457,227,581)	(345,970,291)	(431,445,679)	(345,970,291)
Advance payment for interest of bills of exchange		(29,920,603)		(14,200,710)	
Net cash generated from (used in) financing activities		6,874,869,381	(1,491,040,184)	2,589,415,745	(2,054,929,181)
Net decrease in cash and cash equivalents		887,325,083	1,388,040,523	1,008,448,579	302,310,924
Translation adjustment		2,546,750	50,430,807	(17,062,799)	-
Cash and cash equivalents at the beginning of the year		3,887,296,539	2,448,825,209	1,350,869,488	1,048,558,564
Cash and cash equivalents at the end of the year		4,777,168,372	3,887,296,539	2,342,255,268	1,350,869,488

The accompanying notes are an integral part of this interim financial information.

STATEMENT OF **CASH FLOWS** (Continued)

PROPERTY PERFECT PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

(Unit: Baht)

Notes	Consolidated financial information		Separate financial information	
	2018	Restated 2017	2018	Restated 2017
<b>Non-cash transactions</b>				
Significant non-cash transactions are as follows:				
- Transfer advances for purchases of land to project development costs	314,096,909	735,673,446	201,196,285	-
- Transfer advances for purchases of land to land held for development	313,056,040	116,505,120	280,816,250	110,709,000
- Transfer deposit for hotel construction to property, plant and equipment	72,090,575	130,847,510	-	-
- Transfer project development costs to property, plant and equipment	9,646,373	52,313,602	-	989,605
- Transfer project development costs to land held for development	146,232,132	-	-	176,686,303
- Transfer deposit for construction to project development costs	36,122,945	85,908,091	-	-
- Transfer land held for development to project development costs	646,473,728	439,311,091	539,682,412	-
- 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 this interim financial information.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

## 1. General information

Property Perfect Public Company Limited ("the Company") is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows: No. 100/1 Vorasombat Building, 17th Floor, Rama 9 Road, Huaykwang, Bangkok. For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The Group is principally engaged in the property development business, rental and service business, construction business and hotel business

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 26 February 2019.

## 2. Accounting policies

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

### 2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

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

### 2.2 New financial reporting standard, revised accounting standards, revised financial reporting standards, and related interpretations (collectively called financial reporting standards)

The Group has applied the new and revised financial reporting standards effective on 1 January 2018. The application has no material impact to the Group.

The Group has not yet early adopted the new and revised financial reporting standards which are effective on 1 January 2019 and 1 January 2020. The Group's management is currently assessing the impact of adoption of these standards.

### 2.3 Group Accounting - Investments in subsidiaries and joint arrangements

#### (1) Subsidiaries

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



The Group applies the acquisition method to account for business combinations except business combination under common control.

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

(2) Joint arrangements

Investment in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor, rather than the legal structure of the joint arrangements.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

(3) Separate financial statement

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

## 2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## 2.5 Cash and cash equivalents

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

## 2.6 Short-term investments

Short-term investments comprise fixed deposits with banks with original maturities over than three months and investment in debt mutual fund which is initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost and is subsequently measured at fair value. The fair value of investment is based on Net Asset Value (NAV) announced by the Asset Management Company. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

## 2.7 Trade accounts receivable

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

## 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## 2.9 Costs of property project development

Cost of real estate development including properties under development are those properties which are held with the intention of development and sale in the ordinary course of business. They are stated at the lower of cost or net realisable value. Cost consists of land cost, expenses directly related to the project (design expense, public utilities expense, construction cost) and borrowing cost on loans funding a development property capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. Net realisable value being the estimated sale value in the course of normal business less by necessary expenses for such sale.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets.

## 2.10 Investments

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

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.

All categories of investment are initially recognised at cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

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

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

## 2.11 Land held for development

Land held for development are consisted of cost of land and expenses directly related shown at cost net from accumulated allowance for impairment (if any).

## 2.12 Investment property

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing a qualifying investment property are capitalised as part of its cost.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

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

Buildings	30-50 years
Building improvement	10-25 years

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

No depreciation is provided on investment properties in progress.

## 2.13 Property, plant and equipment

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets.

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

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

Land improvements	Lease period of 5 and 20 years
Buildings	Lease period of 20, 30 and 70 years
Building improvements	Shorter of lease period or 2 to 30 years
Operating equipment	5 and 15 years
Office equipment and furniture	3 and 5 years
Motor vehicles	5 years
Others	5 years

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

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

Operating equipment and kitchen supplies for restaurant operations are recorded at cost upon purchases and are depreciated on first issue or use. The depreciation is calculated on the straight-line method with the estimated useful life of 5 years. When new items are issued to replace the operating equipment, the replacement cost of operating equipment and kitchen supplies are recognised as expense when issued.

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

There is no calculated depreciation charge for land and construction in progress.

## 2.14 Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 - 10 years.

## 2.15 Leasehold rights

Leasehold right is stated at cost less accumulated amortisation 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 of 10 - 30 years.

## 2.16 Impairment of assets

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

## 2.17 Leases

### Where the Group is the lessee

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

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

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### Where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

## 2.18 Borrowings

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

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

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

### *Borrowing costs*

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets., These are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

## 2.19 Current and deferred income taxes

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

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

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the statement of financial position. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

## 2.20 Employee benefits

The Group operates various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

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

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

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

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

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

## 2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2.22 Share Capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



## 2.23 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.

### *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.

### *Revenue from goods distribution*

Revenue from goods distribution is recognised as revenue when the goods are delivered to customers. Revenues are shown net of sales taxes and discounts.

### *Interest income*

Interest income is accrued unless collectibility is in doubt.

### *Dividend income*

Dividend income is recognised as income when the shareholder's right to receive payment is established.

## 2.24 Dividends

Annual dividends are recorded in the consolidated and separate financial statements in the period in which they are approved by the shareholders meetings of the Company and subsidiaries.

Interim dividends are recorded in consolidated and separate financial statements in the period in which they are approved by the board of directors meetings of the separate and subsidiaries.

## 2.25 Segment reporting

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

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including currency risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments such as interest rate swap contracts to hedge certain exposures.

Risk management is carried out by a central group treasury department. The central group treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Group follows written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments. The Group does not have policy to use financial instruments for speculative or trading purposes.

##### 3.1.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to Japanese Yen. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group uses cross-currency swap contracts to hedge its exposure to foreign currency risk in connection with measurement currency.

##### 3.1.2 Interest rate swap contracts

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest expense over the period of the agreement.

##### 3.1.3 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the finance director before execution. The Group has no significant interest-bearing assets. The Group issued debentures at fixed rates and uses interest rate swaps from fixed rates to floating rates for some debenture balances in order to reduce finance costs.

##### 3.1.4 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

##### 3.1.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

### 3.2 Capital risk management

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

## 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Critical accounting estimates and assumptions

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

#### **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 Group 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 and Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses 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.

#### **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.

#### **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.

**Retirement benefits**

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

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

Additional information of other key assumptions for retirement benefits obligations other is disclosed in Note 30.

**Litigation**

The Group has contingent liabilities as a result of litigation. The management of the Group has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

**4.2 Critical judgements in applying the entity's accounting policies****Joint arrangements**

The Group holds 50% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is Group required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.

## 5. Reclassifications

During the year, the Group made the reclassification in presentation to be more conformable to nature of accounts. Comparative figures have been reclassified to conform with the current year as follows:

(Unit: Thousand Baht)

Statement of Financial Position	Consolidated financial statements				Separate financial statements					
	31 December 2017		1 January 2017		31 December 2017			1 January 2017		
	As previously presented	Reclassification	After reclassification	As previously presented	Reclassification	After reclassification	As previously presented	Reclassification	After reclassification	After reclassification
Cash and cash equivalents	3,947,2973	(60,000)	3,887,297	2,448,825	-	2,448,825	1,350,869	-	1,350,869	1,048,559
Short-term investments	-	60,662	60,662	-	601	601	-	662	662	601
Trade and other receivables, net	375,545	160,043	535,588	339,751	6,689	346,440	189,420	54,030	243,450	201,925
Project development costs, net	24,289,284	51,732	24,341,016	25,303,740	9,146	25,312,886	13,911,779	46,195	13,957,974	14,932,341
Short-term loan to related parties	665,528	(225,000)	440,528	60,000	(2,936)	57,064	-	-	-	-
Advances to contractors	89,794	(36,999)	52,795	231,911	-	231,911	43,399	-	43,399	73,974
Other current assets	196,066	(112,201)	83,865	157,483	(7,290)	150,193	58,909	(47,694)	11,215	50,624
Available-for-sale investments	-	179,454	179,454	-	107,683	107,683	-	3,954	3,954	107,683
Long-term loans to related parties	-	159,143	159,143	-	-	-	6,234,576	-	6,234,576	7,497,740
Other long-term investments	181,178	(179,453)	1,725	109,408	(107,683)	1,725	5,679	(3,954)	1,725	1,725
Other non-current assets	185,186	(4,508)	180,678	367,569	-	367,569	125,737	-	125,737	286,460
Accounts payable and other payables	(2,461,866)	(16,192)	(2,478,058)	(2,863,649)	1,455	(2,862,194)	(1,175,949)	13,323	(1,162,626)	(1,421,689)
Deposits and cash received in advance	(751,749)	(1,969)	(753,718)	(757,677)	-	(757,677)	(117,338)	-	(117,338)	(159,719)
Provision for transaction under equity method of investment in joint venture	(65,857)	65,857	-	(2,936)	2,936	-	-	-	-	-
Deferred revenue	-	(162,846)	(162,846)	-	(18,224)	(18,224)	-	(105,749)	(105,749)	(18,224)
Other current liabilities	(313,749)	103,109	(210,640)	(217,995)	7,623	(210,372)	(125,582)	39,233	(86,349)	(68,325)
Other non-current liabilities	(252,892)	19,168	(233,724)	(214,330)	-	(214,330)	-	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2017			31 December 2017		
	As previously presented	Reclassification	After reclassification	As previously presented	Reclassification	After reclassification
<b>Statement of Comprehensive Income</b>						
Cost of rental and services	(347,997)	(6,249)	(354,246)	(36,189)	-	(36,189)
Administrative expenses	(2,732,802)	6,249	(2,726,553)	(1,038,534)	-	(1,038,534)

## 6. Correction of errors

The Group corrected errors of comparative figures in the comparative consolidated and separate financial statements. The corrections of errors are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement				Separate financial statement			
	31 December 2017		1 January 2017		31 December 2017		1 January 2017	
	After reclassification (Note 5)	Restated	After reclassification (Note 5)	Restated	After reclassification (Note 5)	Restated	After reclassification (Note 5)	Restated
<b>Statements of Financial Position</b>								
(1) Project development costs, net	24,341,016	(98,276)	25,312,886	(249,641)	13,957,974	220,357	14,932,341	15,041,357
(2) Land held for development, net	5,886,025	(144,035)	6,621,249	(148,791)	4,918,236	(144,035)	5,168,131	5,019,340
(3) Investment properties, net	1,742,341	533,792	2,276,133	545,382	-	140,259	-	140,753
Deferred tax assets, net	313,142	(28,340)	284,802	(42,087)	139,713	-	155,304	-
Retained earnings - Unappropriated	3,208,798	263,141	3,471,939	104,863	2,766,074	216,581	2,469,401	2,570,380

- (1) Restatement of the under-capitalised borrowing costs from general borrowings on group consolidation level amounting to Baht 334 million. (total adjustment of project development costs amounting to Baht 362 million, net tax of Baht 28 million) and reclassification of an apartment building with lease contract from project development costs to investment property amounting to Baht 460 million which is a part of (3)
- (2) Reclassification of the presentation of commercial building with a lease contract from land held for development to investment property
- (3) Reclassification of the presentation of an apartment building with lease contract from project development cost to investment property



The effects of correction of error to the Statement of Comprehensive Income for the year ended 31 December is as follows;

(Unit: Thousand Baht)						
	Consolidated financial statements			Separate financial statements		
	31 December 2017			31 December 2017		
	After reclassification (Note 5)	Restated	After restated	After reclassification (Note 5)	Restated	After restated
Statement of Comprehensive Income						
Revenues from rental and services	344,140	37,273	381,413	37,314	4,756	42,070
Cost of sales of land and houses	(4,838,668)	(32,023)	(4,870,691)	(3,193,480)	(14,115)	(3,207,595)
Cost of sales of residential condominium units	(3,050,783)	(46,388)	(3,097,171)	(1,514,473)	115	(1,514,358)
Cost of rental and services	(354,246)	(11,848)	(366,094)	(36,189)	(495)	(36,684)
Other income	585,057	(32,518)	552,539	881,748	-	881,748
Finance cost	(941,106)	230,035	(711,071)	(951,737)	125,341	(826,396)
Income tax	(234,202)	13,747	(220,455)	(150,463)	-	(150,463)
The effect on loss per share for the year ended 31 December 2017						
	Consolidated financial statements			Separate financial statements		
	Basic earnings per share Baht per share			Basic earnings per share Baht per share		
Before adjustments	0.0306			0.0761		
Correction of errors	0.0186			0.0135		
After adjustments	0.0492			0.0896		

## 7. Segment information

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

The factors used to identify the Group's reportable segments include types of products and services. There are three reportable segments i.e. (1) property development business (2) hotel business and (3) others.

The Board of Director assesses the performance of the operating segments based on revenues from segment. interest income, other income, selling expenses, administrative expenses, share of loss from investments in joint ventures, finance cost and income tax are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The Group's revenues between segments are carried out at arm's length. The revenue from external parties reported to the Board of Director is measured in a manner consistent with that in the statement of comprehensive income.

Segment revenue and profit of the Group results in the consolidated financial statements for the year ended 31 December were as follows:

(Unit: Thousand Baht)

	Property development segment		Hotel Segment		Others		Elimination of inter-segment revenues		Consolidation	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external customers	15,586,565	13,445,758	2,914,757	2,323,280	342,714	446,406	-	-	18,844,036	16,215,444
Intersegment revenues	1,634,946	6,285	-	-	689,755	279,535	(2,324,701)	(285,820)	-	-
<b>Total revenues</b>	<b>17,221,511</b>	<b>13,452,043</b>	<b>2,914,757</b>	<b>2,323,280</b>	<b>1,032,469</b>	<b>725,941</b>	<b>(2,324,701)</b>	<b>(285,820)</b>	<b>18,844,036</b>	<b>16,215,444</b>
Segment operating profit	5,531,627	4,570,321	906,553	717,449	(8,048)	8,688	-	-	6,430,132	5,296,458
Unallocated income and expenses:										
Gain on bargain purchase									235,393	-
Other income									567,593	552,539
Selling expenses									(1,943,704)	(1,572,440)
Administrative expenses									(3,238,996)	(2,726,554)
Share of loss from investments in joint ventures									(127,742)	(72,578)
Loss on sales of assets to trust									-	(71,352)
Finance cost									(899,983)	(711,071)
Income tax									(329,178)	(220,455)
<b>Profit for the year</b>									<b>693,515</b>	<b>474,547</b>

Rental and service segment and construction segment which are reported to the chief operating decision maker for the year ended 2017 are combined to present as other segment for the year ended 2018.

## 8. Fair value

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

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

The following table presents financial assets that are measured and recognised at fair value at 31 December.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Level 1		Level 1	
	2018	2017	2018	2017
<b>Assets</b>				
Trading investment	570	662	570	662
Available-for-sale investments	168,983	179,454	3,136	3,954
<b>Total assets</b>	<b>169,553</b>	<b>180,116</b>	<b>3,706</b>	<b>4,616</b>

### Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available. Instruments included in Level 1 comprise primarily equity securities classified as trading and available-for-sale.

## 9. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	16,752	8,494	1,142	1,242
Bank deposits	4,873,688	4,004,430	2,404,518	1,440,570
Total cash on hand and bank deposits	4,890,440	4,012,924	2,405,660	1,441,812
<u>Less</u> Bank deposits pledged as security	(113,272)	(125,628)	(63,405)	(90,943)
<b>Total</b>	<b>4,777,168</b>	<b>3,887,296</b>	<b>2,342,255</b>	<b>1,350,869</b>

As at 31 December 2018, the effective interest rate on bank deposits was 0.10% to 1.05% per annum (2017: 0.01% to 1.35% per annum).

## 10. Short-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term investments				
Trading securities	570	662	570	662
Fixed deposits	530,064	60,000	-	-
<b>Total</b>	<b>530,634</b>	<b>60,662</b>	<b>570</b>	<b>662</b>

The interest rate on fixed deposits which is later than 3 months but not later than 1 year was 1.30% - 2.75% per annum (2017: 1.45% per annum).

The analysis of the trading securities is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements			
	2018		2017	
	Cost	Fair value	Cost	Fair value
Trading securities	800	570	800	662
<b>Total</b>	<b>800</b>	<b>570</b>	<b>800</b>	<b>662</b>

The movements of trading securities during the year ended 31 December 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Opening book amount	662	662
Change in fair value	(92)	(92)
<b>Closing book amount</b>	<b>570</b>	<b>570</b>

## 11. Trade and other receivables, net

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade receivables - Third parties	339,679	296,927	4,063	4,063
<u>Less</u> Allowance for doubtful accounts	(88,278)	(87,065)	(4,063)	(4,063)
Trade receivables - Third parties, net	251,401	209,862	-	-
Trade receivables - Related parties	20,858	78,458	-	783
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade receivables				
- Related parties, net (Note 40.3)	20,858	78,458	-	783
Trade receivable - Related parties, net	272,259	288,320	-	783
Advances	7,195	44,594	3,539	6,840
Advances - Related parties (Note 40.3)	-	-	33,838	14,935
Advance payment for purchase of land	190,000	30,000	-	-
Accrued income	9,870	8,609	-	-
Interest receivables	6,944	5,564	6,945	5,474
Interest receivables - Related parties	28,359	41,576	195,780	167,407
(Note 40.3)	88,818	79,076	29,794	46,085
Prepaid expenses	51,745	29,090	200	1,104
Other receivables	15,283	8,759	34,025	822
<b>Trade and other receivables, net</b>	<b>670,473</b>	<b>535,588</b>	<b>304,121</b>	<b>243,450</b>

Outstanding trade accounts receivable, net can be analysed as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade receivables - Third parties</b>				
Not yet due	224,884	87,794	-	-
Up to 3 months	26,029	118,324	-	-
3 - 6 months	2,534	3,952	-	-
6 - 12 months	4,253	5,711	-	-
Over 12 months	81,979	81,146	4,063	4,063
Total	339,679	296,927	4,063	4,063
<u>Less</u> Allowance for doubtful accounts	(88,278)	(87,065)	(4,063)	(4,063)
<b>Trade receivables - Third parties, net</b>	<b>251,401</b>	<b>209,862</b>	<b>-</b>	<b>-</b>

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Trade receivables - Related parti</b>				
Not yet due	-	783	-	783
Up to 3 months		-	-	-
3 - 6 months	-	4,579	-	-
6 - 12 months	-	23,624	-	-
Over 12 months	20,858	49,472	-	-
Total	20,858	78,458	-	783
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
<b>Trade receivables - Related parties, net</b>	<b>20,858</b>	<b>78,458</b>	<b>-</b>	<b>783</b>

## 12. Receivables from sale of land

Receivables from sale of land as at 31 December comprise the following:

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Receivables from sale of land	-	340,500	-	340,500
<u>Less</u> Deferred interest income	-	(3,260)	-	(3,260)
<b>Total</b>	<b>-</b>	<b>337,240</b>	<b>-</b>	<b>337,240</b>

The movements of receivables from sale of land during the year ended 31 December 2018 are as follows:

(Unit:Thousand Baht)

	Consolidated financial statements	Separate financial statements
Opening book amount	337,240	337,240
Addition	1,603,063	1,971,877
Payments received	(1,943,563)	(2,312,377)
Deferred interest income	-	(9,947)
Interest income recognition	3,260	13,207
<b>Closing book amount</b>	<b>-</b>	<b>-</b>

## 13. Inventories

(Unit:Thousand Baht)

	Consolidated financial statements	
	2018	2017
Food and beverage	13,898	7,197
Supplies and others	28,435	33,802
<b>Total</b>	<b>42,333</b>	<b>40,999</b>



## 14. Project development costs, net

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land and construction developed	8,846,868	11,807,874	5,178,039	6,414,402
Land and construction under development	17,774,372	12,504,834	10,220,118	7,831,529
Total	26,621,240	24,312,708	15,398,157	14,245,931
<u>Less</u> Reduction of cost to net realisable value	(57,772)	(69,968)	(57,246)	(67,600)
<b>Project development costs, net</b>	<b>26,563,468</b>	<b>24,242,740</b>	<b>15,340,911</b>	<b>14,178,331</b>
Borrowing costs	840,741	804,687	456,497	460,006
Capitalisation rate (%)	3.90 - 6.50	5.07 - 6.78	3.90 - 6.50	5.07 - 6.50
Mortgaged as collateral for credit facilities, guarantees and debentures	17,967,608	16,418,600	11,688,438	8,921,748

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Increase	-	4,215	-	4,215
Transfer from land held for development	63	23,065	63	23,065
Reversal	(12,259)	(13,488)	(10,417)	(13,488)
<b>Net</b>	<b>(12,196)</b>	<b>13,792</b>	<b>(10,354)</b>	<b>13,792</b>

## 15. Available-for-sale investments

The movement of available-for-sale investments as of 31 December is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Opening book amount	179,454	107,683	3,954	107,683
Additional investment	-	175,500	-	-
Disposal investment -(99,123)	-	(99,197)	-	(99,197)
Capital reduction	(202)	-	-	-
Reversal of impairment	202	-	-	-
Change in fair value	(10,471)	(4,532)	(818)	(4,532)
<b>Closing book amount</b>	<b>168,983</b>	<b>179,454</b>	<b>3,136</b>	<b>3,954</b>

Fair value of available-for-sale investments is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost	184,263	184,465	8,560	8,560
Unrealised loss	(15,280)	(5,011)	(5,424)	(4,606)
	<b>168,983</b>	<b>179,454</b>	<b>3,136</b>	<b>3,954</b>

The fair value of Grande Hospitality Real Estate Investment Trust and KTech Construction Public Company Limited are based on latest quoted market prices. The fair values are within level 1 of the fair value hierarchy.

## 16. Investments in subsidiaries

The investments in subsidiaries as at the 31 December are as follows:

The investments in subsidiaries as at the 31 December are as follows:						
	Country of incorporation	Nature of business	Percentage of shareholding by the Group		Percentage of shareholding by the Company	
			2018 Percentage	2017 Percentage	2018 Percentage	2017 Percentage
Subsidiaries directly owned by the Company						
Thai Property Public Company Limited	Thailand	Property development	-	-	94.60	94.60
We Retail Public Company Limited	Thailand	Property development, shopping mall and commercial areas	-	-	94.97	94.97
Estate Perfect Company Limited	Thailand	Property development	-	-	100.00	100.00
Bright Development Bangkok Company Limited	Thailand	Property development	-	-	100.00	100.00
Residence Number Nine Limited	Thailand	Property development	-	-	100.00	100.00
Chiangmai Development Company Limited	Thailand	Property development	-	-	100.00	100.00
Ramintra Mall Company Limited	Thailand	Property development	-	-	100.00	100.00
U&I Construction Bangkok Company Limited	Thailand	Property development Construction service	-	-	100.00	100.00
Perfect Prefab Company Limited	Thailand	Producing and assembling prefabricated building system	-	-	80.00	51.00
Perfect Sport Club Company Limited	Thailand	Clubhouse management	-	-	100.00	100.00
Uniloft Service (Thailand) Company Limited	Thailand	Apartment service	-	-	100.00	100.00
Property Perfect International Pte. Ltd.	Singapore	Investment in overseas projects	-	-	100.00	100.00
Subsidiaries which the Company owns through Thai Property Public Company Limited (“TPROP”)						
Pacific Estate Development Limited	Thailand	Office building rental and provision for related services	94.60	94.60	-	-
Scenery Peak Limited	British Virgin Islands	Investment in other companies	94.60	94.60	-	-
Metro Premier Holding Company Limited	Thailand	Investment in other companies	94.60	94.60	-	-

	Country of incorporation	Nature of business	Percentage of shareholding by the Group		Percentage of shareholding by the Company	
			2018 Percentage	2017 Percentage	2018 Percentage	2017 Percentage
Subsidiaries directly owned by the Company and owned through TPROP and Metro Premier Holding Company Limited						
Grande Asset Hotels and Property Public Company Limited	Thailand	Hotel business, rental of shopping plaza and property development	46.67	40.13	9.50	1.70
Subsidiaries which the Company owns through Grande Asset Hotels and Property Public Company Limited						
Honor Business Company Limited	Thailand	Hotel	46.67	40.13	-	-
Grande Equity Development Company Limited	Thailand	Temporarily ceased operations	46.67	40.13	-	-
Owendelle Company Limited	Thailand	Hotel	46.67	40.13	-	-
Royal Orchid Hotel (Thailand) Public Company Limited	Thailand	Hotel	45.96	-	-	-
Subsidiary which the Company owns through Royal Orchid Hotel (Thailand) Public Company Limited						
Thai Royal Orchid Real Estate Company	Thailand	Rental of assets	45.95	-	-	-
Sheraton Royal Orchid Company Limited	Thailand	Investment in other companies	23.44	-	-	-
Subsidiary which the Company owns through We Retail Public Company Limited						
Centrepont Shopping Mall Company Limited	Thailand	Property development, shopping mall and commercial areas	94.97	94.97	-	-
Subsidiary which the Company owns through Property Perfect International Pte. Ltd.						
Kiroro Resort Holdings Co., Ltd.	Japan	Investment in hotel business	98.13	98.13	31.42	31.42
Subsidiaries which the Company owns through Kiroro Resort Holdings Company Limited ("KRH")						
Kabushiki Kaisha Kiroro Associates Co., Ltd.	Japan	Ski operations	98.13	98.13	-	-
Kiroro Hotels Co., Ltd.	Japan	Hotel	98.13	98.13	-	-
Kiroro Resort Development Co., Ltd.	Japan	Property development	98.13	98.13	-	-

The movements of investments in subsidiaries during the year ended 31 December are as follows:

(Unit: Thousand Baht)

	Separate financial statements	
	2018	2017
Opening book amount	7,758,764	7,377,742
Additions	354,225	381,022
Disposal of investment in subsidiaries	(15,000)	-
<b>Closing book amount</b>	<b>8,097,989</b>	<b>7,758,764</b>

During March - August 2018, the Company incorporated PFHKL1 Co., Ltd., PFHKL2 Co., Ltd. and PFHKL 3 Co., Ltd., respectively. After that on 26 September 2018, the Company sold all 3 companies' shares to HKL Perfect Co., Ltd. which is a Company's joint venture which incorporated on 17 May 2018.

During April 2018, the Company bought GRAND's additional ordinary shares of 292.50 million shares in totalling of Baht 296.33 million. In addition, the Company received stock dividends from GRAND in the amount 1,963,993 shares. Such the increase of shares from GRAND that made the shareholding's proportion increased from 1.70 % to 9.50% and the Group shareholding's proportion increased from 40.13% to 46.67%

During April 2018, the Company paid the remaining unpaid of shares of Perfect Prefab Company Limited in amount of Baht 3.83 million. Then, during October 2018, the Company paid for ordinary shares from capital increase in amount of Baht 42.90 million. The shareholding's proportion increased from 51% to 80%.

The Group has a subsidiary which has significant non-controlling interests, GRAND who its financial information. GRAND is a listed company in the Stock Exchange of Thailand and has already publicly disclosed.

## 17. Investments in joint ventures

The investments in joint ventures as at the 31 are as follows:

	Country of incorporation	Nature of business	Percentage of shareholding by the Group		Percentage of shareholding by the Company	
			2018 Percentage	2017 Percentage	2018 Percentage	2017 Percentage
Jointly controlled entities						
T Utilities Company Limited	Thailand	Utilities business	45.00	45.00	45.00	45.00
HKL Perfect Company Limited	Thailand	Property development	51.00	-	51.00	-
PF-Sekisui JV Company Limited	Thailand	Property development	51.00	-	51.00	-
Jointly controlled entities and owns through HKL Perfect Company Limited						
PFHKL1 Co., Ltd.	Thailand	Property development	51.00	-	51.00	-
PFHKL2 Co., Ltd.	Thailand	Property development	51.00	-	51.00	-
PFHKL3 Co., Ltd.	Thailand	Property development	51.00	-	51.00	-
Jointly controlled entities and owns through Grande Asset Hotels and Property Public Company Limited						
Grand Star Company Limited	Thailand	Property development	51.00	51.00	11.00	11.00
Grand River Forest Company Limited	Thailand	Property development	51.00	-	9.00	-
Jointly controlled entities owns through We Retail Public Company Limited						
All Discount Company Limited	Thailand	Retails	50.00	50.00	-	-

The movements of interests in joint ventures during the year ended 31 December are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Opening book amount	652,038	133,852	191,063	142,000
Additions	379,070	669,203	215,570	189,203
Disposals	-	(136,502)	-	(140,140)
Share of loss	(70,676)	(14,515)	-	-
Less Eliminated of related transaction	(134,227)	-	-	-
<b>Closing book amount</b>	<b>826,205</b>	<b>652,038</b>	<b>406,633</b>	<b>191,063</b>

In May 2018, T Utilities Co., Ltd. called up the remaining 40% of 22.50 million shares that was not paid-up to Baht 90 million. The Company paid according to percentage of its shareholding which is Baht 40.50 million.

In June 2018, the Company entered into a joint venture with Sekisui Chemical Company Limited establishing PF-Sekisui JV Company Limited in order to engage in property investment and development.

In June 2018, All Discount Co., Ltd. called up the remaining 75% of the share price, totalling Baht 37.50 million. As a result, the investment in All Discount Co., Ltd. as at 31 December 2018, which is fully paid up, was Baht 50 million, representing 50% of the total share capital of Baht 100 million. The Group recognised its share of loss of joint venture using the equity method during year ended 31 December 2018 amounting to Baht 94.57 million (2017: Baht 62.92 million). The Group recognised its share of loss until the carrying amount of investment in joint venture is reduced to zero and recognised loss exceeding the investment in joint venture to loans to related party as a part of net investment in joint venture amounting to Baht 57.07 million (note 40.8). As of 31 December 2018, the Group has cumulated share of loss from investment in joint venture recognised in loans to related party amounting to Baht 122.92 million (31 December 2017: Baht 65.86 million).

In July 2018, the Company entered into a joint venture with GRAND and Sumitomo Forestry Singapore Ltd., establishing Grand River Forest Company Limited in order to engage in property investment and development. The Company has fully paid the shares according to percentage of its shareholding.

During the year, the Group has profit from selling of land to HKL Perfect Company Limited's subsidiaries and PF-Sekisui JV Company Limited total amounting to Baht 552.17 million (2017: nil) which the unrealised profit is recognised to investment in joint ventures until the carrying amount of investment in joint ventures is reduced to zero. The remaining unrealised profit from investment in joint ventures amounting to Baht 417.95 million is recognised as deferred unrealised profit from transactions with joint ventures as a part of non-current liabilities presented under deferred unrealised profit from transactions with joint ventures.

There are no contingent liabilities relating to the Group's interest in the joint venture.

#### **Summarised financial information for joint ventures**

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method.

## Summarised statement of financial position

(Unit: Thousand Baht)

	HKL Perfect Company Limited	PF-Sekisui JV Company Limited	Total
	2018	2018	2018
<b>Current assets</b>			
Cash and cash equivalents	173,214	84,662	257,876
Project development costs	2,446,115	843,303	3,289,418
Other current assets	1,010	-	1,010
Total current assets	2,620,339	927,965	3,548,304
<b>Non-current assets</b>			
Non-current assets	223	90	313
Total non-current assets	223	90	313
<b>Current liabilities</b>			
Financial liabilities	19,280	139,335	158,615
Promissory notes	863,470	-	863,470
Debentures from related parties	597,800	-	597,800
Other current liabilities	18,240	217	18,457
Total current liabilities	1,498,790	139,552	1,638,342
<b>Non-current liabilities</b>			
Long-term borrowings from related parties	622,200	-	622,200
Long-term borrowings from financial institutions	498,582	596,585	1,095,167
Total non-current liabilities	1,120,782	596,585	1,717,367
<b>Net assets</b>	<b>990</b>	<b>191,918</b>	<b>192,908</b>

## Summarised statement of comprehensive income

(Unit: Thousand Baht)

	HKL Perfect Company Limited	PF-Sekisui JV Company Limited	Total
	For the period from 17 May 2018 (Date of registration) to 31 December 2018	For the period from 15 June 2018 (Date of registration) to 31 December 2018	2018
Interest income	260	64	324
Selling expense	-	(44)	(44)
Administrative expense	(11,185)	(8,102)	(19,287)
Interest expense	(8,135)	-	(8,134)
<b>Loss before income tax</b>	<b>(19,060)</b>	<b>(8,082)</b>	<b>(27,142)</b>
Income tax	-	-	-
<b>Loss for the year</b>	<b>(19,060)</b>	<b>(8,082)</b>	<b>(27,142)</b>

**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures

(Unit: Thousand Baht)

	HKL Perfect Company Limited	PF-Sekisui JV Company Limited	Total
Summarised financial information	2018	2018	2018
<b>Opening net assets as at 1 January</b>	-	-	-
Issued ordinary share	20,050	200,000	220,050
Loss for the year	(19,060)	(8,082)	(27,142)
<b>Closing net assets as at 31 December</b>	<b>990</b>	<b>191,918</b>	<b>192,908</b>
Interest in joint venture (51%)	505	97,878	98,383
Less Eliminated of deferred related transactions	(410,121)	(142,054)	(552,175)
Additional initial cost	35,845	-	35,845
Cumulative loss exceeding the investment in joint venture	(373,771)	(44,176)	(417,947)
<b>Carrying value</b>	-	-	-
<b>Deferred revenue under equity method of investment in joint venture</b>	<b>(373,771)</b>	<b>(44,176)</b>	<b>(417,947)</b>

In addition to the joint ventures above, Grand Star Company Limited is another significant joint venture of the Group whose summarised financial information is already disclosed in GRAND's publicly available financial statements.

## 18. Advance payment for purchase of land

The movements of advance payment for purchase of land during the year ended 31 December are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Opening book amount	790,145	646,736
Additions	1,030,279	632,372
Transferred to project development costs	(344,097)	(201,196)
Transferred to land held for development	(313,056)	(280,816)
Return	(50,000)	-
<b>Closing book amount</b>	<b>1,113,271</b>	<b>797,096</b>
Current portion	190,000	-
Non - current portion	923,271	797,096

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Advances paid to landowners under agreements to purchase and to sell land	823,271	670,145	527,096	526,736
Advances paid to agents in acquiring land	290,000	120,000	270,000	120,000
<b>Total advance payment for purchase of land</b>	<b>1,113,271</b>	<b>790,145</b>	<b>797,096</b>	<b>646,736</b>
Values of agreements to purchase and to sell land	3,913,367	3,346,534	2,513,490	2,298,139



## 19. Land held for development, net

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Land, construction cost and others	6,275,351	5,798,481	4,890,071	4,813,928
<u>Less</u> Allowance for devaluation on land held for development	(59,036)	(56,491)	(39,783)	(39,727)
<b>Total land held for development, net</b>	<b>6,216,315</b>	<b>5,741,990</b>	<b>4,850,288</b>	<b>4,774,201</b>

The Group have mortgaged the land held for development with the financial institutions as collateral for credit facilities and guarantees as detailed below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Book value</b>	<b>2,685,452</b>	<b>1,494,591</b>	<b>2,249,584</b>	<b>1,397,274</b>

## 20. Investment properties, net

(Unit: Thousand Baht)

	Consolidated financial statements				
	Shopping malls and commercial area for rent	Office building for rent	Shopping malls and commercial area under development	Apartment for rent	Total
<b>As at 1 January 2017</b>					
Cost	715,125	562,755	1,325,782	460,075	3,063,737
<u>Less</u> Accumulated depreciation	(36,712)	(174,743)	-	(55,447)	(266,902)
<u>Less</u> Provision for impairment	(11,500)	(12,078)	(2,000)	-	(25,578)
<b>Net book amount</b>	<b>666,913</b>	<b>375,934</b>	<b>1,323,782</b>	<b>404,628</b>	<b>2,771,257</b>
<b>For the year ended 31 December 2017</b>					
Opening net book amount	666,913	375,934	1,323,782	404,628	2,771,257
Additions	-	4,655	-	260	4,915
Transfer to project development costs	-	-	(115,009)	-	(115,009)
Transfer to land held for development	-	-	(233,554)	-	(233,554)
Disposal - net	-	(1,406)	(320)	-	(1,726)
Depreciation charge	(24,833)	(113,562)	-	(11,355)	(149,750)
<b>Closing net book amount</b>	<b>642,080</b>	<b>265,621</b>	<b>974,899</b>	<b>393,533</b>	<b>2,276,133</b>
<b>As at 31 December 2017</b>					
Cost	715,125	566,003	976,899	460,335	2,718,362
<u>Less</u> Accumulated depreciation	(61,545)	(288,304)	-	(66,802)	(416,651)
<u>Less</u> Provision for impairment	(11,500)	(12,078)	(2,000)	-	(25,578)
<b>Net book amount</b>	<b>642,080</b>	<b>265,621</b>	<b>974,899</b>	<b>393,533</b>	<b>2,276,133</b>
Fair value	820,000	293,102	974,899	552,200	

(Unit:Thousand Baht)

	Consolidated financial statements				
	Shopping malls and commercial area for rent	Office building for rent	Shopping malls and commercial area under development	Apartment for rent	Total
<b>For the year ended 31 December 2018</b>					
Opening net book amount	642,080	265,621	974,899	393,533	2,276,133
Additions	-	221	-	118	339
Depreciation charge	(25,241)	(116,399)	-	(11,366)	(153,006)
Impairment charge	(10,000)	-	(649)	-	(10,649)
<b>Closing net book amount</b>	<b>606,839</b>	<b>149,443</b>	<b>974,250</b>	<b>382,285</b>	<b>2,112,817</b>
<b>As at 31 December 2018</b>					
Cost	715,125	566,224	976,899	460,453	2,718,701
<u>Less</u> Accumulated depreciation	(86,786)	(404,703)	-	(78,168)	(569,657)
<u>Less</u> Provision for impairment	(21,500)	(12,078)	(2,649)	-	(36,227)
<b>Net book amount</b>	<b>606,839</b>	<b>149,443</b>	<b>974,250</b>	<b>382,285</b>	<b>2,112,817</b>
Fair value	820,000	293,102	974,250	552,200	

(Unit:Thousand Baht)

	Separate financial statements Office building for rent
<b>As at 1 January 2017</b>	
Cost	153,532
<u>Less</u> Accumulated depreciation	(700)
<u>Less</u> Provision for impairment	(12,078)
<b>Net book amount</b>	<b>140,754</b>
<b>For the year ended 31 December 2017</b>	
Opening net book amount	140,754
Depreciation charge	(495)
<b>Closing net book amount</b>	<b>140,259</b>
<b>As at 31 December 2017</b>	
Cost	153,532
<u>Less</u> Accumulated depreciation	(1,195)
<u>Less</u> Provision for impairment	(12,078)
<b>Net book amount</b>	<b>140,259</b>
Fair value	141,454
<b>For the year ended 31 December 2018</b>	
Opening net book amount	140,259
Depreciation charge	(495)
<b>Closing net book amount</b>	<b>139,764</b>
<b>As at 31 December 2018</b>	
Cost	153,532
<u>Less</u> Accumulated depreciation	(1,690)
<u>Less</u> Provision for impairment	(12,078)
<b>Net book amount</b>	<b>139,764</b>
Fair value	141,454

The fair values of investment properties which are ready-to-use and in-use disclosed are within level 3 of the fair value hierarchy.

Management assessed the fair value of investment properties according to the income approach by an independent professionally qualified appraiser by considering the present value of the future cash flows expected to be derived from cash-generating units, which refers to ready-to-use and in-use investment properties, as well as leasehold rights. Key assumptions used in the valuation include business growth in the industry, discount rates, and occupancy rates.

Fair value of investment properties for office and apartment buildings for rent is based on costing method instead of using market analysis method by scoring according to quality level. Key assumptions used in the valuation include construction price and depreciation are based on construction price standard of the Valuers Association of Thailand, the Group's internal information and other factors that affect to the comparison of the assessed assets to the market price; for instance, location, city plan, land plot size, utilised area and building condition. Independent appraisers who are certified according to professional standards.

The Group expects to reliably measure the fair values of investment properties under construction when the construction is completed. Management considered that the fair values of these assets corresponded with their net book value.

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

Investment properties in amount of Baht 120.18 million (2017: 120.18 million) are secured as short term loan from financial institutions.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Rental income	317,232	340,125	4,884	4,756
Direct operating expense arise from investment property that generated rental income	144,829	133,708	495	495
Direct operating expense arise from investment property that did not generate rental income	95,781	95,132	-	-

## 21. Property, plant and equipment, net

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land	Land improvements	Buildings	Building improvements	Operating equipment	Other equipment	Motor vehicle	Construction in progress	Other	Total
<b>As at 1 January 2017</b>										
Cost	1,115,681	36,289	3,043,708	484,645	202,682	1,057,458	116,598	1,498,419	111,147	7,666,627
Less Accumulated depreciation	-	(24,155)	(359,106)	(127,112)	(139,810)	(475,845)	(49,587)	-	(20,627)	(1,196,242)
Less Provision for impairment	(32,272)	-	(4,403)	-	-	(297)	-	-	-	(36,971)
<b>Net book amount</b>	<b>1,083,409</b>	<b>12,134</b>	<b>2,680,199</b>	<b>357,533</b>	<b>62,872</b>	<b>581,316</b>	<b>67,011</b>	<b>1,498,419</b>	<b>90,520</b>	<b>6,433,413</b>
<b>For the year ended 31 December 2017</b>										
Opening net book amount	1,083,409	12,134	2,680,199	357,533	62,872	581,316	67,011	1,498,419	90,520	6,433,413
Additions	10,055	100	28,937	18,757	229,193	139,783	42,128	825,077	5,941	1,299,971
Disposals	(174,397)	(1,512)	(1,411,160)	(7,992)	-	(261,020)	(145)	(62,254)	(5,022)	(1,923,503)
Transfer in (out)	-	199	(228,461)	114,950	-	158,925	902	(43,830)	(5,536)	(2,851)
Depreciation charge	-	(4,851)	(129,088)	(65,744)	(18,926)	(205,694)	(12,760)	-	(582)	(437,645)
Transfer from project development costs	50,321	-	-	-	86	1,719	-	188	-	52,314
Transfer to intangible assets	-	-	-	-	-	-	-	(6,942)	-	(6,942)
Currency translation	(2,703)	-	(41,500)	(20,205)	-	(20,237)	(4,160)	(2,721)	(4,804)	(96,329)
<b>Closing net book amount</b>	<b>966,685</b>	<b>6,070</b>	<b>898,927</b>	<b>397,299</b>	<b>273,225</b>	<b>394,792</b>	<b>92,976</b>	<b>2,207,937</b>	<b>80,517</b>	<b>5,318,428</b>
<b>As at 31 December 2017</b>										
Cost	998,957	20,425	1,038,790	567,132	426,044	537,294	150,792	2,207,937	86,443	6,033,814
Less Accumulated depreciation	-	(14,335)	(135,460)	(169,833)	(152,819)	(142,205)	(57,816)	-	(5,926)	(678,414)
Less Provision for impairment	(32,272)	-	(4,403)	-	-	(297)	-	-	-	(36,972)
<b>Net book amount</b>	<b>966,685</b>	<b>6,070</b>	<b>898,927</b>	<b>397,299</b>	<b>273,225</b>	<b>394,792</b>	<b>92,976</b>	<b>2,207,937</b>	<b>80,517</b>	<b>5,318,428</b>

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land	Land improvements	Buildings	Building improvements	Operating equipment	Other equipment	Motor vehicle	Construction in progress	Other	Total
<b>For the year ended 31 December 2018</b>										
Opening net book amount	966,685	6,070	898,927	397,299	273,225	394,792	92,976	2,207,937	80,517	5,318,428
Additions	-	56	11,953	18,029	9,660	113,795	41,559	1,037,301	3,018	1,235,371
Disposals	-	-	(2,913)	-	(9,459)	(652)	(3,258)	(67)	-	(16,349)
Transfer in (out)	-	-	1,858,194	15,917	50,052	177,595	-	(2,028,129)	(73,629)	-
Depreciation charge	-	(3,258)	(112,383)	(58,332)	(55,960)	(213,528)	(19,872)	-	(3,012)	(466,345)
Transfer from advance to contractor	-	-	-	-	-	-	-	72,091	-	72,091
Transfer to land held for development	(12,370)	-	-	-	-	-	-	-	-	(12,370)
Transfer from (to) project development costs	(22,206)	-	-	-	-	-	-	9,646	-	(12,560)
Acquisition of subsidiary	2,165,000	-	1,545,247	12,017	24,388	485,736	1,323	12,480	-	4,246,191
Currency translation	489	-	6,809	3,913	2,259	1,791	883	890	759	17,793
<b>Closing net book amount</b>	<b>3,097,598</b>	<b>2,868</b>	<b>4,205,834</b>	<b>388,843</b>	<b>294,165</b>	<b>959,529</b>	<b>113,611</b>	<b>1,312,149</b>	<b>7,653</b>	<b>10,382,250</b>
<b>As at 31 December 2018</b>										
Cost	3,129,870	20,481	5,807,935	1,559,988	821,630	3,196,030	226,061	1,312,149	37,411	16,111,555
Less Accumulated depreciation	-	(17,613)	(1,598,699)	(1,171,145)	(527,465)	(2,236,204)	(112,450)	-	(29,758)	(5,692,334)
Less Provision for impairment	(32,272)	-	(4,402)	-	-	(297)	-	-	-	(36,971)
<b>Net book amount</b>	<b>3,097,598</b>	<b>2,868</b>	<b>4,205,834</b>	<b>388,843</b>	<b>294,165</b>	<b>959,529</b>	<b>113,611</b>	<b>1,312,149</b>	<b>7,653</b>	<b>10,382,250</b>

		Separate financial statements								(Unit: Thousand Baht)	
		Land	Buildings	Operating equipment	Other equipment	Motor vehicle	Construction in progress	Other	Total		
As at 1 January 2017											
	Cost	32,272	124,365	8,347	156,046	21,136	785	16,333	359,284		
	Less Accumulated depreciation	-	(87,113)	(7,768)	(99,148)	(17,584)	-	(16,101)	(227,714)		
	Less Provision for impairment	(32,272)	(4,402)	-	(297)	-	-	-	(36,971)		
	Net book amount	-	32,850	579	56,601	3,552	785	232	94,599		
For the year ended 31 December 2017											
	Opening net book amount	-	32,850	579	56,601	3,552	785	232	94,599		
	Additions	10,045	1,955	109	43,738	5,384	1,410	-	62,641		
	Disposals	-	-	-	(213)	-	-	-	(213)		
	Transfer in (out)	-	-	-	1,243	-	(1,243)	-	-		
	Depreciation charge	-	(3,073)	(268)	(20,823)	(2,096)	-	(147)	(26,407)		
	Transfer from project development costs	-	-	-	901	-	89	-	990		
	Closing net book amount	10,045	31,732	420	81,447	6,840	1,041	85	131,610		
As at 31 December 2017											
	Cost	42,317	126,320	8,235	168,013	26,520	1,041	16,333	388,779		
	Less Accumulated depreciation	-	(90,186)	(7,815)	(86,269)	(19,680)	-	(16,248)	(220,198)		
	Less Provision for impairment	(32,272)	(4,402)	-	(297)	-	-	-	(36,971)		
	Net book amount	10,045	31,732	420	81,447	6,840	1,041	85	131,610		

(Unit: Thousand Baht)

	Separate financial statements						
	Land	Buildings	Operating equipment	Other equipment	Motor vehicle	Construction in progress	Other
<b>For the year ended 31 December 2018</b>							
Opening net book amount	10,045	31,732	420	81,447	6,840	1,041	85
Additions	-	-	7,894	35,887	3,140	-	2,711
Disposals	-	(1,343)	-	-	(1,460)	(67)	-
Transfer in (out)	-	-	-	974	-	(974)	-
Depreciation charge	-	(2,936)	(1,389)	(26,426)	(1,996)	-	(647)
<b>Closing net book amount</b>	<b>10,045</b>	<b>27,453</b>	<b>6,925</b>	<b>91,882</b>	<b>6,524</b>	<b>-</b>	<b>2,149</b>
<b>As at 31 December 2018</b>							
Cost	42,317	122,787	16,129	204,874	24,035	-	19,044
Less Accumulated depreciation	-	(90,932)	(9,204)	(112,695)	(17,511)	-	(16,895)
Less Provision for impairment	(32,272)	(4,402)	-	(297)	-	-	-
<b>Net book amount</b>	<b>10,045</b>	<b>27,453</b>	<b>6,925</b>	<b>91,882</b>	<b>6,524</b>	<b>-</b>	<b>2,149</b>
							<b>144,978</b>
							131,610
							49,632
							(2,870)
							-
							(33,394)
							<b>144,978</b>
							429,186
							(247,237)
							(36,971)
							<b>144,978</b>

Additions include Baht 11.89 million (2017: Nil) assets leased under finance leases (where the Group is the lessee).

Leased assets included above, where the Group is a lessee under a finance lease, comprise of equipment, computer and vehicle.

	Consolidated financial statements	
	2018	2017
Cost - capitalised finance leases	26,302	14,631
Less Accumulated depreciation	(12,193)	(8,935)
<b>Net book amount</b>	<b>14,109</b>	<b>5,696</b>

(Unit: Thousand Baht)

During the year, the Group capitalised borrowing costs of Baht 87.93 million (2017: Baht 62.21 million) as assets as included in addition of assets. These were determined by applying capitalisation rates which were the weighted average of the financial charges on total borrowings during the years at rate of 5.61% - 6.71% per annum (2017: 5.26% - 5.77% per annum).

The Group has mortgaged the following land with structures thereon of Baht 4,165.70 million (2017: Baht 2,654.61 million) as collateral for the Group's long-term borrowings from financial institutions (Note 29).



## 22. Intangible assets, net

(Unit: Thousand Baht)

	Computer Software	
	Consolidated financial statements	Separate financial statements
<b>At 1 January 2017</b>		
Cost	80,666	21,424
<u>Less</u> Accumulated amortisation	(28,830)	(8,972)
<b>Net book amount</b>	<b>51,836</b>	<b>12,452</b>
<b>For the year ended 31 December 2017</b>		
Opening net book amount	51,836	12,452
Additions	12,174	88
Disposals, net	(2,157)	-
Amortisation charge	(14,002)	(3,246)
Exchange difference	(1,290)	-
<b>Closing net book amount</b>	<b>46,561</b>	<b>9,294</b>
<b>At 31 December 2017</b>		
Cost	60,143	21,512
<u>Less</u> Accumulated amortisation	(13,582)	(12,218)
<b>Net book amount</b>	<b>46,561</b>	<b>9,294</b>
<b>For the year ended 31 December 2018</b>		
Opening net book amount	46,561	9,294
Additions	28,507	1,356
Acquisition of subsidiary (Note 39)	7,089	-
Disposals, net	(32)	-
Amortisation charge	(13,278)	(2,527)
Exchange difference	275	-
<b>Closing net book amount</b>	<b>69,122</b>	<b>8,123</b>
<b>At 31 December 2018</b>		
Cost	96,151	22,868
<u>Less</u> Accumulated amortisation	(27,029)	(14,745)
<b>Net book amount</b>	<b>69,122</b>	<b>8,123</b>

## 23. Leasehold rights, net

(Unit: Thousand Baht)

	Buildings	
	Consolidated financial statements	Separate financial statements
<b>At 1 January 2017</b>		
Cost	2,633,372	107,000
<u>Less</u> Accumulated amortisation	(418,914)	(61,613)
<u>Less</u> Provision for impairment	(189,844)	-
<b>Net book amount</b>	<b>2,024,614</b>	<b>45,387</b>
<b>For the year ended 31 December 2017</b>		
Opening net book amount	2,024,614	45,387
Amortisation charge	(169,206)	(4,711)
<b>Closing net book amount</b>	<b>1,855,408</b>	<b>40,676</b>
<b>At 31 December 2017</b>		
Cost	2,633,372	107,000
<u>Less</u> Accumulated amortisation	(588,120)	(66,324)
<u>Less</u> Provision for impairment	(189,844)	-
<b>Net book amount</b>	<b>1,855,408</b>	<b>40,676</b>
<b>For the year ended 31 December 2018</b>		
Opening net book amount	1,855,408	40,676
Amortisation charge	(167,527)	(4,712)
<b>Closing net book amount</b>	<b>1,687,881</b>	<b>35,964</b>
<b>At 31 December 2018</b>		
Cost	2,633,372	107,000
<u>Less</u> Accumulated amortization	(755,647)	(71,036)
<u>Less</u> Provision for impairment	(189,844)	-
<b>Net book amount</b>	<b>1,687,881</b>	<b>35,964</b>

## 24. Deferred income taxes

Deferred income tax assets and liabilities comprised of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred income tax assets:</b>				
within 12 months	277,499	123,740	24,597	34,828
more than 12 months	296,922	238,432	148,798	143,117
	574,421	362,172	173,395	177,945
<b>Deferred income tax liabilities:</b>				
within 12 months	(14,722)	(40,525)	-	-
more than 12 months	(966,459)	(262,545)	(36,581)	(38,232)
	(981,181)	(303,070)	(36,581)	(38,232)
<b>Deferred tax assets, net</b>	503,943	284,802	136,814	139,713
<b>Deferred tax liabilities, net</b>	(910,703)	(225,700)	-	-

The gross movement of the deferred income tax account is as follows:

(Unit:Thousand Baht)

	Consolidated financial statements		Separatefinancial statements	
	2018	2017	2018	2017
<b>As at 1 January</b>	59,102	(91,202)	139,713	155,304
Acquisition of subsidiary	(723,848)	(1,926)	-	-
Increase to profit or loss	255,891	150,503	(3,063)	(16,497)
Increase to other comprehensive income	2,095	906	164	906
Increase directly to equity	-	821	-	-
<b>As at 31 December</b>	<b>(406,760)</b>	<b>59,102</b>	<b>136,814</b>	<b>139,713</b>

The gross movements in deferred tax assets and liabilities during the years are as follows:

(Unit:Thousand Baht)

	Consolidated financial statements					
	1 January 2018	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	Charged/ (credited) directly to equity	Business acquisitions	31 December 2018
<b>Deferred tax assets</b>						
Provision for impairment						
of assets	35,537	(1,944)	-	-	(22)	33,571
Depreciation	51,246	2,003	-	-	-	53,249
Employee benefit obligations	38,263	14,847	-	-	12,047	65,157
Provision for compensation for						
Housing Estate Juristic						
Persons	31,083	5,761	-	-	-	36,844
Borrowing costs	41,694	56,742	-	-	-	98,436
Warranty	2,005	1,543	-	-	-	3,548
Unearned income	9,246	172,793	-	-	-	182,039
Tax loss carried forward	59,455	(1,639)	-	-	6,429	64,245
Others	93,643	(58,606)	2,095	-	-	37,332
	362,172	191,700	2,095	-	18,454	574,421
<b>Deferred tax liabilities</b>						
Difference on cross currency						
swap rate and closing rate	(38,232)	1,651	-	-	-	(36,581)
Fair value adjustment of net						
assets at acquisition date	(198,546)	58,549	-	-	(744,071)	(884,068)
Others	(66,292)	3,991	-	-	1,769	(60,532)
	(303,070)	64,191	-	-	(742,302)	(981,181)
<b>Deferred tax, net</b>	<b>59,102</b>	<b>255,891</b>	<b>2,095</b>	<b>-</b>	<b>(723,848)</b>	<b>(406,760)</b>

(Unit: Thousand Baht)

	Consolidated financial statements					
	1 January 2017	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive Income	Charged/ (credited) directly to equity	Business acquisitions	31 December 2017
<b>Deferred tax assets</b>						
Provision for impairment of assets	35,221	(1,294)	-	-	1,610	35,537
Depreciation	49,206	2,042	-	-	-	51,246
Employee benefit obligations	40,761	(3,319)	-	821	-	38,263
Provision for compensation for Housing Estate Juristic Persons	28,583	2,500	-	-	-	31,083
Borrowing costs	45,993	(4,299)	-	-	-	41,694
Warranty	379	1,626	-	-	-	2,005
Unearned income	4,513	4,733	-	-	-	9,246
Tax loss carried forward	101,755	(42,300)	-	-	-	59,455
Others	72,057	20,680	906	-	-	93,643
	378,468	(19,633)	906	821	1,610	362,172
<b>Deferred tax liabilities</b>						
Difference on cross currency swap rate and closing rate	(17,994)	(20,238)	-	-	-	(38,232)
Fair value adjustment of net assets at acquisition date	(382,340)	183,794	-	-	-	(198,546)
Others	(69,336)	6,580	-	-	(3,536)	(66,292)
	(469,670)	170,136	-	-	(3,536)	(303,070)
<b>Deferred tax, net</b>	<b>(91,202)</b>	<b>150,503</b>	<b>906</b>	<b>821</b>	<b>(1,926)</b>	<b>59,102</b>

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2018	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive Income	31 December 2018
<b>Deferred income tax assets</b>				
Provision for impairment of assets	30,018	(1,543)	-	28,475
Depreciation	39,412	(1,641)	-	37,771
Employee benefit obligations	22,165	626	-	22,791
Provision for compensation for Housing Estate Juristic Persons	24,091	5,115	-	29,206
Borrowing costs	41,694	(5,502)	-	36,192
Warranty	2,005	1,543	-	3,548
Unearned income	9,246	(9,246)	-	-
Others	9,314	5,934	164	15,412
	177,945	(4,714)	164	173,395
<b>Deferred income tax liabilities</b>				
Difference on cross currency swap rate and closing rate	(38,232)	1,651	-	(36,581)
<b>Deferred income tax assets, net</b>	<b>139,713</b>	<b>(3,063)</b>	<b>164</b>	<b>136,814</b>

(Unit: Baht)

	Separate financial statements			
	1 January 2017	Charged/ (credited) to profit or loss	Charged/(credited) to other comprehensive income	31 December 2017
<b>Deferred income tax assets</b>				
Provision for impairment of assets (reversal)	29,924	94	-	30,018
Depreciation	39,478	(66)	-	39,412
Employee benefit obligations	30,807	(8,642)	-	22,165
Provision for compensation for Housing Estate Juristic Persons	22,394	1,697	-	24,091
Borrowing costs	45,993	(4,299)	-	41,694
Warranty	379	1,626	-	2,005
Unearned income	1,525	7,721	-	9,246
Others	2,798	5,610	906	9,314
	173,298	3,741	906	177,945
<b>Deferred income tax liabilities</b>				
Difference on cross currency swap rate and closing rate	(17,994)	(20,238)	-	(38,232)
<b>Deferred income tax, net</b>	<b>155,304</b>	<b>(16,497)</b>	<b>906</b>	<b>139,713</b>

## 25. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Trade accounts payable	1,647,787	1,072,582	828,883	671,559
Trade accounts payable - related parties (Note 40.6)	13,885	7,082	55,088	15,919
Hotel construction payable	-	94,093	-	-
Creditors per rehabilitation plan	6,812	6,812	-	-
Retention payable	157,460	135,798	58,707	52,952
Accrued interest expenses	170,505	150,248	161,481	119,394
Accrued interest expenses - related parties (Note 40.6)	-	-	977	657
Accrued expenses	774,718	861,516	357,997	232,216
Accrued expenses - related parties (Note 40.6)	16,267	-	31	-
Other payables	505,194	118,107	77,972	69,929
Other payables - related parties (Note 40.6)	17,002	31,820	-	-
<b>Total trade and other payables</b>	<b>3,309,630</b>	<b>2,478,058</b>	<b>1,541,136</b>	<b>1,162,626</b>

## 26. Bills of exchange payables

The movements of bills of exchange payables during the year ended 31 December 2018 are as follows:

*(Unit: Thousand Baht)*

	Consolidated financial statements	Separate financial statements
Opening book amount	437,676	188,231
Issuance of bills of exchange	2,970,000	1,550,000
Repayments	(2,670,000)	(1,350,000)
Prepaid interest expenses	(27,853)	(12,133)
Amortisation of prepaid interest expenses	26,841	11,095
<b>Closing book amount</b>	<b>736,664</b>	<b>387,193</b>

The bills of exchange are subject to interest at rates of 3.90% - 4.65% per annum (2017: 3.90% - 3.95% per annum) and mature during January, March and May 2019. There is no collateral on the bills of exchange.

## 27. Debentures

*(Unit: Thousand Baht)*

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current</b>				
Current portion of debentures	5,908,300	5,200,000	4,628,300	4,750,000
<u>Less</u> Front end fees	(3,609)	(5,312)	(2,831)	(5,029)
Total current portion of debentures	5,904,691	5,194,688	4,625,469	4,744,971
<b>Non-current</b>				
Debentures	19,780,900	16,208,600	15,792,600	13,708,000
<u>Less</u> Front end fees	(74,814)	(43,509)	(56,460)	(36,091)
Total non-current portion of debentures	19,706,086	16,165,091	15,736,140	13,671,909
<b>Total debentures</b>	<b>25,610,777</b>	<b>21,359,779</b>	<b>20,361,609</b>	<b>18,416,880</b>

The movements of debentures during the year ended 31 December 2018 are as follows:

*(Unit: Thousand Baht)*

	Consolidated financial statements	Separate financial statements
Opening book amount	21,359,779	18,416,880
Proceed from debentures	9,480,600	6,712,900
Repayments for debentures	(5,200,000)	(4,750,000)
Payments for front end fees of debentures	(61,629)	(43,097)
Amortisation of front end fees of debentures	32,027	24,926
<b>Closing book amount</b>	<b>25,610,777</b>	<b>20,361,609</b>

As at 31 December 2018, the outstanding balances are detailed below:

		(Unit: Thousand Baht)					
Debtentures	Unit	Unit par (Baht)	Total value (Thousand Baht)	Issued date	Term	Maturity date	Coupon rate (% per annum)
<b>The Company</b>							
Unsecured debtentures No. 5/2015	3,000,000	1,000	3,000,000	5 November 2015	3.5 years	5 May 2019	5.50
Unsecured debtentures No. 1/2016	3,000,000	1,000	3,000,000	28 January 2016	4 years	28 January 2020	5.60
Unsecured debtentures No. 2/2016 tranch 2	1,450,000	1,000	1,450,000	2 June 2016	4 years	2 June 2020	5.50
Unsecured debtentures No. 3/2016 tranch 1	1,200,000	1,000	1,200,000	22 September 2016	3 years	22 September 2019	4.85
Unsecured debtentures No. 3/2016 tranch 2	1,200,000	1,000	1,200,000	22 September 2016	4 years	22 September 2020	5.30
Unsecured debtentures No. 2/2017 tranch 1	428,300	1,000	428,300	7 July 2017	2 years	7 July 2019	5.00
Unsecured debtentures No. 2/2017 tranch 2	724,400	1,000	724,400	7 July 2017	3 years 9 months	7 April 2021	5.70
Unsecured debtentures No. 3/2017	1,509,600	1,000	1,509,600	22 September 2017	4 years	22 September 2021	5.90
Unsecured debtentures No. 4/2017	1,195,700	1,000	1,195,700	30 November 2017	4 years	30 November 2021	5.90
Unsecured debtentures No. 1/2018	1,034,500	1,000	1,034,500	27 April 2018	3 years	27 April 2021	5.75
Unsecured debtentures No. 2/2018	2,069,400	1,000	2,069,400	19 July 2018	3 years	19 July 2021	Year 1-2 5.75 Year 3 6.25
Unsecured debtentures No. 3/2018	1,819,900	1,000	1,819,900	22 August 2018	3 years 6 month	22 February 2022	6.00
Unsecured debtentures No. 4/2018	1,789,100	1,000	1,789,100	7 December 2018	3 years 6 month	7 June 2022	6.00
<b>GRAND</b>							
Unsecured debtentures No. 1/2016	700,000	1,000	700,000	17 February 2016	2 years 11 months 28 days	14 February 2019	5.70
Unsecured debtentures No. 3/2016	200,000	1,000	200,000	27 May 2016	2 years 11 months 23 days	20 May 2019	5.35
Unsecured debtentures No. 1/2017	261,000	1,000	261,000	26 January 2017	2 years 11 months 28 days	23 January 2020	5.35
Unsecured debtentures No. 2/2017	380,000	1,000	380,000	5 April 2017	2 years 6 months	5 October 2019	5.75
Unsecured debtentures No. 3/2017	491,700	1,000	491,700	22 June 2017	3 years	22 June 2020	5.95
Unsecured debtentures No. 4/2017	467,900	1,000	467,900	19 October 2017	3 years	19 October 2020	6.25
Unsecured debtentures No. 1/2018	423,500	1,000	423,500	16 March 2018	2 years	16 March 2020	6.00
Unsecured debtentures No. 2/2018	1,000,000	1,000	1,000,000	21 June 2018	3 years	21 June 2021	6.25
Unsecured debtentures No. 3/2018	1,344,200	1,000	1,344,200	1 November 2018	3 years	1 November 2021	6.25

The debtenture agreements contain several covenants which, among other things, require the Group to maintain interest bearing debt to equity ratio at the rate prescribed in the agreements.

Interest rates of The Group' debtentures are at fixed rate. The effective interest rates at the statement of financial position date were at 4.85% - 6.25% per annum (2017: 5.20% - 6.25% per annum).

The fair value of debtentures are disclosed to their carrying amount as the impact of discounting is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.93% - 6.01% per annum (2017: 4.20% - 6.17% per annum) and are within level 2 of the fair value hierarchy.



Maturity of debentures is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Later than 1 year but over 2 years	5,641,533	4,619,398	5,641,533	4,619,398
Later than 2 years but over 5 years	14,064,553	11,545,693	10,094,607	9,052,511
	<b>19,706,086</b>	<b>16,165,091</b>	<b>15,736,140</b>	<b>13,671,909</b>

## 28. Subordinated perpetual debentures

On 16 November 2018, the Company issued Baht 60 million (comprising 60,300 units of Baht 1,000 each) of subordinated perpetual debentures (“the debentures”) to institutional investors and high net worth investors.

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 three 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 five 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 five years government bond yields will be adjusted every five years.

The Company has issuance debenture expense amounting to Baht 4 million after deduction with tax benefit.

The Company recorded the expense as ordinary — shares discount

The movement of subordinated perpetual debentures for the year ended 31 December 2018 as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Opening book amount	447,700
Additions	60,300
<b>Closing book amount</b>	<b>508,000</b>

## 29. Long-term borrowings from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current</b>				
Current portion of long-term borrowings				
from financial institutions	1,327,175	1,013,350	974,861	-
<u>Less</u> Front end fees	(375)	(375)	-	-
Total current portion of long-term borrowings from financial institutions	1,326,800	1,012,975	974,861	-
<b>Non-current</b>				
Long-term borrowings from financial institutions	7,107,810	4,563,209	3,342,854	3,411,711
<u>Less</u> Front end fees	(38,974)	(3,155)	(27,239)	-
Total non-current portion of long-term borrowings from financial institutions	7,068,836	4,560,054	3,315,615	3,411,711
<b>Total long-term borrowings from financial institutions</b>	<b>8,395,636</b>	<b>5,573,029</b>	<b>4,290,476</b>	<b>3,411,711</b>

The movement of long-term borrowings from financial institutions for the year ended 31 December 2018 as follows:

(Unit: Thousand Baht)

	Consolidated financial statement	Separate financial statement
Opening book amount	5,573,029	3,411,711
Proceed from long-term borrowings from financial institutions	10,465,212	5,581,588
Repayments for long-term borrowings from financial institutions	(7,606,359)	(4,675,157)
Amortisation of front end fees of borrowings from financial institutions	(35,819)	(27,239)
Exchange differences	(427)	(427)
<b>Closing book amount</b>	<b>8,395,636</b>	<b>4,290,476</b>

The borrowing agreements contain several covenants which, among other things, require the Group to maintain net debt-to-equity ratio at the rates prescribed in the agreements.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Fixed rates	3,049,168	1,602,944	1,630,326	1,056,474
Floating rates	5,346,468	3,970,085	2,660,150	2,355,237
<b>Total borrowings</b>	<b>8,395,636</b>	<b>5,573,029</b>	<b>4,290,476</b>	<b>3,411,711</b>

The interest rate of long-term borrowings from financial institutions at the statement of financial position date were at 5.87% - 6.25% per annum (2017: 6.25% - 8.78% per annum).

The fair value of current borrowings are closed to their carrying amount as the impact of discounting is not significant.

The fair values are based on discounted cash flow using a discount rate based upon the borrowing rate and are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Between 1 year and 2 years	1,568,501	1,024,726	988,575	710,536
Between 2 years and 5 years	4,775,797	3,535,328	2,327,040	2,701,175
Over 5 years	724,538	-	-	-
	<b>7,068,836</b>	<b>4,560,054</b>	<b>3,315,615</b>	<b>3,411,711</b>

#### Credit facility

The Group has the following undrawn committed borrowing facilities:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Floating rate</b>				
• expiring within 1 year	449,867	456,156	57,588	-
• expiring over than 1 year	8,227,304	4,465,741	4,354,431	2,824,706
<b>Fixed rate</b>				
• expiring within 1 year	108,762	950,000	108,762	-
• expiring over than 1 year	342,613	644,558	342,613	644,558
<b>Total</b>	<b>9,128,546</b>	<b>6,516,455</b>	<b>4,863,394</b>	<b>3,469,264</b>

The Group has pledged land with structures thereon to secure credit facility and long-term borrowings from its financial institutions.

### 30. Employee benefit obligations

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Statement of financial position:				
Retirement benefits	334,255	256,003	113,956	110,825
Liability in the statement of financial position	334,255	256,003	113,956	110,825
Profit or loss charge included in operating profit for:				
Retirement benefits	40,230	33,820	12,216	13,255
	40,230	33,820	12,216	13,255
Remeasurement for:				
Retirement benefits	-	28,861	-	26,841
	-	<b>28,861</b>	-	<b>26,841</b>

The movement in the defined benefit obligation over the year is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
As at 1 January	256,003	257,471	110,825	126,415
Acquisition of subsidiary (Note 39)	59,181	-	-	-
Current service cost	31,600	25,400	9,253	9,484
Past service cost	1,254	1,193	-	-
Interest expense/ (income)	7,376	7,227	2,963	3,771
	355,414	291,291	123,041	139,670
Remeasurements:				
(Gain) loss from change in demographic assumptions	-	(12,830)	-	(8,379)
(Gain) loss from change in financial assumptions	-	(11,318)	-	(8,207)
Experience (gain) loss	-	(4,393)	-	(10,255)
	-	(28,541)	-	(26,841)
Payment from plan:				
Benefit payment	(21,159)	(6,747)	(9,085)	(2,004)
<b>As at 31 december</b>	<b>334,255</b>	<b>256,003</b>	<b>113,956</b>	<b>110,825</b>

The principal actuarial assumptions used were as follows:

(Unit:Percentage)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	1.20-3.95	2.00-3.30	2.90	2.90
Salary growth rate	5.00-7.00	5.00-7.00	5.00-6.00	5.00-6.00

Sensitivity analysis for each significant assumption used is as follows:

	Impact on defined benefit obligations		Change in assumption			
			Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
Discount rate	by 1.00%	by 1.00%	(31,810)	(17,300)	27,472	21,655
Salary growth rate	by 1.00%	by 1.00%	20,305	18,936	(22,945)	(17,634)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

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

## 31. Other income

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Management income	71,815	200	17,665	13,318
Gains on sales of rights in land purchases	722	104,797	722	104,797
Gains on sales of investment in a joint venture	-	107,006	-	103,368
Gain associated with the loss of control in subsidiary	-	8,747	-	-
Interest income	121,449	82,413	360,358	333,310
Dividend income	140	6,485	19,483	206,485
Income from cancellation	59,220	17,460	13,009	11,676
Others	314,247	225,431	150,365	108,794
<b>Total</b>	<b>567,593</b>	<b>552,539</b>	<b>561,602</b>	<b>881,748</b>

## 32. Expense by nature

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Project development costs	11,063,664	6,374,440	7,525,405	3,608,563
Employee benefit expense	1,822,496	1,484,218	404,073	389,359
Depreciation and amortisation	636,157	758,752	35,921	34,364
Marketing expense	639,514	625,892	299,179	315,799
Rental and service expense from operating leases	544,275	787,342	242,400	349,290
Administrative expense	1,248,949	254,043	201,582	176,905
Special business tax and transfer fees	689,938	529,527	454,882	313,410
Interest expense	1,740,724	1,594,169	1,364,966	1,300,402

## 33. Income taxes

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current tax:				
Current tax on profits for the year	571,155	360,982	350,697	124,112
Income tax directly related to shareholders' equity	8,608	9,854	8,608	9,854
Adjustments in respect of prior year	5,306	122	-	-
<b>Total current tax</b>	<b>585,069</b>	<b>370,958</b>	<b>359,305</b>	<b>133,966</b>
Deferred tax:				
Increase (decrease) in deferred tax assets (Note 24)	(191,700)	19,633	4,714	(3,741)
Increase (decrease) in deferred tax liabilities (Note 24)	(64,191)	(170,136)	(1,651)	20,238
<b>Total deferred tax</b>	<b>(255,891)</b>	<b>(150,503)</b>	<b>3,063</b>	<b>16,497</b>
<b>Income tax expense</b>	<b>329,178</b>	<b>220,455</b>	<b>362,368</b>	<b>150,463</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit before tax	1,022,692	695,003	1,559,934	939,036
Tax calculated at a tax rate of 20% (2017: 20%)	204,538	139,001	311,987	187,807
Adjustment in respect of prior year	5,306	122	-	-
Tax effect of:				
Joint ventures' results reported net of tax	20,536	-	-	-
Income subject to tax	39,355	26,430	37,668	13,628
Income not subject to tax	(51,308)	(4,113)	(3,897)	(41,297)
Expenses not deductible for tax purpose	68,205	46,666	25,396	18,813
Taxable expenditure	(25,704)	-	(8,786)	-
Effect of tax temporary difference	(5,393)	40,971	-	(5,368)
Tax losses for which no deferred income tax asset was recognised	(2,237)	(88,697)	-	-
Tax losses for which no deferred income tax asset was recognised	44,835	118,126	-	-
Difference in overseas tax rate	31,045	(35,349)	-	-
Others	-	(22,702)	-	(23,120)
<b>Income tax</b>	<b>329,178</b>	<b>220,455</b>	<b>362,368</b>	<b>150,463</b>

The tax credit relating to component of other comprehensive income is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2018			2017		
	Before tax	Tax credit	After tax	Before tax	Tax credit	After tax
Fair value gains:						
Available-for-sale financial asset	(10,471)	2,095	(8,376)	(4,532)	906	(3,626)

(Unit: Thousand Baht)

	Separate financial statements					
	2018			2017		
	Before tax	Tax credit	After tax	Before tax	Tax credit	After tax
Fair value gains:						
Available-for-sale financial asset	(818)	164	(654)	(4,532)	906	(3,626)



### 34. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net profit for the year attributable to ordinary shareholders of the Company (Thousand Baht)	548,654	443,035	1,197,564	788,573
<u>Less</u> Cumulative interest for the year on subordinated perpetual debenture	(34,440)	(23,212)	(34,440)	(23,212)
Profit used in calculations of earnings per share	514,214	419,823	1,163,124	765,361
Weighted average number of ordinary shares outstanding (shares)	8,667,826	8,537,415	8,667,826	8,537,415
<b>Basic earnings per share (Baht per share)</b>	<b>0.0593</b>	<b>0.0492</b>	<b>0.1342</b>	<b>0.0896</b>

There are no potential dilutive ordinary shares in issue for the year 2018 and 2017.

### 35. Share capital

	Par value Baht	Number of authorised ordinary shares shares	Number of issued and paid-up ordinary shares	Issued and paid-up ordinary shares Thousand Baht
At 1 January 2018	1.00	9,000,000,000	8,667,826,432	8,667,826
Issue of shares	1.00	-	-	-
Stock dividends	1.00	-	-	-
<b>At 31 December 2018</b>	<b>1.00</b>	<b>9,000,000,000</b>	<b>8,667,826,432</b>	<b>8,667,826</b>

### 36. Legal reserve

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Opening book amount	334,600	300,600	334,600	300,600
Appropriation during the year	60,000	34,000	60,000	34,000
<b>Closing book amount</b>	<b>394,600</b>	<b>334,600</b>	<b>394,600</b>	<b>334,600</b>

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

## 37. Dividends paid

At the Annual General Meeting held on 26 April 2018, the shareholders approved the payment of annual dividends in respect of the net profit for the year of 2017 which was paid by cash at Baht 0.05 per share, totalling 433,378,191 Baht. The Company paid the dividends on 25 May 2018.

## 38. Commitments and contingent liabilities

### 38.1) Capital expenditure commitments

Capital expenditure contracted as at the statement of financial position date but not recognised in the financial statements are as follows:

*(Unit: Thousand Baht)*

	Consolidated financial statements				Separate financial statements	
	2018		2017		2018	2017
Capital expenditure for cost of real estate development	2,746,361	6,419,646	2,353,356	157,030	753,477	681,697
Capital expenditure for property, plant and equipment	3,142,392	-	2,706,389	-	1,986,394	1,771,404
<b>Total</b>	<b>5,888,753</b>	<b>6,419,646</b>	<b>5,059,745</b>	<b>157,030</b>	<b>2,739,871</b>	<b>2,453,101</b>

The Group has outstanding capital expenditure commitments 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.

### 38.2) Operating lease commitments

The Group has entered into operating lease agreements in respect of the lease of land, condominium, vehicles, advertising board, and various services. The Group has future minimum lease payments required under these non-cancellable operating lease was as follows:

*(Unit: Thousand Baht)*

	Consolidated financial statements				Separate financial statements	
	2018		2017		2018	2017
Not later than 1 year	317,615	1,464	311,977	912	94,816	87,300
Later than 1 year but over 5 years	1,091,160	2,065	1,001,868	912	272,751	196,787
Over 5 years	5,533,860	-	5,817,332	41	2,188,753	2,270,904
<b>Total</b>	<b>6,942,635</b>	<b>3,529</b>	<b>7,131,177</b>	<b>1,865</b>	<b>2,556,320</b>	<b>2,554,991</b>

### 38.3) Long-term service commitments

*(Unit: Thousand Baht)*

	Consolidated financial statements	
	2018	2017
Not later than 1 year	29,098	28,351
Later than 1 year but over 5 years	22,862	15,910
<b>Total</b>	<b>51,960</b>	<b>44,261</b>

### 38.4) Guarantees

The Group has bank guarantees issued by the banks on behalf the Company and its subsidiaries as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Public facilities	1,797,308	1,359,912	1,177,869	946,268

### 38.5) Significant litigations

As at 31 December 2018, outstanding significant litigations were changed from the disclosure in noted to financial statement as at 31 December 2017 as detailed below:

a) The Company was sued by the group of residents of the one and the same project in respect of a project's entrance through the land of the State Railway of Thailand. 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 the secondary access road, leading to the New Bangkok-Chonburi Expressway (Motorway) which was an additional route to the access into the project plans. However, the residents want the Company to arrange that road to be the legal access route by requesting the the Company to make the rental contract with the State Railway of Thailand and requesting the Company to register rights of servitude on land.

The above case was sued since 2015 by the group of 8 residents for damages approximately Baht 154 million as disclosed in the financial statements for the year ended 31 December 2017, no.39.5 (e). In May 2017, another group of residents sued for damages approximately Baht 44 million as disclosed in the financial statements for the year ended 31 December 2017, no 39.5 (f). Later on, in December 2017, the additional group of residents sued for and the Company received the complaints on February 2018, totalling 261 cases combined into one case. The total damaged claim is approximately Baht 2,600 million which the amount is higher than the prices of the land and houses they bought from the Company.

The defendant has already submitted a new testimony. In June 2017, the Civil Court made a judgement to the case of a first group of 8 residents sued the Company in 2015 and ordered the Company to register rights of servitude on land of the Company connected with the expressway. The Company filed an appeal against the judgment of the Civil Court. On 19 October 2018, the Civil Court read the judgement from the Court of Appeal dated 29 August 2018 of the case relating to the same case of project's to exit to the public road. This case has a total damages claim of approximately Baht 154 million. The Court of Appeal dismissed the plaintiffs' claim since no damages to the plaintiffs and the defendant did not breach the contract. As a result, the Company did not get any damages from the case. The case is a consumer protection case which is considered the highest case in the appeal.

However, in August 2018, in order to allow the residents to legally pass through entrance; the management made the land lease contract with the State Railway of Thailand for a project's access to public road. The land lease contract is 30 years with period from 1 October 2007 to 30 September 2037. The lum sum rental is recorded as part of cost of sales of land and houses in the statement of comprehensive income that made the case has no issues for damages as all plaintiffs sued. The case is under consideration by the Civil Court. For the other residents, the Company is in the process of mediation of Civil Court. The Company has not yet set provision for losses from this case.

b) In April 2018, the Company was sued from a group of residents of another project of 173 people and 162 people about the project's entrance which the Company has entitled its partial area with claims totaling for damage of Baht 450 million and Baht 340 million. Currently the case is in the Civil Court. Management of the Company has an opinion that the residents did not suffer from the damages in the amounts they claimed. The Company has therefore not set aside provision for losses resulting from the litigation.

c) In the second quarter of 2018, one of the subsidiaries was sued by other company as a pco-defendant relating to servitude and requested to cancellation of juristic act. They claimed for compensation in the total of Baht 15 million, which currently the Civil Court is considering this case. The management of the Company believes that the Company will not incur significant losses as a result of the case.

d) In 2018 one of subsidiaries was sued by residents and project management, 4 cases. In issue of breach of the sale contract and requesting of pay the debt by totaling of Baht 16 million. Currently, the case is under Civil Court. Management believes that the Company will not have damage and incur significant losses as a result of the case.

### 39. Business combination

On 23 April 2018, GRAND acquired 22,500,000 ordinary shares from an existing shareholder, equivalent to 24.00% of total issued and paid-up share capital of Royal Orchid Hotel which is a listed company on the Stock Exchange of Thailand, at the price of 41 Baht per share, totalling to 922,500,000 Baht.

On 25 April 2018, GRAND acquired 41,250,235 ordinary shares, equivalent to 44.00% of total issued and paid-up share capital of Royal Orchid Hotel which is a listed company on the Stock Exchange of Thailand at the price of 35 Baht per share for a total consideration of 1,443,758,225 Baht. As a result, GRAND held the total of 63,750,235 ordinary shares, representing 68.00% of total issued and paid-up share capital of Royal Orchid Hotel with a total consideration of 2,366,258,225 Baht. In accordance with the Notification of the Capital Market Supervisory Board No. Thor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 and relevant amendments, GRAND had to make a mandatory tender offer for all remaining ordinary shares from 8 May 2018 to 10 July 2018.

On 25 April 2018, GRAND invested in 68.00% of Royal Orchid Hotel's ordinary shares, and the Board of Directors of the Group became the majority of the Board of Directors of Royal Orchid Hotel. Thus, GRAND considered 25 April 2018 to be the day that it had control over Royal Orchid Hotel. At the end of the tender offer period, GRAND held the subsidiary's shares at a proportion of 98.48%, totalling Baht 3,537,661,148. The tender offer is a continuous process when GRAND has become a major shareholder and has had control over the subsidiary on 25 April 2018.

GRAND has measured fair value of assets and liabilities acquired which was performed by an independent and expert appraiser. The acquired net assets are recorded at their fair value on the date of acquisition. The difference between consideration transferred and fair value of the net assets will be presented as gain on bargain purchase. The following table summarises the consideration paid for Royal Orchid Hotel, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

**Consideration**

	Thousand Baht
Cash	2,366,258
Share subscription payable for investment in a subsidiary	1,171,403
<b>Total consideration transferred</b>	<b>3,537,661</b>
Acquisition-related costs (included in administrative expenses in the profit or loss of consolidated financial statements for the year ended 31 December 2018)	1,596

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Thousand Baht
Cash and cash equivalents	31,418
Short-term investments	430,000
Trade and other receivables	64,498
Inventories	3,275
Property, plant and equipment	4,246,191
Intangible assets	7,089
Deferred tax assets	18,699
Other assets	20,334
Trade and other payables	(162,889)
Income tax payable	(1,928)
Employee benefit obligations	(59,181)
Deferred tax liabilities (1)	(744,071)
Other liabilities	(16,385)
<b>Total identifiable net assets</b>	<b>3,837,050</b>
Non-controlling interest	(63,996)
Gain on bargain purchase	(235,393)
<b>Total</b>	<b>3,537,661</b>

<sup>(1)</sup> Deferred tax liabilities occurred from measured fair value of assets at the acquisition date

**Non-controlling interests**

The Group has chosen to recognise the non-controlling interest at the NCI's proportionate shares of the acquiree's identifiable net assets for this acquisition.

**Revenue and profit**

The acquired Royal Orchid Hotel contributed the revenue and profit included in the consolidated statement of comprehensive income for the Company from 25 April 2018 to 31 December 2018 amounting to Baht 599.46 million and Baht 78.92 million, respectively.

Had Royal Orchid Hotel been consolidated from 1 January 2018, the consolidated statement of income for the period ended 31 December 2018 would show revenue of Baht 943.52 million and income of Baht 141.75 million.

**40. Related party transactions**

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

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

On 5 March, 7 March and 16 August 2018, the Company incorporated PFHKL1 Co., Ltd., PFHKL2 Co., Ltd. and PFHKL 3 Co., Ltd., respectively. After that on 26 September 2018, the Company sold all 3 companies' shares to HKL Perfect Co., Ltd. which is a Company's joint venture which incorporated on 17 May 2018. Transactions related to the 4 companies are considered to be related party transaction from date of registration onwards.

On 25 April 2018, the Group invested in 68% of Royal Orchid Hotel's shares, and the Board of Directors of the Group became the majority of the Board of Directors of that company. At the end of the tender offer period, the Group held the subsidiary's shares at a proportion of 98.48%. The tender offer is a continuous process when the Group has become a major shareholder and has had control over the subsidiaries. Transactions related to these companies are considered to be related party transactions from 25 April 2018 onwards.

On 15 June 2018, the Company entered into a joint venture with Sekisui Chemical Company Limited establishing PF-Sekisui JV Company Limited in order to engage in property investment and development. Transactions related to this company is considered to be related party transaction from date of registration onwards. Transactions related to are considered to be related party transactions from 15 June 2018 onwards.

Grand River Forest Company Limited registered its incorporation with the Ministry of Commerce on 6 July 2018. The Group holds 51%ownership interest. GRAND holds 42%ownership interest, the Company holds 9% ownership interest and Sumitomo Forestry Singapore Ltd. holds 49%ownership interest. Transactions related to this company is considered to be related party transactions from 6 July 2018 onwards.

The following material transactions were carried out with related parties:

#### 40.1) Income

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Revenue from sales of land	-	-	362,913	2,624
Interest income	-	-	288,190	291,494
Management income	-	-	-	13,118
Other income	-	-	3,821	3,210
<b>Joint ventures</b>				
Revenue from sales of land	1,181,267	-	2,369,416	-
Management income	69,388	-	15,238	-
Interest income	54,619	10,425	23,427	-
Other income	40,276	-	40,276	-

## 40.2) Purchases of goods and services

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Subsidiaries</b>				
Cost of sales of land	-	-	299,644	8,715
Cost of sales of margin	-	-	278,802	142,862
Operating expenses	-	-	2,470	1,188
Interest expenses	-	-	13,092	20,636
Cost of house construction	-	-	438,493	144,003
<b>Joint ventures</b>				
Cost of sales of land	591,767	-	1,312,919	-
Consultation fee	2,568	2,568	2,568	2,568
<b>Other related party</b>				
Cost of house construction	104,458	36,918	81,592	36,918

## 40.3) Trade and other receivables - related parties

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries	-	-	250,454	183,164
Joint ventures	43,516	-	13,187	-
Other related parties	20,984	128,793	2	783
<b>Total</b>	<b>64,500</b>	<b>128,793</b>	<b>263,643</b>	<b>183,947</b>

## 40.4) Advance payment to contractors - related parties

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries	-	-	1,319	162
Other related parties	2,131	3,203	2,131	3,203
<b>Total</b>	<b>2,131</b>	<b>3,203</b>	<b>3,450</b>	<b>3,365</b>

## 40.5) Guarantee for lease agreement - real estate investment trust

(Unit:Thousand Baht)

	Consolidated financial statements	
	2018	2017
Other related parties	88,000	-
<b>Total</b>	<b>88,000</b>	<b>-</b>

## 40.6) Trade and other payables - related parties

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries	-	-	45,359	13,967
Other related parties	30,152	38,902	10,737	2,609
<b>Total</b>	<b>30,152</b>	<b>38,902</b>	<b>56,096</b>	<b>16,576</b>



## 40.7) Short-term borrowings to related parties

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Joint ventures	1,004,700	440,528	689,700	-
<b>Total</b>	<b>1,004,700</b>	<b>440,528</b>	<b>689,700</b>	<b>-</b>

(Unit:Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Joint ventures</b>		
Opening book amount	440,528	-
Proceeds from borrowings	1,734,000	1,419,000
Payments for borrowings	(1,169,828)	(729,300)
<b>Closing book amount</b>	<b>1,004,700</b>	<b>689,700</b>

Short-term borrowings to related parties are borrowings without collateral.

## 40.8) Long-term borrowings to related parties, net

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries	-	-	7,214,647	6,234,576
Joint ventures	280,415	159,143	-	-
<b>Total</b>	<b>280,415</b>	<b>159,143</b>	<b>7,214,647</b>	<b>6,234,576</b>

(Unit:Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Subsidiaries</b>		
Opening book amount	-	6,234,576
Proceeds from borrowings	-	2,553,896
Payments for borrowings	-	(1,557,610)
<u>Less</u> Front end fees	-	(16,687)
Amortisation of front end fees of borrowings from financial institutions	-	71
Exchange differences	-	401
<b>Closing book amount</b>	<b>-</b>	<b>7,214,647</b>
<b>Joint ventures</b>		
Opening book amount	159,143	-
Proceeds from borrowings	180,000	-
Share of loss from investment in joint ventures (Note 7)	(57,067)	-
<b>Closing book amount</b>	<b>282,076</b>	<b>-</b>

Long-term borrowings to related parties are borrowings without collateral

## 40.9) Short-term borrowings from related parties

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries	-	-	78,045	284,086
<b>Total</b>	<b>-</b>	<b>-</b>	<b>78,045</b>	<b>284,086</b>

(Unit:Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Subsidiaries</b>		
Opening book amount	-	284,086
Proceed from borrowings	-	31,187
Payments for borrowings	-	(237,228)
<b>Closing book amount</b>	<b>-</b>	<b>78,045</b>

Short-term borrowings from related parties are borrowings without collateral

## 40.10) Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management is shown below:

(Unit:Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries and other short-term				
employee benefits	206,083	201,158	84,994	75,363
Post-employment benefits	5,750	4,510	1,924	3,124
<b>Total</b>	<b>211,833</b>	<b>205,668</b>	<b>86,918</b>	<b>78,487</b>

## 41. Events occurring after the reporting date

### 41.1) Debenture issuance approval

On 18 February 2019, GRAND had issued Thai Baht debentures no.1/2019 which is named-registered, unsubordinated, unsecured and with representative holders at valued Baht 1,489.40 million. Debenture bears a fixed interest rate at 6.25% per annum in which interest is payable every three-month. Term of debenture is three - year from the issuances date and dues on 18 February 2022. The Company intended to use the proceeds from these issuances for repayment of their current portion of liabilities and debentures include of investing in business operation and/or working capital.

### 41.2) Dividend approval

On 15 February 2019, the Board of Directors meeting of Royal Orchid Hotel (Thailand) Public Company Limited., a subsidiary passed a resolution to propose the dividend in respect of the 2018 performance to subsidiary's shareholders at Baht 1.3769 per share, approximately of Baht 129.08 million.

On 20 February 2019, the Board of Directors meeting of Grande Asset Hotels and Property Public Company Limited., a subsidiary passed a resolution to propose the dividend in respect of the 2018 performance to subsidiary's shareholders at Baht 0.025 per share, approximately of Baht 90.40 million.

On 26 February 2019, the Company's Board of Directors meeting passed a resolution to propose the dividend in respect of the 2018 performance to the Company's shareholders at Baht 0.066 per share, approximately of Baht 572.08 million.

#### **41.3) Registration of a subsidiary**

On 24 January 2019, the Board of Directors' Meeting No. 1/2562 of the Company resolved to establish subsidiaries are as follows

PF Forestry Company Limited registered on 14 February 2019. To investment in other companies and property development. Registered capital of 15,000,000 Baht. 150,000 ordinary shares with a par value of Baht 100 per share, fully paid up. The Company holds in proportion of 100%.

PFS1 Company Limited registered on 14 February 2019. To investment and property development. Registered capital of 5,000,000 Baht. 50,000 ordinary shares with a par value of Baht 100 per share , fully paid up. PF Forestry Company Limited holds in proportion of 100%.

PFS2 Company Limited registered on 14 February 2019. To investment and property development. Registered capital of 5,000,000 Baht. 50,000 ordinary shares with a par value of Baht 100 per share , fully paid up. PF Forestry Company Limited holds in proportion of 100%.

#### **41.4) Increase in share capital of a subsidiary**

On 20 February 2019, the Company purchased shares of Perfect Prefab Company Limited from Center of Standard Precast Company Limited according to a resolution of Board of Directors' Meeting No. 1/2562 on 24 January 2019, the Company holds 100% of shares in Perfect Prefab Company Limited.

#### **41.5) Expired of leasehold rights**

On 31 January 2019, Leasehold rights of Pacific estate development Company Limited which is a subsidiaries of Thai property Public Company Limited was expired. The building rights of One Pacific Place and Two Pacific Place which were the main business of the Company. The rights transferred to lessor.

#### **41.6) Litigation**

A subsidiary was sued by 2 property management and parties related to breach of contracts, description of common property and comply contract with a total amount of Baht 1,200 million, approximately. Currently, the case is being considered by the Civil Court.

## THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTS

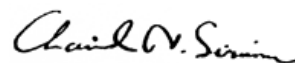
Property Perfect Public Company Limited's and subsidiaries' financial statements are prepared in compliance with accounting standard stipulated in the Accounting Professions Act B.E.2547, presented in accordance with the requirements in the Department of Business Development's announcement on 14 September 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.Thanong Bidaya)  
Chairman



(Mr.Chainid Adhyanasakul)  
Chief Executive Officer

# AUDIT COMMITTEE REPORT

## To all shareholders

Property Perfect Public Company Limited's Audit Committee, consisting of 3 independent directors - Mr.Banlue Chantadisai, Mrs.Nuanual Swasdikula Na Ayudhya and Mr.Manit Suthaporn, had completed its assignments 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 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.

In 2018, The Audit Committee convened 7 meetings with Mr.Banlue Chantadisai, Mrs.Nuanual Swasdikula Na Ayudhya attended 7 meetings and Mr.Manit Suthaporn attended 6 meetings. The meeting minutes were submitted to the Board of Directors on a quarterly basis and the committee's performance was evaluated on an annual basis. The Audit Committee's performance is summarized as follows:

### 1. Financial statements audit

The Audit Committee reviewed the audited quarterly and annual financial statements for 2018 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 on an annual basis. The Audit Committee reviewed the Internal Audit Office's mission, scope of work and responsibilities, independence, 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 2019**

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.



(Mr.Banlue Chantadisai)  
Chairman of Audit Committee  
26 February 2019

## AUDITOR FEE

**ACCURACY SANCTIFICATION FORM**

The Fiscal Year End on 31 December 2018

**Audit fee**

Item	Payer	Auditor	Fee
1	Property Perfect Public Company Limited	Pricewaterhouse Coopers ABAS Limited	2,800,000
2	Subsidiaries	Pricewaterhouse Coopers ABAS Limited	10,230,000
3	Joint Venture	Pricewaterhouse Coopers ABAS Limited	1,810,000
<b>Audit fee</b>			<b>14,840,000</b>

**Non-audit fee**

Item	Payer	Non-audit service	Auditor	Fee
1	Property Perfect Public Company Limited	Consultant	Pricewaterhouse Coopers ABAS Limited.	4,500,000
<b>Non-audit fee</b>				<b>4,500,000</b>



