



Delivering today Inspiring tomorrow

Annual Report
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Group Vision of Raimon Land



The Group Vision is a commitment to both ourselves and to our customers and community. By committing ourselves to the Group Vision, we will be able to identify our mission and focus on what is really important to all stakeholders. Our core values are our spirit towards achieving our mission and represent the value that all members of Raimon Land should uphold.

Vision “Building Better Lives”

Development

Provide homeowners satisfaction with award-winning quality development in terms of design and function

Portfolio assets

Provide tenants with top-notch space under the company's portfolio of investment assets

After-sales Services

Provide smooth homeownership and tenancy experience by delivering excellent property management and after-sales services

Core Values

Commitment to Community

- Strive to become an exemplary member of the community and look to improve quality of life and education of local community
- Emphasize on environment sustainability

Commitment to Customers

- Always creates products and services that truly meet and exceed customers' expectations
- Continuously look to improve the quality of construction, project planning, and property management
- Reasonable product pricing while maintaining maximum returns to stakeholders

Commitment to Staff

- Provide staff with sustainable working environment
- Provide staff with equal opportunity to grow within and support every initiative that would create loyalty toward organization

Commitment to Shareholders

- Manage the business with utmost fairness, transparency and honesty to all stakeholders
- Maintain and improve financial strength of the Company with an aim to enlarge market share and subsequent profits in order to maximize shareholders' values

Message From Chairman

Dear Stakeholders

The year 2017 was one of learning and another exciting shift of Raimon Land. Taking a conservative view in the past few years resulted in a long gap between each new project and lower transfer revenue in late 2017. The situation will continue throughout the first half of 2018 before the Lofts Asoke is ready to be transferred by end of the year. As a result, we have revised our strategy by adding porting of recurring income into a revenue portfolio, which targets 10-20% of total future revenue. This should stabilize and give higher flexibility to our operations. In 2017, the vision was materialized. We started a grade-A office rental project on Ploenchit Road which will provide stable income to the Company from 2021 onwards. The Company's vision remains to be a medium-size corporation providing the best residential projects in Bangkok and tourist destinations, as well as providing grade-A modern office rental space for leading Thai and international corporations.

The year 2017 was also the year we saw results from past successful projects. We have closed sales of the Lofts Ekkamai⁽¹⁾, with a total project value of over THB 2,200 mn and Zire Wongamat⁽¹⁾, the condominium project in South Pattaya, with a total project value of over THB 3,100 mn. The Company also continued to recognize revenue from other ready-to-transfer projects throughout the year. At the beginning of 2018, the Company had inventory value of THB 5,235 mn, of which, THB 2,924 mn was ready-to-transfer and recognized revenue. The Company had a policy to cash out this group of inventories within 2018 for new project developments. For future projects, two plots of land in CBD were secured and are being launched later in 2018 as luxury condominium projects, total worth of approximately THB 9 bn. Funding of the projects is planned to be loaned from financial institutions and internal cash. The Company maintains our debt policy by limiting D/E ratio⁽²⁾ at below 1.5 times.

For corporate governance in 2017, the Company was assessed corporate governance practices by the Thai Institute of Directors Association in collaboration with the Stock Exchange of Thailand and was awarded CG rating at 4 stars "very good" (full score at 5 stars), which improved from 2016 at 3 stars "good". We took pride in the recognition and that will fuel us to make the best contribution to the next CG rating at 5 stars and the Company's future growth. The Company won "Property Development Company of the Year" at the 2017 Frost & Sullivan Thailand Excellence Awards. The award recognized the Company's excellence in several key areas such as combining technological prowess in our construction methodologies (for example, in building automation in the Lofts Asoke project); caring for environment sustainability (for example, in using a "condenser water air conditioning system" to reduce electrical consumption, using "recycled grey water" from units for landscape irrigation in common areas and installing a salt-water swimming pool in our projects for our customers' health and reducing chemical usage).

On behalf of the Board of Directors, I wish to extend my sincerest gratitude to all shareholders, customers and all stakeholders for your confidence and support given to Raimon Land throughout these years. I would like to thank the management and all the employees for your contributions to Raimon Land and our valued customers. Every mentioned units are strengthening Raimon Land's growth and sustainability. We hope to continue being supported by all of you in the future.

⁽¹⁾ Transfer in 1Q18

⁽²⁾ calculated from interest-bearing debt net of cash and cash equivalents



IN 2017,
THE COMPANY
WAS AWARDED
CG RATING
AT 4 STARS
"VERY GOOD"
FROM
THE THAI IOD
AND SET

Mr. Pradit Phataraprasit
Chairman of the Board of Directors

Message From CEO

Dear Stakeholders

We can say that 2017 was another exciting and challenging year for Raimon Land. Following the diversification strategy set by the Board of Director in 2016, we have been focusing on two key areas which were 1) exploring new opportunities to generate more recurring income; and 2) growing and stabilizing our core residential property business. For recurring income, we started an office building project on Ploenchit road in 2016. A major progress in 2017 was the completion of building design. The design was done by SOM⁽¹⁾, the world-class architectural firm who designs numerous world-famous buildings such as “Burj Khalifa” – the world’s tallest building⁽²⁾ and “One World Trade Center” in New York City, for example. Our office building was designed under a green building concept which will consume less energy and brought a touch of nature into a city lifestyle. The total space of 115,000 sq.m., which combined 61,000 sq.m. Net Lettable Area (NLA), made it be the tallest building on Ploenchit Road. We expect the project to provide more than THB 700 mn of recurring income per year. As aiming at the best is always the working standard of Raimon Land, we targeted this building design and construction to achieve LEED Platinum rating, the highest rating for LEED-certified green buildings⁽³⁾. The rating will enable us to be the supplier of commercial office space for leading high-standard corporations, domestically and internationally.

For other recurring income business, the management was seeking and studying numerous opportunities domestically and internationally. Finally, we succeeded in partnering with “Baan Ying Group” who has been pursuing excellence in cooking for Thai people under the brand “Baan Ying” and other brands over the past twenty years. We saw the highest potential in this partnership to thrive in Singapore’s F&B market as we learn Baan Ying Group’s way of passionate cooking and serving food for people. Those include the international standard in quality control of raw material as well as the taste of every dish. We have scheduled to open restaurant branches in the first half of 2018 at a shopping complex “Royal Square @ Novena” in Singapore. The Royal Square is a new mega shopping complex which is combining with a medical center. It’s located just five minutes away from the city center and the project is expecting more than 20,000 visitors per day. We can’t wait to see the success of these two branches before we expand the business further across the ASEAN region.

The residential property business is still the core business of Raimon Land. In 2017, we launched the Lofts Silom – the third condominium in “the Lofts” series – and had sold more than 70% before the end of 2017. We have scheduled to launch another two projects in 2018, which we have plots of land for on Sukhumvit and Sathorn Road, ready in hand, worth THB 9 bn combined. Each year from

IN 2018,
WE PLAN TO
LAUNCH 2 PROJECTS,
ON SUKHUMVIT AND
SATHORN ROAD,
WORTH
THB 9 BN
COMBINED



now on, the Company plans to launch residential properties worth combined not less than THB 9 bn which will generate a revenue stream of not less than THB 5 bn per year from 2021 onward.

Although 2017 was one of the busiest years and we had lots of activities to fulfill the goal of diversification strategy set out since 2016, we reported that revenue in 2017 dropped to THB 3,016 mn from THB 5,206 mn and net profit dropped to THB 191 mn from THB 851 mn in the previous year. Those were due to the long gap between new projects launched in the past few years as we were doing our financial restructuring. However, the Company had adjusted the strategic plan as mentioned above.

At end of 2017, the Company had a total inventory of THB 5,235 mn, of which units value of THB 2,924 mn were ready to be transferred. In 2018, the Company plans to minimize and cash out the inventory and also plans to issue THB 500 mn bond to replace the tranche that will be matured in the third quarter of 2018. The raised funds will also be used for new investment and projects development. The Company has the intention to maintain D/E⁽⁴⁾ ratio at below 1.5 times.

All the success in the past year would not have happened if we didn’t receive support from all stakeholders. I would like to take this opportunity to thank all of you, including customers, partners, suppliers, regulators and Raimon Land’s management and all employees. As the leader of the management team, I will steer the wheel in the direction that ensures the next stage of growth and sustainability which aim at the shareholders’ and all the stakeholders’ returns in the future.

Mr. Lee Chye Cheng Adrian
Chief Executive Officer

⁽¹⁾ Skidmore, Owings & Merrill LLP (SOM)

⁽²⁾ As of December 2017

⁽³⁾ Leadership in Energy and Environmental Design : LEED by U.S. Green Building Council : USGBC

⁽⁴⁾ Calculated from interest bearing debt

Report of the Executive Committee

THE EXECUTIVE
COMMITTEE
CAN CONCLUDE THAT
THE COMPANY
HAD BEEN MANAGED
AND OPERATED
**UNDER FORMULATED
BUSINESS PLAN
AND BUDGET.**



Dear Stakeholders

The Executive Committee was authorized by the Board of Directors to administer and manage the Company's business, consider and formulate the Company's business strategy, business plan, annual budget, including report to the Board of Director of the business performance under current competitive environment and give recommendation to achieve the business goal. In 2017, the Executive Committee held a total of 12 meetings, attended by members with expertise and experience as below details: -

Name	Position	No. of attended meeting
1. Mr. Lee Chye Tek Lionel	Chairman of Executive Committee	12/12
2. Mr. Lee Chye Cheng Adrian	Executive Director	12/12
3. Mr. Sataporn Amornvorapak	Executive Director	11/12
4. Mr. Tan Chin Kwang Johnson ⁽¹⁾	Executive Director	0/2 ⁽¹⁾
5. Miss Shanya Sae-tia ⁽²⁾	Chief Operating Officer	6/7 ⁽²⁾

⁽¹⁾ Mr. Tan Chin Kwang Johnson resigned from Executive Committee on 8 March 2017.

⁽²⁾ Miss Shanya Sae-tia resigned from the Company on 15 August 2017

The summary of the Executive Committee's performance for the year 2017 are as follows:

Target	Performance
Pre-sales of real estate units	THB 4,061.06 mn
Transfer of real estate units	THB 2,866.26 mn
New condominium project launch	The Lofts Silom, worth of THB 3,461.46 mn
Land acquisition	Secured 2 plots of land in CBD area for condominium project
Development of office rental project	Entered into land lease agreement and completed final design of the project

From the policy set by the Board of Director to maintain growth of the core business, which was residential property for sales, and to increase portion of recurring income, the Executive Committee had considered expanding 2 new business lines which were rental property, including office and retail space, and food and beverage business. the Executive Committee set business portfolio into 3 categories as above and goals for each category in the year 2018 as follows:

For the core business, residential property for sales, the Company is targeting to launch at least 2 new projects per year. For rental property business, the target is to expand net lettable area to be 100,000 sq.m. in the future. For food and beverage business, the Company will operate and expand the business through a wholly-owned subsidiary, “Siam Spoon Co., Ltd.”, which now joint venture with Baan Ying Group setting up a joint venture company, “Baan Ying PTE Limited” registered in Singapore. In the joint venture company, the Company holds, through Siam Spoon, 51% and Baan Ying Group holds 49%. The joint venture aims to open first restaurant branch under brand “Baan Ying” in Singapore in first quarter of 2018, targeting revenue in this year of not less than THB 100 mn.

In summary, the Executive Committee had been monitoring and evaluating the Company’s performance throughout the year and can conclude that the Company had been managed and operated under formulated business plan and budget. The Company also proposed new business and material goal of the new business in accordance with the economy and the Company’s situation to stabilize revenue as well as to add value for the shareholders. Although the Executive Committee foreseen some difficulties in the year ahead, the Committee is administering and managing the business operation to ensure the Company’s growth and future success.



Mr. Lee Chye Tek Lionel
Chairman of Executive Committee



*The Lofts Asoke (draft version)

Message from Chairman of the Audit Committee

Dear Stakeholders

The Audit Committee of Raimon Land Public Company Limited (the “Committee”) was appointed according to a resolution of the Board of Directors, comprising of three Independent Directors: Dr. Siri Ganjarerndee, Chairman of the Committee; Mr. Pradit Phataraprasit; and Mr. Weidt Nuchjalearn. The Committee members are fully qualified in accordance with the various requirements and regulations (relating to Independent Directors and Audit Committee members). The Secretary to the Committee is Mr. Jakkalin Kornkul, who also serves as the Head of Internal Audit Department. The Audit Committee has carried out its duties and responsibilities in accordance with the established best practices guidelines for Audit Committees as announced by the SET, in accordance with the Company’s Audit Committee Charter, and which is assigned by the Board of Directors.

During 2017, the Audit Committee held five meetings, while up to the date of this Report there was a meeting in 2018. The number of each director’s attendance in 2017 is summarized as follows:

Name	Position Title	Number of Attendance / Number of Meetings
1. Dr. Siri Ganjarerndee	Chairman of Audit Committee (Since May 16, 2017)	5/5
2. Mr. Kitti Gajanandana	Chairman of Audit Committee (Until April 24, 2017)	2/2
3. Mr. Pradit Phataraprasit	Audit Committee Member	4/5
4. Mr. Weidt Nuchjalearn	Audit Committee Member (Since May 16, 2017)	2/2

These committee meetings were held together with the Company’s Management, External Auditors, and Head of Internal Audit Office which includes a meeting without the presence of the Company’s Management. All tasks performed in 2017 are summarized as follows.



1. Review the Financial Statements

The Audit Committee reviewed and consented the Quarterly and Annual Financial Statements 2017 of the Company and its Subsidiaries prior to propose them to the Board of Directors for consideration and approval; whereby the financial statements were considered together with Management and the External Auditors. The Audit Committee concurs with the Auditors that financial statements present fairly, in all material respects, as well as the sufficiency disclosure of notes to financial statements according to Thai Financial Reporting Standard. In addition, the Auditors have audited and issued their opinions independently with good support from the Company.

2. Review and evaluate the adequacy of the Internal Controls System and Internal Audit

Within the established framework and guidelines of the SEC and the SET as well as the review which undertaken by the Internal Audit Department, in order to assess the existing of the internal controls system of the Company and its subsidiaries, whereby a review of the internal audit reports performed by the Audit Committee, regularly on a quarterly basis. This review covers the major operating systems of the Company as well as regular monitoring that ongoing improvements are being implemented by the Management group according to the recommendations made by the Internal Audit Department. Additionally, regularly followed-up by the Committee are made on the results of the internal audit works, together with ongoing assessments to ensure that oversight of business operations and activities of the Company and its Subsidiary Companies are sufficient, appropriate and effective. The Audit Committee believes that the appropriated internal controls are in place sufficiently and effectively so that the Company’s operations and activities are in accordance with the established objectives, goals, legal requirements and regulations, as well as manage risks to an acceptable level.

3. Review Compliance with Various Laws and Regulations

The company must comply with laws and regulations according to The Securities and Exchange Commission, Stock Exchange of Thailand, and any other relevant laws relating to the Company's business as well as with any commitments and agreements made with other third parties. Audit Committee is of the opinion that there is no significant irregularity or non-compliance that may affect the Company's reputation and financial position.

4. Review of Risk Management System

The Company has Risk Management Committee having duties to implement the policy and procedure for risk assessment and risk management. The Risk Management Committee assesses risks that may impact the Company's operations and reports the result to the Board of Directors regularly on a quarterly basis.

5. Review of Connected Party Transactions and those that may involve a Conflict of Interests

In accordance with the relevant laws as well as the requirements of the SEC and the SET in regards to information disclosures of such transactions, and based on the Auditor's opinion that those transactions of any significance with connected parties have been fully disclosed in the financial statements and associated notes; thus the Audit Committee is in agreement with the Auditors and is also of the opinion that these connected transactions are considered reasonable and to the best benefit for the Company's business operations as well as have been fully disclosed as required.

6. Review of the Anti-Corruption Policy and Program

The Audit Committee assessed whether the Anti-Corruption Policy and the Anti-Corruption Program are appropriate and effective, and encourage policy implementation to effectively prevent corruption.

7. Review performance of the Internal Audit Department

Assessed the role, scope of work and activities, duties and responsibilities, degree of independence, manpower requirements, staff qualifications, and budget of the Internal Audit department, as well as reviewed the annual internal audit plans of the year 2018 together with approval of the appointment, performance evaluation, and proposed transfer or termination of the Head of the Internal Audit Department.

8. Consideration of Selecting and Nominating the External Auditors together with the Audit Fee for 2018.

Consideration was made in regard to selecting qualified external Auditors, in order to nominate them for approval by the 2018 AGM; whereby the Audit Committee assessed their performance and degree of independence together

with the appropriate Audit Fee and is of the opinion that the nomination of Mrs. Chonlaros Suntiasvaraporn – CPA No. 4523, or Miss Siraporn Ouuanunkun – CPA No.3844, or Mr. Chatchai Kasemsrithanawat – CPA No. 5813 of EY Office Limited be made to appoint these persons as the Company's External Auditors for the 2018 financial year, together with the proposed Audit Fee for the Company not exceeding Baht 1,920,000. The Audit Committee is of the opinion regarding audit work in previous year and nominated external auditor for 2018 as follows;

During the past financial period, the External Auditors have performed their duties with full professional abilities, have proposed various recommendations relating to the internal controls and risks management systems, and have demonstrated a high degree of independence in their activities. They have also performed in full accordance with the requirements of the SEC and SET.

In view of the fact that listed companies are required to rotate the External Auditor, who is authorized to sign off on the Financial Statements and reports of the Company, every 5 financial years, please note that if the above Auditors are approved by the AGM for 2018 financial year, it will be their third consecutive year as the authorized External Auditor; and please note also that these External Auditors have no relationships or connections with the Company and its Subsidiary Companies.

Opinion/Comments on the Performance of the Audit Committee's Duties

In summary, the Audit Committee has fully discharged its duties and responsibilities in accordance with the Audit Committee's Charter that has been approved by the Board of Directors; whereby the Audit Committee has reviewed the above matters and is of the opinion that the Company has made and maintained accurate and correct accounts of its operations and associated financial information, in all material aspects, as well as has in place a good internal controls system, has continuously monitored the results of its business activities, has fully complied to all laws and regulations and other commitments made, has fully disclosed all connected party transactions, and, lastly, has adhered to the principles of good corporate governance.



Dr. Siri Ganjarerndee
Chairman of Audit Committee
27 February 2018

Report of The Risk Management Committee

Dear Stakeholders

The Board of Directors of Raimon Land Public Company Limited appointed the Risk Management Committee to steer enterprise risk management and fulfill the Company's goal achievement, fostering confidence and creditability among investors and shareholders. The committee consists of six members who are competent and experienced in this business. The composition of the committee is as follows:

Name	Position Title
1. Mr. Weidt Nuchjalearn	Chairman of the Risk Management Committee (Independent Director)
2. Dr. Siri Ganjarende	Member of the Risk Management Committee (Independent Director)
3. Mr. Roland Pang Tze Vui	Member of the Risk Management Committee (Director)
4. Mr. Lee Chye Tek Lionel	Member of the Risk Management Committee (Director)
5. Mr. Lee Chye Cheng Adrian	Member of the Risk Management Committee (Director/Chief Executive Officer)
6. Mr. Sataporn Amornvorapak	Member and Secretary of the Risk Management Committee (Director/Chief Financial Officer)

Performance of the Risk Management Committee in 2017

The Risk Management Committee defined and reviewed the enterprise risk management framework, policy, and processes as defined in its charter. During this financial year, four meetings were held and full attendance were recorded. The main works undertaken by the Risk Management Committee are as follows:

1. Reviewed and Approved the Risk Factors of the Company

The Risk Management Committee had reviewed the existing eight risk factors including the new factor; i.e. high



competition in the super luxury condominium market. Additionally, the Committee had considered risk management process and had permitted to publish the risk factors in the Annual Report and in the Disclosure of Annual Information (56-1) form.

2. Monitored the Company's High Risks and Risk Management of the Company's Operations

The Risk Management Committee monitored and followed-up the risk management of the high-risk areas namely New Land Acquisition, New Project Launching, Sales Boosting, and Project Management. As a result, the Committee was satisfied that the Company managed risk properly. Generally, the Company managed and reduced risks from the high level to the acceptable level. However, decreasing of sales revenue and boosting the sales revenue is the challenge topic that the Company should closely monitor.

Moreover, the Committee had performed risk assessment of the Company's internal processes namely Project Development Process, Fixed Asset Process, and Sales and Marketing Process including the risk of the head office relocation. The Committee had recommended the working group to revise and define the strategy to cope

with the risks properly. As a result, the risks are under the acceptable level. However, risk of sales and marketing process is still high. The Committee had considered the implemented risk management and will monitor it closely.

3. Reviewed Risk Management Charter and Risk Management Policy

The Risk Management Committee had reconsidered Charter of the Risk Committee and Risk Management Policy which have to be reviewed at least once a year.

4. Considered Approval Risk Management Plan and Employee Training Plan for 2017

The Risk Management Committee had considered and approved Risk Management Plan for 2017 in order that the Company could implement the effective Risk Management Process as well as to support the employees to understand its concept. The Committee also approved the training plan for all employees for the purpose that they could take part in the risk management with the Company.

5. Considered and Reported the Risk Exposures to the Board of Directors

The Risk Management Committee had considered the factors especially external factors that may affect the Company and reported to the Board of Directors regularly. Such factors are risks in office rental business and landed house business, risks and opportunities from the EEC (Eastern Economic Corridor), impact of the draft new land and building tax law, and risks of high competition in the super luxury condominium market. The Committee had considered the diversification to the new businesses in the next 3 – 5 years as well.

6. Self-assessment of the Risk Management Committee

The Risk Management Committee performed self-assessment based on the composition of the Risk Management Committee, meeting attendance, overall performance of the committee according to the regulations of the Stock Exchange of Thailand. The Risk Management Committee found that the scope and duties are in accordance with the guidelines of good practice and the Charter of the Risk Management Committee. It contributed to strengthen the good corporate governance. The Risk Management Committee has performed its duties and responsibilities as assigned by using of knowledge, capability, caution, and independent. There is no limitation in obtaining information from the management, employees, and related persons as well as providing useful comments and suggestions to all stakeholders.

Overall, the Risk Management Committee considered that, for the past year, the Company has developed its enterprise risk management practices to cover all risk factors, with continued risk management in line with evolving circumstances. The Company has efficiently and suitably managed key corporate risks, while keeping them manageable.



Mr. Weidt Nuchjalearn
Chairman of the Risk Management Committee
27 February 2018

Report of the Nomination and Remuneration Committee

Dear Stakeholders

The Nomination and Remuneration Committee comprises three directors, two of whom are Independent Directors and one of whom is Executive Director of the Company namely;

Name	Position Title	Number of Attendance / Number of Meetings
1. Mr. Pradit Phataraprasit	(Independent Director) Chairman of Nomination and Remuneration Committee	2/2
2. Mr. Lee Chye Tek Lionel	Member of Nomination and Remuneration Committee	2/2
3. Mr. Weidt Nuchjalearn	(Independent Director) has been appointed as Member of Nomination and Remuneration Committee in replacement of Mr. Kittu Gajanandana On April 24 th , 2017	1/1
4. Mr. Kittu Gajanandana	(Independent Director) Member of Nomination and Remuneration Committee has retired from the office by rotation on April 24 th , 2017	1/1

In 2016, the Nomination and Remuneration Committee held 2 meetings to consider various agendas and proposed the report of meetings together with comments and recommendation to the Board of Directors' Meeting as follows;

1. To acknowledge 2017 Annual pay raise and 2016 bonus payment to staff.
2. To consider and approve Annual pay raise and bonus payment to CEO, CFO and COO.
3. To consider the bonus payment to Independent Director and Exco Chairman.
4. To formalize the appointment of Mr. Lee Chye Cheng Adrian as a CEO.
5. To acknowledge 2016 Report of the Nomination and Remuneration Committee.
6. To determine Directors' Remuneration for the year 2017.
7. To consider the reappointment of new directors replacing those retired by rotation.
8. To consider and approve the issuance and offering of the Warrants to Directors, Managements and/ or Employees of the Company, under the ESOP program.



Major Events in 2017



22 March 2017

Raimon Land won “Property Development Company of the Year” from Frost & Sullivan Thailand. The award is recognized Raimon Land, who demonstrate excellence in growth, innovation, and leadership, best practices and outstanding performance by companies in Thailand.

24 March 2017

Raimon Land hosted its 30th Anniversary Celebration to celebrate our successes & history, to express gratitude for all value customers and officially Introduce new CEO, Mr. Lee Chye Cheng Adrian. Small auction for charity was held in this event. The money contributed that night will be donated to SOS Children’s Villages Thailand.



27 March 2017

Raimon Land’s headquarter has been relocated to Rajanakarn Building, 19th Floor, 3 South Sathorn Road. The brand-new office adopts a modern loft design concept. It holds an open work space area, a secluded work area, several multifunctional conference space, a recreation area and a spacious dining hall which encourages communication and cooperation of all employees



Raimon Land



received “Very Good” Corporate Governance Report of Thai Listed Companies 2017.



has been certified as a member of Thailand’s Private Sector Collective Action Coalition Against Corruption

klapsons The River Residences Bangkok

has been named Thailand’s Leading Serviced Apartments by World Travel Awards 2017



18 July 2017

Raimon Land unveils “The Lofts Silom”, its 3rd in the award winning “The Lofts” series. The Lofts Silom is scheduled to commence the construction on the 4th quarter of 2017



29 August 2018

Raimon Land hosted the ‘Science of Scent’ event, by perfume expert and scent designer NOSEstory at The Lofts Asoke sales gallery. Invited guests learned about the importance of scents in everyday life, and how they can provide the base for a warm welcome to any home.



7 October 2017

Raimon Land held “An Evening of Gastronomic Indulgence” to express gratitude for 185 Rajadamri residents. Mr. Lee Chye Cheng Adrian CEO, mentioned that “We choose the best for our customers in every way, by providing high quality products and a good living environment.



3 November 2017

Raimon Land hosted Loy Kratong festival “River of Lights” for the River’s owners, tenants and their guests.

Social Activities



**11 March 2017
At Lumpini Park**

Raimon Land is one of the key sponsor partners of “MBK-G RUN III FOR SEA TURTLES 2017”. All the funds raised in this event will be used to promote the conservation of sea turtle. It was a pleasure and a joyful activity for Raimon Land staff and management team to be able to participate in such event that would contribute to our community and make it a better place to live in.

**15 May 2017 Donates
to SOS Children's Villages Thailand**

“We believe in giving” is one of Raimon Land’s vision. Mr. Lionel Lee – Raimon Land’s Board of Director (far left), represented Raimon Land to contribute THB 500,000 for educational support and expenses for the children within the SOS Children’s Villages Thailand under the royal patronage. With Khun Chantira Somboonkerd – Director Fund Development & Communications as a receipt representative of the SOS Children’s Villages Thailand at Samutprakarn province.



**2 December 2017
Time of Giving**

Raimon Land team paid a visit to the Sisters of Providence and their charges in Chiang Saen.

The Sisters of Providence run an orphanage for hill tribe girls. These girls, of Mon, Akha and Karen origin, have had troubled lives, being abandoned, orphaned or from broken homes. The foundation provides for their education and care.

This year, Raimon Land employees each chose one or several kids to give a gift box of supplies and a Christmas present to them.





Corporate
Social
Responsibility

RML Overview

Raimon Land is the high-end real estate developer in Thailand. We are the first developer in the country to provide such levels of exclusivity for customers within the luxury and super-luxury segment, with numerous outstanding projects to its name. The company's philosophy is encapsulated by its vision statement – Building Better Lives.

1987 - 1990	1993	1994 - 1999	2004 - 2008
<ul style="list-style-type: none"> Initially incorporated as a garment manufacturing "Piazza Garment Co., Ltd." Renamed as "Raimon Land Co., Ltd." after a successful development of commercial building projects 	<ul style="list-style-type: none"> Became a "Public and Listed Company" in The Stock Exchange of Thailand, under security symbol "RAIMON" 	<ul style="list-style-type: none"> Continuously launched and completed successful housing project "Raimon Park" Completed first batch of condominium projects in Bangkok "City Villa" and "Raintree Villa" 	<ul style="list-style-type: none"> Raimon Land successfully and continuously launched and completed condominium projects in Bangkok and major touristic cities such as "The Lakes", "Northshore", "Kata Gardens", "The Lofts Yennakat", "The Heights Phuket" and etc.



Our People

- A team of 165 staff work together to drive the business forward.
- Management team with expertise and experience, ready to lead the organization and team to reach the goal.



Our Developments

- Residential** : Focus on quality design to elevate luxury lifestyle. Our residential includes High-rise Condominiums and luxury limited edition housing.
- Retail and Commercial** : Provide Grade A office building and retail spaces for rent responding to the modern living with the offering leading brands and services to fit every lifestyle.



Our Service

- Hospitality** : provide excellence in hospitality solutions which match the lifestyle and needs of the global executive or traveler.
- Resales & Leasing** : Provides solutions for your real estate investments, providing consultation to maximizing potential and capabilities of property investment. Our services cover all aspects of real estate.

2012

- Completed “The River”, the first mega project and tallest premium riverside residential condominium and Raimon Land’s highest project value of all time
- Changed security symbol to “RML”

2013 - 2014

- JS Asset became the new principal shareholder of Raimon Land
- Record breaking net profit of THB 1,225 million
- Completed 2 award winning projects which are “185 Rajadamri” the super-luxury residential condominium in Bangkok and “Zire Wongamat” residential condominium in Pattaya

2015 - 2016

- Developed 2 projects in “The Lofts” series “The Lofts Ekkamai” and “The Lofts Asoke”
- Developed limited edition of super-luxury housing projects “Mews Yen Akat by Raimon Land”

2017

- Raimon Land 30th Anniversary
- Launch and start construction of “The Lofts Silom”
- Initiated development plan for the first Raimon Land’s office building and retail space in Ploenchit area, which will be officially launch in 2018
- Expand our business boundaries and diversify into Food and Beverage business with expert partner “Baan Ying”



THB 10,000 mn

Our Target (5 years)

- Grow revenue to THB 10,000 million
- Having recurring income of 10 - 20% of total revenue with sustainable cash flow



Our Strategy

- Diversify investment to develop mixed-use commercial and office building in CBD area of Bangkok to generate sustainable recurring income.
- Invest in Food and Beverage business to expand and grow in ASEAN region.



Our Future

- To be a leading Grade A, Luxury, Super-Luxury real estate developer in the segment of residential and commercial.

Projects in 2017

Completed Projects

As end of 2017



The River
Chareonnakorn Soi 13, Bangkok

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2008
Construction Completion : 2012
Units (approximately) : 808
Approximate Total
Project Value : THB 13,869 mn
Sold Value to date : THB 12,957 mn
Recognized Value to date : THB 12,879 mn
Units Sold : 99%
Units Unsold : 1%

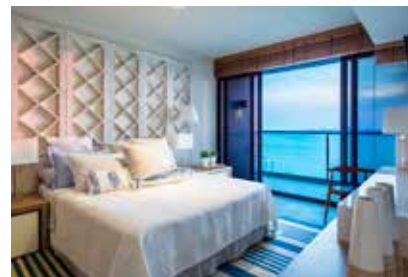
Commanding the Bangkok's finest river views, The River offers its residents the ultimate lifestyle of luxury and convenience, with easy access to the CBD, prime shopping and entertainment districts, and approximately 120 m of absolute river frontage. An unrivalled choice of 1-3 bedroom units, duplexes and penthouses offer unique and iconic design, and superb facilities. In 2012, The River was recognized by the Thailand Property Awards as the 'Best Luxury Condo Development (Bangkok)' and the 'Best Condo Development (Thailand)'. That same year, the property was recognized by the South East Asia Property Awards as the 'Best Condo Development (South East Asia)'.



185 Rajadamri
Rajadamri, Bangkok

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2011
Construction Completion : 2014
Units (approximately) : 266
Approximate Total
Project Value : THB 9,998 mn
Sold Value to date : THB 9,595 mn
Recognized Value to date : THB 9,449 mn
Units Sold : 97%
Units Unsold : 3%

185 Rajadamri is a super-luxury residential condominium project, situated on the freehold plot on Rajadamri Road in central Bangkok. The location is in the central business district, nearby premium shopping malls, top schools, foreign embassies and consulates, 5-star luxury hotels, Lumpini Park with its peaceful green spaces, and the elite Royal Bangkok Sports Club. 185 Rajadamri was recognized as the 'Best Luxury Condo Development (Bangkok)' at the Thailand Property Awards 2013 and the 'Best Condo Development (Thailand)' at the South East Asia Property Awards 2013.



Zire Wongamat
Wongamat, Pattaya, Chonburi

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2011
Construction Completion : 2014
Units (approximately) : 465
Approximate Total
Project Value : THB 3,104 mn
Sold Value to date : THB 3,007 mn
Recognized Value to date : THB 2,980 mn
Units Sold : 98%
Units Unsold : 2%

Zire Wongamat is the third residential condominium project in Pattaya by Raimon Land. The project is only 90 kilometers away from Bangkok, situated on Wongamat Beach and adjacent to Northpoint (a Raimon Land project completed in 2011). Zire Wongamat developed on a 5-rai plot of beachfront land, the two-tower freehold condominium, standing tall at 37 and 54 storeys, consists of a mix of studio, 1-2 bedroom and duplex units, each offering spectacular unrivalled views of the Gulf of Thailand. In 2016, Zire Wongamat received the Highly Commended, Condominium Thailand Award from Asia-Pacific Property Awards.

Completed Projects

As end of 2017



Unixx South Pattaya Pratumnak, Pattaya, Chonburi

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2013
Construction Completion : 2015
Units (approximately) : 1,210
Approximate Total
Project Value : THB 3,601 mn
Sold Value to date : THB 2,505 mn
Recognized Value to date : THB 2,435 mn
Units Sold : 76%
Units Unsold : 24%

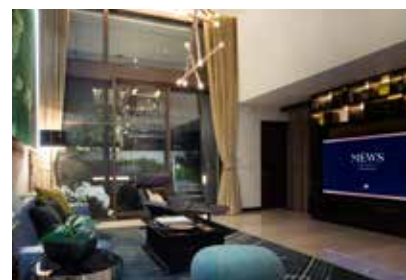
Unixx South Pattaya is a freehold condominium, situated on a land plot of more than 7 rais on Pratumnak Road, an average size of not more than 40 sq.m. per unit. The project is the fourth condominium project in Pattaya which was conceived to meet the demands of mid-market clients, targeting both Thai and foreign buyers. The project is developed with those living in Pattaya as well as those in Bangkok looking for a weekend getaway property.



The Lofts Ekkamai Sukhumvit, Bangkok

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2014
Construction Completion : 2016
Units (approximately) : 263
Approximate Total
Project Value : THB 2,212 mn
Sold Value to date : THB 2,164 mn
Recognized Value to date : THB 2,157 mn
Units Sold : 98%
Units Unsold : 2%

The Lofts Ekkamai, situated only 150 meters from Ekkamai BTS station and only a few minutes' drive from expressways, is a residential project located right in central Bangkok. It is neighbored by popular shopping malls and one of the city's most frequented dining and entertainment areas, known as Thonglor-Ekkamai. The project is located on a freehold land plot of approximately 2 rais. In 2016, The Lofts Ekkamai won 5 Star, Best Residential High-rise Development Thailand Award from Asia-Pacific Property Awards.



Mews Yen Akat Yen Akat, Bangkok

Tenure : Freehold
Type : 5-bedroom, detached house
Main Contractor Commencement : 2015
Construction Completion : 2017
Units (approximately) : 8
Approximate Total
Project Value : THB 480 mn
Sold Value to date : THB 110 mn
Recognized Value to date : -
Units Sold : 25%
Units Unsold : 75%

Mews Yen Akat is the inaugural project of Limited Edition Series. The project is located on a freehold land plot of approximately 2 rais with 8 crafted home for sale, providing the ultimate in specifications, with ample living space and exquisite styling tailored to the needs of a refined, contemporary lifestyle.

Projects Under Development

As end of 2017



The Lofts Asoke
Asoke Road, Bangkok

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2016
Construction Completion : 2018
Units (approximately) : 211
Approximate Total
Project Value : THB 3,168 mn
Sold Value to date : THB 2,276 mn
Units Sold : 76%
Units Unsold : 24%

The Lofts Asoke enjoys a prime location in Sukhumvit, surrounded by shopping, dining, work and play - next to the upcoming Bangkok Rama IX CBD and Makkasan Complex. Travel from the development is made easy with direct access to MRT, Airport Link, Expressway and vicinity to BTS. The project comprise with units ranging from 1 & 2 loft simplexes (35 - 87 sq.m.) up to sky loft duplexes (76 - 145 sq.m.), with raw and bold living spaces. In 2016, The Lofts Asoke received Property Development Product Leadership Award from Frost & Sullivan. Expected to commence the transfer of this project in 2018.



The Lofts Silom
Pramuan Road, Bangkok

Tenure : Freehold
Type : Condominium
Main Contractor Commencement : 2018
Construction Completion : 2020
Units (approximately) : 268
Approximate Total
Project Value : THB 3,461 mn
Sold Value to date : THB 2,041 mn
Units Sold : 66%
Units Unsold : 34%

The Lofts Silom is situated on Pramuan Road, connected between Silom road and Sathorn road, just 400 metres from BTS Surasak and the Bangkok mass transit network. It's also just 600 metres to the expressway and a mere three-minute walk to the Central Silom shopping mall. Prestigious schools and international hospitals are also in the neighbourhood. The Lofts Silom offers 4 format of units - Simplex, High Ceiling Hybrid, Duplex and Penthouse. Each unit is characterized by high ceilings - between 3 - 5.6 meters (depending on the format of the room).

Projects for Lease

As end of 2017



The Vue
Charoennakorn, Bangkok

Tenure : Retail space for lease
Type : Community Mall
Storeys : 4
Size (approximately) : 4,118 sq.m.
Occupancy Rate : 60%

Vue is a lifestyle shopping centre project of approximately 4,118 sq.m., situated in front of The River condominium project, located on Charoen Nakorn Road. It sits on a land plot approximately 3 rais in size. The building has 4 above-ground and one underground floors, with a 'Max Valu' Supermarket as an anchor tenant. Other tenants include the well-known Korean coffeehouse brand Tom N Tom's, Shibuya Shabu, and King Kong Yakiniku, as well as other restaurants, coffee shops, and bakeries, medical clinics, and banks.



Space 48 at Preecha Complex
Office Building,
Rajadapisek, Bangkok

Tenure : Commercial space for lease
Type : Office Building
Storeys : 8
Size (approximately) : 2,200 sq.m.
Occupancy Rate : 100%

This office building, situated within the Preecha Complex, has a total area of 2,200 sq.m. and is located on Rajadapisek Road approximately 260 meters from Suthisarn MRT Station. The building has 8 office floors and additional car parking floors. The Company has redesigned and refurbished the facilities in 2013.



"Klapsons" Project
Charoennakorn, Bangkok

Tenure : Rental property
Type : Serviced Residences
Total units : 92
Room size : 58 - 146 sq.m.
Occupancy Rate : 58%

Nestled inside the award-winning property, The River, situated at a prime waterfront location on the banks of the Chao Phraya River, klapsons The River Residences features 92 stunning river-view rooms with intelligently designed living spaces and generous facilities. Unit size ranges from 58 to 146 sq.m.

Financial Highlights

(Consolidated Financial Statements)

	FY 2017	FY 2016	FY 2015
Statement of Income (THB mn)			
Sales of residential condominium units	2,866.26	5,073.58	5,042.34
Total revenues	3,015.90	5,206.43	5,145.49
Cost of residential condominium units sold	1,934.26	3,181.42	3,016.13
Total expenses	2,688.66	4,037.05	3,846.15
Gross profit from core business	932.00	1,892.17	2,026.21
Net profit (loss)	191.19	850.60	900.46
Net profit (loss) - Equity holders of the Company	192.92	850.65	900.90
Statement of Financial Position (THB mn)			
Total assets	10,457.97	9,700.13	9,946.98
Total liabilities	5,391.25	4,592.24	5,495.99
Issued and paid up share capital	3,575.48	3,575.48	3,575.48
Total shareholders' equity	5,066.72	5,107.89	4,450.99
Equity attributable to owners of the Company	5,049.48	5,105.38	4,448.42
Liquidity Ratios (times)			
Current ratio	2.19	3.01	2.09
Quick ratio	0.29	0.52	0.18
Profitability Ratios (%)			
Gross profit margin ⁽¹⁾	32.52%	37.29%	40.18%
Net profit margin	6.34%	16.34%	17.50%
Return on equity ⁽²⁾	3.80%	17.81%	22.55%
Return on assets	1.91%	8.66%	8.52%
Efficiency Ratios (times)			
Total assets turnover	0.27	0.52	0.51

Financial Highlights

(Consolidated Financial Statements)

	FY 2017	FY 2016	FY 2015
Leverage Ratios (times)			
Debt to equity ratio	1.06	0.90	1.23
Interest-bearing debt to Equity	0.80	0.58	0.65
Net Interest-bearing debt to Equity ⁽³⁾	0.67	0.35	0.54
Interest coverage ratio ⁽⁴⁾	4.25	12.42	8.48
Percentage of Growth (%)			
Total asset growth	7.81%	(2.48%)	(11.11%)
Total liabilities growth	17.40%	(16.44%)	(28.12%)
Total shareholder's equity growth	(0.81%)	14.76%	25.59%
Total revenues growth	(42.07%)	1.18%	(22.59%)
Total expenses growth ⁽⁵⁾	(33.85%)	4.03%	(18.68%)
Per Share Ratios (Baht)			
Earning per share	0.05	0.24	0.25
Book value per share ⁽⁶⁾	1.42	1.43	1.24
Cash Flow (THB mn)			
Net cash flows from operating activities	(904.69)	1,592.35	657.75
Net cash flows from investing activities	(458.26)	(795.84)	(9.80)
Net cash flows from financing activities	877.08	(148.99)	(659.63)

⁽¹⁾ Gross profit margin = (total sales – cost of sales) / total sales, whereas total sales consists of sale of residential condominium units

⁽²⁾ Return on equity = Profit (loss) - Equity holders of the Company / the average of total shareholders' equity of this year and last year

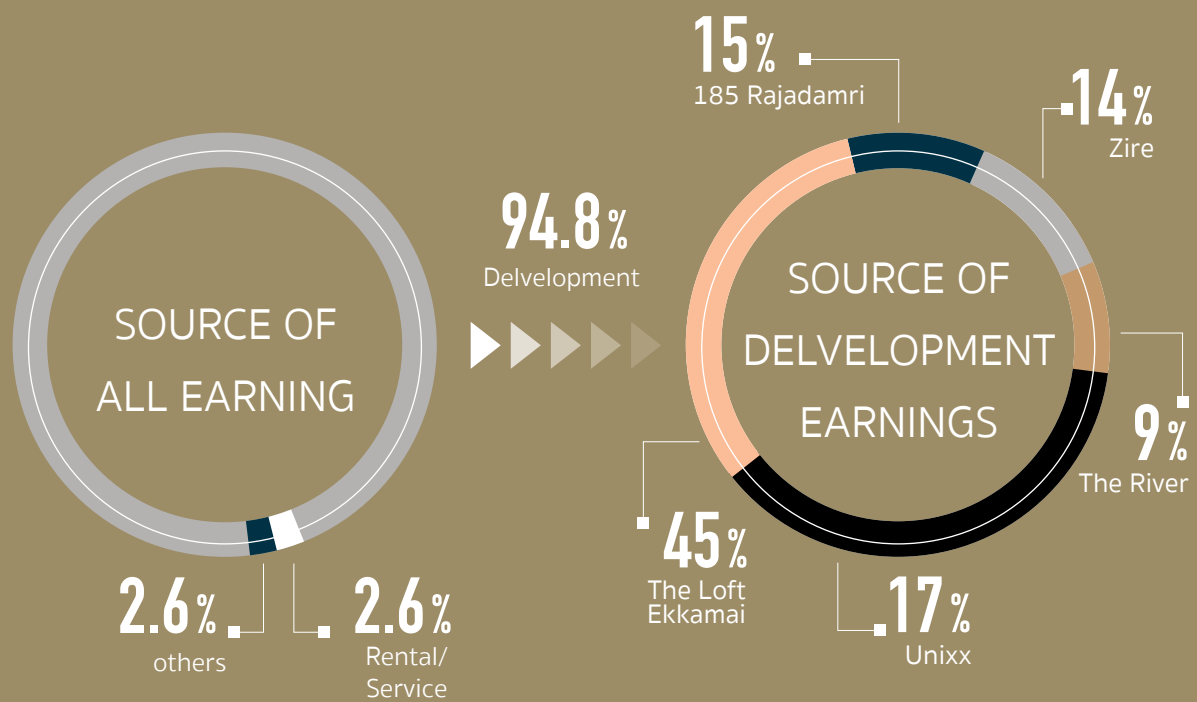
⁽³⁾ Net interest-bearing debt to equity = Total debt from financial institution and debenture less cash and cash equivalent / total shareholders' equity

⁽⁴⁾ Interest coverage ratio = Profit (loss) before finance cost and income tax / finance cost, finance cost means interest and other charges associated with financing eg. front end fee, etc.

⁽⁵⁾ Exclude the impairment loss of investment properties and reduction of project development cost to net realisable value

⁽⁶⁾ Book value include non-controlling interests of the subsidiaries

Operation Highlights



Other Facts And Figures

Since 2004, Raimon land has developed **4,143 units**, with an additional **479 units** currently under construction.

Since 2013, Raimon Land has been reported **22 consecutive quarters or 5 years of profit**.

The Lofts Silom, total project value of THB 3,461 mn, one of Raimon Land's signature project, successfully made pre-sales value over **THB 2,041 mn** in 2017. The project will be transferred and recognized as revenue from 2020.

Management Discussion & Analysis

2017 Financial Highlight

- Net profit decreased by 77.5% YoY to THB 191.2 mn while net profit margin decreased to 6.3%, from 16.3% in 2016.
- Total revenue of THB 3,015.9 mn, of which THB 2,866.3 mn was from sales of residential condominium units.
- Backlog of the Company and its subsidiaries stood at THB 4,754.5 mn as of 31 Dec 2017
- Total asset increased THB 757.8mn to THB 10,458.0 mn as of 31 Dec 2017
- Debt to Equity ratio⁽¹⁾ stood at 0.67 times as of 31 Dec 2017

Operating result 2017

Revenue

The Company and its subsidiaries (“the Company”) reported a total revenue of THB 3,015.9 mn in 2017. This represented a decreased of THB 2,190.5 mn or 42.1% YoY. Of which, THB 2,866.3 mn, or 95.0% of total revenue was from sales of residential condominium unit from 5 projects which were UNIXX South Pattaya THB 496.1 mn, 185 Rajdamri THB 414.5 mn, The Lofts Ekkamai THB 1,283.6 mn, Zire Wongamat THB 402.2 mn and The River THB 269.9 mn. Total revenue in 4Q17 decreased by 67.7% YoY or THB 947.5 mn to THB 452.2 mn.

Project	2017		2016	
	Revenue (THB mn)	%	Revenue (THB mn)	%
The River	269.9	9.0	365.4	7.0
185 Rajdamri	414.5	13.7	1,194.6	22.9
Zire Wongamat	402.2	13.3	717.8	13.8
The Lofts Ekkamai	1,283.6	16.4	873.8	16.8
UNIXX South Pattaya	496.1	42.6	1,922.0	36.9
Others ⁽²⁾	149.6	5.0	132.9	2.6
Total	3,015.9	100.0	5,206.4	100.0

(1) Calculated from Interest-bearing Debt net of cash and cash equivalents

(2) Including rental and service income, marketing Commission income, project management fee, interest, and others

(3) Backlogs are counted only when sale and purchase agreement is signed

As of 31 December 2017, the Company recorded a total backlog⁽³⁾ of THB 4,754.5mn. Of the total backlog, 47.9% was from The Lofts Asoke, 42.9% was from The Lofts Silom, 3.1% was from 185 Rajdamri, 2.3% was from Mews Yen Akat, 1.6% was from The River, 1.5% was from UNIXX South Pattaya, 0.6% was from Zire Wongamat, and 0.1% was from The Lofts Ekkamai, totaling of 8 projects.

Cost of Sales

Cost of residential condominium units sold in 2017 decreased to THB 1,934.3 mn from THB 3,181.4 mn in 2016.

Gross Profit

Gross profit margin of the Company in 2017 was maintained at higher-than-average of the market, though the margin decreased to 32.5% from 37.3% in 2016. Gross profit in 2017 decreased to THB 932.0 mn followed the decreasing in revenue.

Selling and Administrative Expenses (SG&A)

SG&A in 2017 was THB 754.4 mn, a decrease of THB 101.2 mn or 11.8% YoY from THB 855.6 mn in 2016. This was primarily due to tightening internal cost control.

SG&A	2017 (THB mn)	2016 (THB mn)	% change
Salary and staff benefits and management's remuneration	228.9	223.1	+ 2.6
Special business tax & transfer fees	117.7	190.2	- 38.1
Other selling expenses	127.4	100.9	+ 26.3
Other administrative expenses	280.4	341.4	-17.9
Total	754.4	855.6	- 11.8

Financial Cost

Total cost of financing primarily resulted from interest costs in association with project loans, which are capitalized as development costs for respective projects till completion. Thereafter, such interest costs will be recorded as finance costs in the Statement of Income. Upon project completion, loans are repaid in installments along with transfer of ownerships. In 2017, the Company recorded financial cost of THB 77.1 mn, a decreasing of THB 17.1 mn or 18.2% YoY from THB 94.2 mn in 2016. This was due to 1) the recognition of the cost of interest for 2 new project developments in 2017 were capitalized as project development cost; 2) loans associated with The Lofts Ekkamai were paid in full during the year as 98.0% of total project value were transferred; and 3) debenture with lower interest rate were issued during the year to pay back loan with higher interest rate.

Net Profit (Loss)

In 2017, the Company had consolidated net profit of THB 191.2 mn, which decreased by 77.5% YoY or THB 659.4 mn from THB 850.6 mn in 2016.

Earnings per share in 2017 was THB 0.05 per share, decreased from THB 0.24 per share in 2016.

Financial Position (as of 31 December 2017)

Assets

Total assets of the Company stood at THB 10,458.0 mn, an increase of THB 757.84 mn or 7.8% from 31 December 2016. The increase was primarily attributed to the surplus net in project development costs which increased from new project “The Lofts Silom”, with project value of THB 3,461.5 mn, and reduction from units transfer of finished projects.

Liabilities

Total liabilities increased from 31 December 2016 by 17.4% or THB 799.0 mn to stand at THB 5,391.3 mn mainly due to an increase in short-term loan from financial institution of THB 361.4 mn for working capital as well as an increase in long-term debenture of THB 711.7 mn issued in June 2017.

Equity

Total equity decreased from 31 December 2016 by THB 41.2 mn or 0.8% to THB 5,066.7 mn, mainly from dividend payment based on an approval of shareholders meeting in April 2017.

Debt to Equity Ratio

As of 31 December 2017, interest bearing debt of the Company stood at THB 4,059.7 mn while cash and cash equivalents stood at THB 647.7 mn. As a result, the debt to equity ratio⁽¹⁾ was 0.67 times, increased from 0.35 times as of 31 December 2016. The increase was primarily attributed to 1) loan for new development luxury condominium project “the Lofts Silom” which was launched in July 2017; and 2) loan for land plots for 2 new luxury condominium projects which will be launched in 2018.

Cash Flow 2017

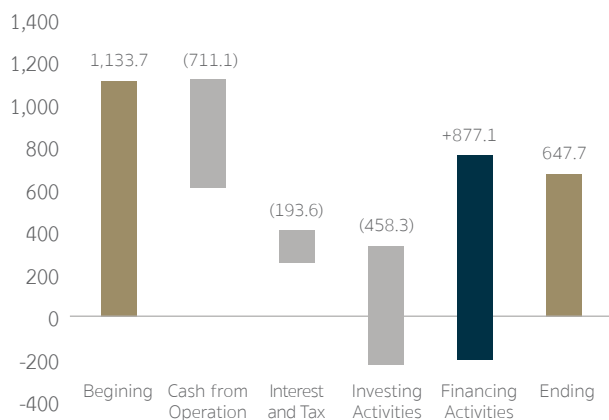
(Unit: THB mn)	
Cash and cash equivalents at the beginning of the year	1,133.7
Net cash flow from operating activities	(904.7)
Net cash flow from investing activities	(458.3)
Net cash flow from financing activities	877.1
Cash and cash equivalents at the end of the year	647.7

During the year, net cash used in operating activities was THB 904.7 mn. The key components were net cash paid for project development cost for project “the Lofts Asoke” and “the Lofts Silom” as well as the reduction profit before tax of this year. Net cash used in investing activities was THB 458.3 mn. The key components were restricted bank deposits of THB 356.2 mn and advance payment to contractors for building design and other works of THB 61.2 mn. Net cash from financing activities was THB 877.1 mn. The key components were 1) an increase in short-term loan from financial institution of THB 361.4 mn; 2) an increase in long-term loan from financial institution of THB 49.5 mn; 3) net cash received from debenture issuance of THB 707.9 mn; 4) dividend paid of THB 250.3 mn (dividend was paid from the Company’s operating result in 2016, paid on 19 May 2017).

⁽¹⁾ Calculated from Interest-bearing Debt net of cash and cash equivalents

Cash flow movement in 2017

(unit: THB mn)



Management outlook and future projects

In the past few years, the Company was taking conservative view which resulting in a long gap between launching each new project and less transfer revenue in late 2017 than other previous years. The low revenue from unit transfer will continue until end of 1H18 before project the Lofts Asoke is ready to be transferred by end of the year. The Company anticipated this effect and had adjusted the strategy to target at launching new projects yearly to gain revenue at least THB 5 bn per year in the next few years. The Company also aims to develop recurring income project to generate revenue at least 30% of total revenue in the next 5 years. This is for stabilizing and giving higher flexibility in operation. From the new strategy, in 2017, the Company had secured 2 plots of land for developing new luxury condominium projects worth approximately THB 9 bn. Moreover, the recurring income vision had shown substantial on our grade A office rental project on Ploenchit Road. This project will provide stable income to the Company from 2021 onwards. The Company remains the vision to be medium-size corporate which provide the best residential projects in Bangkok and tourist destination as well as provide grade A modern office rental space for leading Thai and international corporates.

For doing business under good corporate governance (“CG”), in 2017, the Company received CG rating 4 stars “very good” (full score is 5 stars), which improves from 2016 at 3 stars “good”. This brought up the pride of the Company and all management and employees and will



fuel us to make best contribution to the Company’s future growth.

2018 will be the year of deriving result from the past successful projects. At the beginning of this year, the Company has inventory value of THB 5,235.4 mn., of which, THB 2,923.6 mn are ready-to-transfer and recognize revenue. The Company has policy to cash out this group of inventories this year for new project developments. For the future, 2 plots of land in CBD, Sathorn 12 road and Sukhumvit road, are secured and will be ready to launch late this year as luxury condominium projects, total worth of approximately THB 9 bn. Funding of the projects is planned to be loan from financial institutions and internal cash, however, the debt’s policy is maintained by limiting D/E ratio⁽¹⁾ at below 1.5 times.

The Company had started to incorporate in food and beverage business through a joint venture company. The target was set to open 7 branches. Of which, 6 branches will be in ASEAN countries and 1 branch in Bangkok. The target revenue from this business is at least THB 100 mn in 2018.

Symphony of Life

THE
LOFTS
SILOM

Business and Industry Overview

Market Condition and Competition

Analysts from various institutions⁽¹⁾ summarized that the global economy in 2017 was outperformed that of 2016, reflecting in the increasing of the inflation rate. The main reasons for the inflation rate increase were from the rising in crude oil price after OPEC cut its productions and the decrease in the unemployment rate. Moreover, there were major changes in the world's largest economy such as the triumph of Donald Trump and the Republican Party that dominates Congress, which could lead to a fast-track of passing the bill and budget for economic stimulus packages, for example. Inflation and an accelerated economy in 2017 had boosted earnings of corporations globally for the first time in three years. The global stock markets were expected to continue expansion in 2018.

The United States: though the government infrastructure plan was unclear, the US economy was strengthening by the labour market and private investment. The lower unemployment rate was resulting in a better consumption. While the private sector had invested more in infrastructure and machinery.

Euro Zone: EURO zone's economy in 2017 grew steadily. In mid-2017, the unemployment rate was reported at its lowest in the past either years. Despite the recovery of the labour market, wage and pricing of consumer products have yet to be affected. Moreover, the political risk was lower from the triumph of Angela Merkel, who supported EU and de-stress the public's concern on politics and economics. The consumer confidence index went up, touching its peak in sixteen years.

China: 2017 remained steady growth though showed signs of slowing down. The growth was from strong domestic fundamentals and the result of economic reform which focused on high technology development. The unemployment rate in China remained low. The reinforcement of the Chinese government to keep consumer spending within the country resulted in the rapid growth of domestic consumption. Moreover, the strategic plan "Made in China 2025" resulted in a dramatic

jump of high-tech related industry, both products and services. That pushed Chinese economics to outperform the market expectation in 2017 and to continue the trend in 2018. However, the Chinese economy was threatened by high domestic debt. In 2017, investment of Chinese companies in Thailand decreased more than 100% from the previous year.

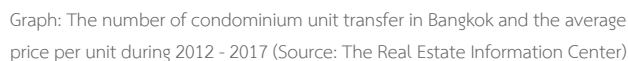
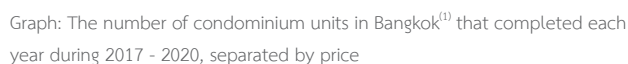
The Bank of Thailand reported that Thailand economy in 2017 expanded in some groups and some segments. The best performance group was large corporations, however, only in some sectors such as telecommunication, food and beverage, and automotive. The increased revenue and profit were from sales promotions, branch expansions, and cost reductions. Consumer demand remained strong only in mid-high-income groups while mid-low-income groups and farm income in many areas remained subdued from decreased agricultural prices. Private consumption of semi-durable goods and consumer goods remained steadily.

The service sector that related to the tourism industry expanded strongly in 2017. The number of foreign tourists was THB 35.4 mn⁽²⁾, which grew 8.8% from 2016. The number of tourists from China was 9.8 million, an increase of 12.0% from that in 2016. They accounted for 27.7%, the highest portion of all foreign tourist arrivals. In 2017, Thailand found the rise of the Chinese Free and Independent Traveler (FIT) which were high-purchasing power groups. Moreover, after the Thai government enforced suppressions of illegal tour agencies, the number of family tourists, with high spending, had increased. The reports from the Bank of Thailand mentioned that Social, Location, and Mobile (SOLOMO) was a trend and it was one of the key drivers of the global tourism industry expansion. The increasing mobile phone usage (MO) made it easier to introduce new travel destinations (LO) through social media (SO) such as TripAdvisor, Yelp or Pantip.com, for example. The factors had stimulated imitation of friends' travel routes or visiting interesting places which were good advertising for new tourist destinations and added higher popularity to well-known destinations.

⁽¹⁾ Source: Reports from SCB Economic Intelligence Center, TISCO Economic and Strategy Unit, and Bank of Thailand

⁽²⁾ Source: Economic Tourism and sport Division, Ministry of Tourism and Sports, www.mots.go.th

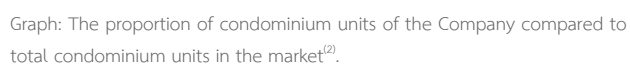
Completed luxury condominiums⁽¹⁾ in 2017 were 1,512 units, increased from 978 units in 2016. There were 10 new luxury condominium⁽¹⁾ projects launched totaling of 1,907 new units. Those added up the projection number of completed luxury condominium units during 2017 - 2020 to 7,549 units. The figures represented the increasing trend of luxury condominium projects. While the economic slowdown had drained spending power from other segments apart from mid-high-income segment, Thai developers paid more attention to this segment. This group also was not affected by tightening lending standards of domestic banks.



especially for projects in CBD. The success factors of those projects are location, design, material quality and credibility and reputation of developers.

Graph: Market capitalization of major property companies listed in the Stock Exchange of Thailand under property development category (Source: www.SetSmart.com, as of 31 Dec 2017)

Although being mid-size company listed in SET, the Company's market share is in top 10 ranking for luxury residential developer, amongst large market cap companies. When compare to the estimate number of completed luxury condominium unit, which average selling price above THB 10 mn per unit, during 2018 - 2020, the Company has 7.9% market share. This is resulting from the Company's policy to create only grade-A quality products serving mid-to-high-end segment. Our customers regularly recommend us to their own communities. This is distinctive point we always use as our long-term marketing strategy.



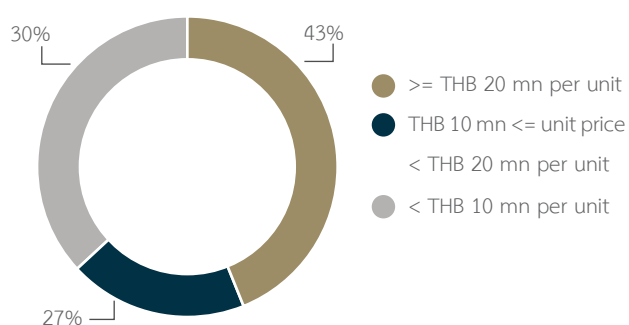
(2) Includes completed luxury condominium unit⁽¹⁾ during 2018 - 2020

Marketing and competition policy

Marketing policy in the past year

The Company foresaw that demand trends of super luxury and luxury condominiums are remaining strong. Customers who look for super luxury condominiums are considering the potential of locations and the specialty of the projects while customers in luxury condominium markets consider the above factors adding in unit price and value for money factors when it comes to the decision-making process. The two target customer groups are buying condominium units as investments or second homes therefore familiar location is the key factor apart from useful functionality.

The Company remains focused on developing luxury and super luxury freehold condominiums in prime CBD in Bangkok. With the potential and strategic advantages, the Company maintains a front position in the high-end residential market and received good responses from customers. In 2017, the Company's customers portfolio included existing customers and new customers which were friends and family of the existing ones. Referral marketing is the tool we use and it has been successful for many years. Positioning in the high-end market requires the Company to be active and responsive to satisfy the customers who were financially strong and not affected by loan rejection from banks.



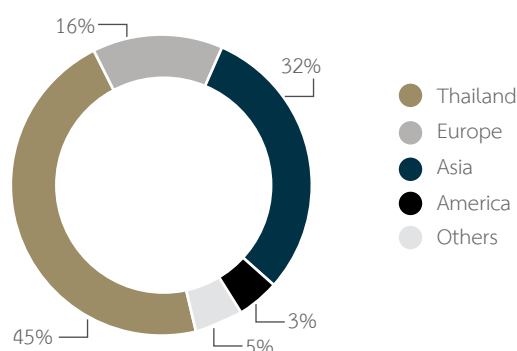
Graph: The proportion of unit value the Company sold in the past 5 years (2013 - 2017)

Moreover, consumers are now paying attention to details when buying properties, including quality, location, design, utilities and other facilities in property projects, as well as financial position and the credibility of the developer. Those factors were details to which the Company had

been giving priority. Every goal of the Company project was functional design, which responded to the needs of customers who lived on the property. Outstanding from others, the Company is focusing on quality of units, rather than quantity of units in each project.

For future business expansion, in 2016, we researched the demand of office rental space in Bangkok and found that occupancy of existing office building in Bangkok was up to 90% which showed insufficient supply in this market, especially in the grade-A office market. The Company saw this opportunity and has been seeking opportunities to develop commercial property and office buildings in Bangkok. As a result, in 2017, the Company entered into a long-term land lease agreement for a plot of land in prime CBD, on Ploenchit Road, to develop grade-A office buildings, which includes retail space, for rent. As being the best is always the working standard, the Company targeted this building design and construction to achieve LEED Platinum rating⁽¹⁾. The rating will help us to tap into market of global corporations and leading enterprise, domestically and internationally. The construction of this project will be started in 2018. The project will provide long-term stable income and cash flow to the Company apart from the residential property for sales which is its existing core business.

Sales channels



Graph: The proportion of the nationality of customers by the value of sold units in the past 5 years (2013 - 2017)

For residential property, the Company sold through two channels, by property agency 21.1% and internal salesperson of the Company 78.9%.

⁽¹⁾ Leadership in Energy and Environmental Design : LEED by U.S. Green Building Council : USGBC

Board of Directors



Mr. Pradit Phataraprasit
Chairman of the Board /
Independent Director /
Audit Committee Member /
Chairman of Nomination and
Remuneration Committee



Mr. Lee Chye Tek Lionel
Chairman of Executive
Committee / Nomination
and Remuneration
Committee member /
Enterprise Risk Management
Committee member



Mr. Lee Chye Cheng Adrian
Executive Director /
Enterprise Risk Management
Committee member /
Chief Executive Officer



Dr. Siri Ganjarerndee
Independent Director /
Chairman of Audit
Committee /
Enterprise Risk Management
Committee member



Mr. Weidt Nuchjalearn
Independent Director /
Chairman of Enterprise
Risk Management
Committee /
Audit Committee Member /
Nomination and
Remuneration
Committee Member



Miss Nuch Kalyawongsa
Director



Mr. Roland Pang Tze Vui
Director /
Enterprise Risk Management
Committee member



Mr. Sataporn Amornvorapak
Executive Director /
Enterprise Risk Management
Committee member /
Chief Finance Officer /
Company Secretary

Details of Directors and Executive Officers of The Company

Mr. Pradit Phataraprasit

Age 62

DATE OF APPOINTMENT : 1 February 2013

Education / Training

- Master's Degree in Political Science Thammasat University
- Bachelor's Degree in Economics Franklin Pierce University, USA

Shareholding Proportion (%)

- Ordinary Shares (RML) : None

Warrant

- RML-W4 : None
- RML-WB : None

Family's relationship between management

- None

Work Experiences (last 5 years)

Positions in Listed Companies :

2013 - present

- Chairman of the Board / Independent Director / Audit Committee Member / Chairman of Nomination and Remuneration Committee

Raimon Land Plc

Positions in Non-Listed Companies :

2011 - present

- Chief Executive Officer

Winvestment Co., Ltd.

Present

- Director

The Mall Group Co., Ltd.

Present

- Director

The Mall Shopping Complex Co., Ltd.

Present

- Director

Siam Chaophraya Holdings Co., Ltd.

Present

- Chairman of the Board

Thai Argo Exchange Co., Ltd.

Directorship in related Companies :

- None

Miss Nuch Kalyawongsa

Age 64

DATE OF APPOINTMENT : 4 February 2013

Education / Training

- Masters of Science in Accounting Thammasat University
- Bachelor's Degree in Accounting Chulalongkorn University
- Director Certification Program (DCP 210/2015)

Shareholding Proportion (%)

- Ordinary Shares (RML) : None

Warrant

- RML-W4 : None
- RML-WB : None

Family's relationship between management

- None

Work Experiences (last 5 years)

Positions in Listed Companies :

Present

- Director

Raimon Land Plc

Feb 2013 – Aug 2014

- Chief Financial Officer

Raimon Land Plc

2012 – Feb 2013

- Finance and Accounting Manager

K2 Shipping Asia Limited

Positions in Non-Listed Companies :

Aug 2017 - Present

- Vice President – Finance and Accounting

Himedia Technology Co.,Ltd

Directorship in related Companies :

- None

Dr. Siri Ganjarerndee

Age 69

DATE OF APPOINTMENT : 14 August 2014

Education / Training

- Phd. In Monetary Economics, Econometrics and Operations Research, Monash University, Australia
- Master of Economics, (Economic Statistics and Monetary Economics) University of Sydney, Australia
- Bachelor of Economics (Hons), University of Sydney Australia.
- Directors Certification Program DCP 60/2004
- Directors Accreditation Program DAP 4/2003
- Audit Committee Program ACP 6/2005
- Advanced Management Program 113/1995 Harvard Business School

Shareholding Proportion (%)

- Ordinary Shares (RML) : None

Warrant

- RML-W4 : None
- RML-WB : None

Family's relationship between management

- None

Work Experiences (last 5 years)**Positions in Listed Companies :**

Present

- Independent Director / Chairman of Audit Committee / Enterprise Risk Management Committee member

Raimon Land PLC

2010 - Present

- Member of the Audit Committee and Member of the Nomination, Compensation and Corporate Governance Committee

Indorama Venture PLC.

2000 - Present

- Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee

The Post Publishing PLC.

1999 – Present

- Acting Chairman of the Board of Directors / Director (Independent Director) / Chairman of the Executive Board of Directors / Chairman of the Investment Committee

Bangkok Life Insurance PLC.

2014 - Present

- Audit committee Member

Samitivej Public Company Limited

Positions in Non-Listed Companies :

2016 – Present

- Chairman of the Board of Directors / Chairman of Nomination and Remuneration Committee

TRIS Corporation Limited

2003 – Present

- Member of The Board of Directors, Chairman of Nomination Committee, Audit Committee and Compensation Committee

TRIS Corporation Limited

Directorship in related Companies :

- None

Mr. Weidt Nuchjalearn

Age 63

DATE OF APPOINTMENT : 24 April 2017

Education / Training

- Master of Commerce and Accountancy, Thammasat University
- Bachelor of Science in Agricultural Economics, Kasetsart University
- Director Accreditation Program (DAP) SEC/2015
- Leadership Program (Class 18)
- Role of the Chairman Program (RCP) 31/2556
- Top Executive Program in Commerce and Trade (Class 3/2010)
- Financial Executive Development Program (FINEX) 14/2549
- Commercial Credit Skills Assessment

Shareholding Proportion (%)

- Ordinary Shares (RML) : None

Warrant

- RML-W4 : None
- RML-WB : None

Family's relationship between management

- None

Work Experiences (last 5 years)**Positions in Listed Companies :**

Present

- Director / Chairman of Audit Committee / Chairman of Nomination Committee, WHA Utilities & Power PLC.

Present

- Adviser, Dhipaya Insurance PLC

Present

- Director, Srisawad Corporation PLC and Srisawad Finance PLC

Present

- Director / Chairman of Audit Committee, Thaifood Group PLC

Positions in Non-Listed Companies :

2016 – Present

- Director, Thai Water logical Organization

2016 – Present

- Director, Thai Zoological Park Organization

2015 – Present

- Director / Chairman of Audit Committee / Siam Technic Concrete Co., Ltd

2015 – Present

- Adviser, SME Bank

Directorship in related Companies :

- None

Mr. Roland Pang Tze Vui

Age 40

DATE OF APPOINTMENT : 16 May 2012

Education / Training

- Master's Degree in Finance University of Manchester, UK
- Bachelor's Degree in Economics London School of Economics, UK
- Director Certification Program (DCP 165/2012)

Shareholding Proportion (%)

- Ordinary Shares (RML) : None

Warrant

- RML-W4 : None
- RML-WB : None

Family's relationship between management

- None

Work Experiences (last 5 years)**Positions in Listed Companies :**

Present

- Director / Enterprise Risk Management Committee member

Raimon Land PLC

Positions in Non-Listed Companies :

2004 – Present

- Investment Manager

Thai Prosperity Advisory Co., Ltd.

Directorship in related Companies :

- None

Mr. Lee Chye Tek Lionel

Age 44

(Authorized Director)

DATE OF APPOINTMENT : 1 February 2013

Education / Training

- Graduate Diploma in Business Administration, Western Sydney International College

Shareholding Proportion (%)

- Ordinary a (RML) 893,000,000 Shares (24.98%)

Warrant

- RML-W4 : 123,250,000 Units
- RML-WB : None

Family's relationship between management

- Older Brother of Mr. Lee Chye Cheng Adrian (Director)

Work Experiences (last 5 years)**Positions in Listed Companies :**

2013 - Present

- Chairman of Executive Committee / Nomination and Remuneration Committee member / Enterprise Risk Management Committee member

Raimon Land Plc.

Positions in Non-Listed Companies :

1996 - Present

- Managing Director

Ezra Holdings Limited, Group

Directorship in related Companies :

- CP, RV, TP, RD, RES, RU, RS, RE, RP, PV, AS, RLE, R26, R548, RST, RAN, SSP, DS, PS, BY

Mr. Lee Chye Cheng Adrian

Age 37

(Authorized Director)

DATE OF APPOINTMENT : 4 February 2014

Education / Training

- Bachelor's Degree in Finance, University of Strathclyde Glasgow

Shareholding Proportion (%)

- Ordinary Shares (RML) : 1,000,000 shares

Warrant

- RML-W4 : None
- RML-WB : 44,500,000 Units

Family's relationship between management

- Younger Brother of Mr. Lee Chye Tek Lionel (Director)

Work Experiences (last 5 years)**Positions in Listed Companies :**

Present

- Executive Director / Enterprise Risk Management Committee member / Chief Executive Officer

Raimon Land Plc.

Positions in Non-Listed Companies :

Present

- Director

CWX Global Limited

Present

- Director

Select Group Limited

Present

- Director

Interlink Petroleum Limited

Directorship in related Companies :

- CP, RV, TP, RD, RES, RU, RS, RE, RP, PV, RSL, AS, RLE, R26, R548, RST, RAN, SSP, DS, PS, BY

Mr. Sataporn Amornvorapak

Age 45

(Authorized Director)

DATE OF APPOINTMENT : 14 August 2014

Education / Training

- Master's Degree of Business Administration Major Finance Kasetsart University
- Bachelor's Degree of Business Administration Major Accounting Rajamangala University of Technology - Centre
- Director Certification Program (DCP 213/2015)

Shareholding Proportion (%)

- Ordinary Shares (RML) : None

Warrant

- RML-W4 : None
- RML-WB : None

Family's relationship between management

- None

Work Experiences (last 5 years)**Positions in Listed Companies :**

Present

- Executive Director / Enterprise Risk Management Committee member / Chief Finance Officer / Company Secretary

Raimon Land Plc.

2011 - 2013

- Chief Financial Officer

Univentures Plc.

Positions in Non-Listed Companies : None**Directorship in related Companies :**

- TP, RR, RD, RU, RE, RSL, AS, RLE, R26, R548, RST, RAN, SSP

CP	RES	PV	R26	DS
RV	RU	RSL	R548	PS
TP	RS	AS	SSP	BY
RR	RE	RLE	RAN	RST
RD	RP			

CP = Contemporary Property Co., Ltd.

RV = The River Co., Ltd.

TP = Taksin Properties Co., Ltd.

RR = Raimon Land Resorts Co., Ltd.

RD = Raimon Land Development Co., Ltd.

RES = Raimon Land Residences Co., Ltd.

RU = Raimon Land Unixx Co., Ltd.

RS = Raimon Land Services Co., Ltd.

RE = Raimon Land Ekkamai Co., Ltd.

RP = Raimon Land Planner Co., Ltd.

PV = Raimon Land Park View Development Co., Ltd.

RSL = Raimon Land Silom Co., Ltd.

AS = Asangha Realty Co., Ltd.

RLE = Raimon Land Estate Co., Ltd.

R26 = Raimon Land Twenty Six Co., Ltd.

R548 = RML 548 Co., Ltd.

SSP = Siam Spoon Co., Ltd.

RAN = Raimon Land Ao-Nang Co., Ltd.

RST = Raimon Land Sathorn Co., Ltd.

DS = Raimon Land Development (Singapore) Pte. Ltd.

PS = Raimon Land Properties (Singapore) Pte. Ltd.

BY = Baan Ying Pte. Ltd.

Company Secretary

Mr. Sataporn Amornvorapak

Policy Governing Company Secretary

The Board of Directors has stipulated a requirement for Company Secretary. Appointment of Company Secretary takes into considerations relevant rules, regulations and good corporate governance. The Company Secretary is required to have background in laws or accounting, and preferably been trained under relevant programs. The Company Secretary is expected to provide legal advices to the Board of Directors in conjunction with supervising activities of Board of Directors. In addition, the Company Secretary is required to organize meetings, prepare relevant documents, and ensure that resolutions of the Board of Directors have been carried out.

In 2017, the Company Secretary is Mr. Sataporn Amornvorapak - Executive Director, Member of Enterprise Risk Management Committee and Chief Finance Officer, on the ground that he has relevant experience and is qualified for such position. The required attributes and roles and responsibilities of Company Secretary are as follows:

Required Attributes for Company Secretary

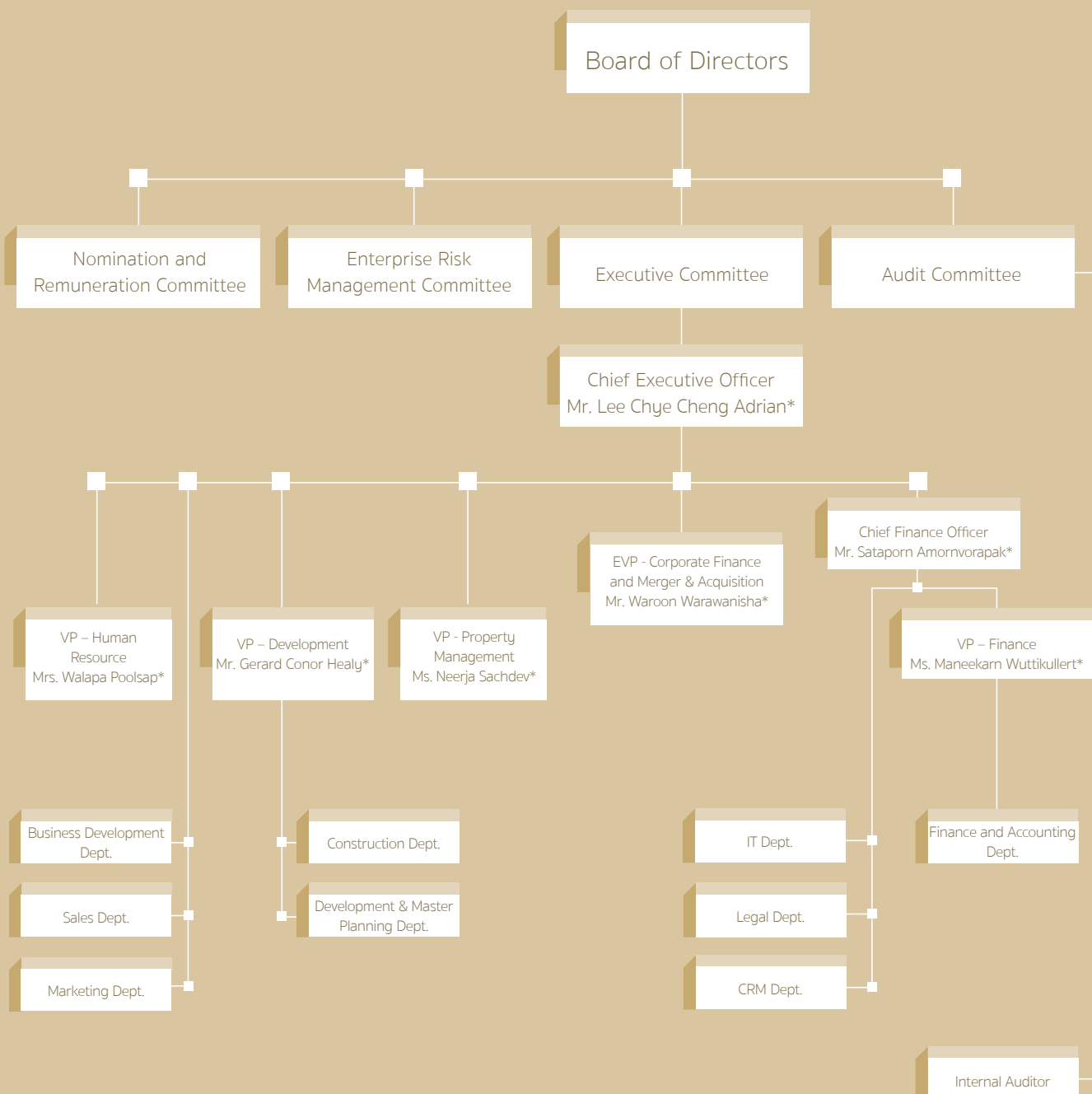
1. Has a thorough understanding on the Company's business, roles and responsibilities of Company Secretary, responsibilities of the Board of Directors, and possesses knowledge of relevant rules and regulations
2. Performs roles and responsibilities according to applicable rules and regulations, codes, article of associations with the utmost care, honesty, integrity, and commitment with the aim to achieve the Company's objectives under good corporate governance
3. Strictly adheres to integrity and good conducts and always takes into consideration every stakeholder, in addition to refraining from any activities that might negatively affect the Company's reputation
4. Ensures the Company's confidentiality and does not seek any personal benefits or gains from any type of business dealings
5. Has excellent interpersonal skill and is capable of coordinating with various internal and external parties

Roles and Responsibilities of Company Secretary

1. Provides preliminary advices to the Board of Directors in relation to rules and regulations of the Company as well as ensures that such rules and regulations are being enforced
2. Coordinating and facilitating shareholder and Board of Director meetings as per stipulated by the Company's rules and regulations
3. Organizing, preparing agendas for and taking minutes of board meetings and annual general meetings as well as ensuring that all resolutions either by shareholders or by the Board of Directors are carried out
4. Organizing and preparing statutory books including: Register of Board of Directors, Annual Reports, Invitation Letters for shareholder and Board of Director meetings
5. Bookkeeping of report of conflict of interests whether by Directors and/or management as well as ensuring that such report is submitted to relevant authorities
6. Overseeing information distribution and disclosure to relevant authorities as per applicable rules and regulations

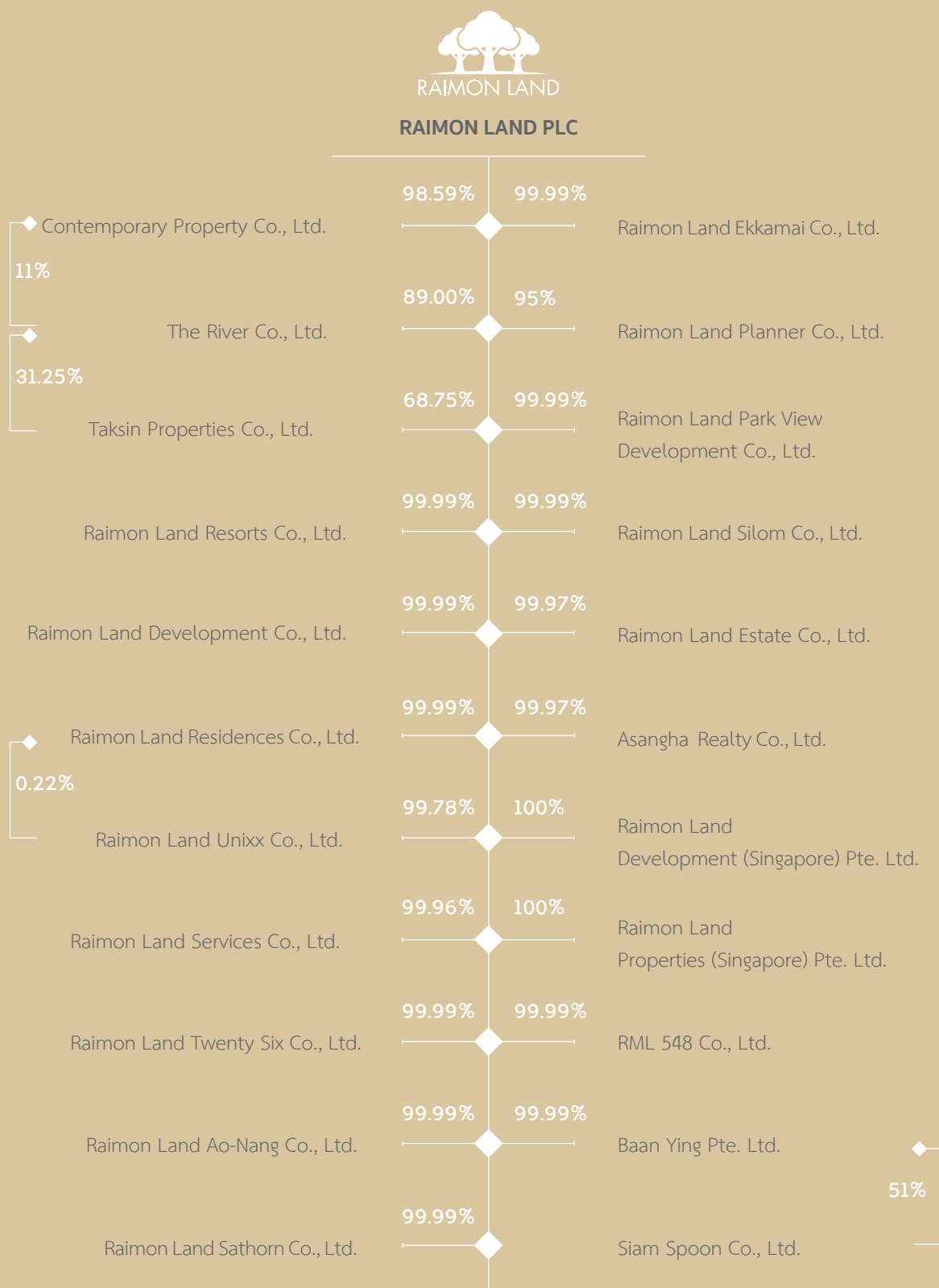
Management Structure

Management structure of Raimon Land Public Company Limited as of 31 December 2017



* Executive of Raimon Land under the Notification of Capital Market Supervisory Board TorChor 23/2551 (Article 89/1)

Corporate Structure



General Information of the Company's Subsidiaries and Other Related Companies

Subsidiaries (Unit : THB, unless otherwise stated)

The River Co., Ltd. Authorized Capital : 1,232,030,000 Paid-up Capital : 1,232,030,000	Raimon Land Services Co., Ltd. Authorized Capital : 500,000 Paid-up Capital : 500,000	Raimon Land Ao-Nang Co., Ltd. Authorized Capital : 5,000,000 Paid-up Capital : 5,000,000
Taksin Properties Co., Ltd. Authorized Capital : 1,200,000,000 Paid-up Capital : 1,200,000,000	Raimon Land Ekkamai Co., Ltd. Authorized Capital : 10,000,000 Paid-up Capital : 10,000,000	Contemporary Property Co., Ltd. Authorized Capital : 200,000,000 Paid-up Capital : 200,000,000
Asangha Realty Co., Ltd. Authorized Capital : 1,000,000 Paid-up Capital : 1,000,000	Raimon Land Resorts Co., Ltd. Authorized Capital : 7,000,000 Paid-up Capital : 7,000,000	Raimon Land Silom Co., Ltd. Authorized Capital : 45,000,000 Paid-up Capital : 45,000,000
Raimon Land Planner Co., Ltd. Authorized Capital : 2,000,000 Paid-up Capital : 2,000,000	Raimon Land Estate Co., Ltd. Authorized Capital : 1,000,000 Paid-up Capital : 1,000,000	Raimon Land Park View Development Co., Ltd. Authorized Capital : 100,000,000 Paid-up Capital : 100,000,000
Raimon Land Twenty Six Co., Ltd. Authorized Capital : 100,000,000 Paid-up Capital : 100,000,000	Raimon Land Development Co., Ltd. Authorized Capital : 500,000,000 Paid-up Capital : 500,000,000	RML 548 Co., Ltd. Authorized Capital : 5,000,000 Paid-up Capital : 5,000,000
Raimon Land Residences Co., Ltd. Authorized Capital : 10,000,000 Paid-up Capital : 10,000,000	Siam Spoon Co., Ltd. Authorized Capital : 5,000,000 Paid-up Capital : 5,000,000	Raimon Land Unixx Co., Ltd. Authorized Capital : 2,300,000,000 Paid-up Capital : 2,300,000,000
Raimon Land Sathorn Co., Ltd. Authorized Capital : 5,000,000 Paid-up Capital : 5,000,000	Rajanakarn Building 19 th Floor 3 South Sathorn Road, Yannawa, Sathorn , Bangkok 10120 Tel : +66 (0) 2029 1889 Fax : +66 (0) 2029 1891 +66 (0) 2029 1892 Website : www.raimonland.com	
Raimon Land Development (Singapore) Pte. Ltd. Authorized Capital : 2 SGD Paid-up Capital : 2 SGD	Raimon Land Properties (Singapore) Pte. Ltd. Authorized Capital : 2 SGD Paid-up Capital : 2 SGD	15 Hoe Chiang Road #19-01 Tower Fifteen Singapore (089316)
Baan Ying Pte. Ltd. Authorized Capital : 1,400,000 SGD Paid-up Capital : 1,400,000 SGD	103 Irrawaddy Road, #02-07, Singapore (329566)	

Other Related Companies

EY Thailand External Auditor for the Company and Subsidiaries	The Capital Law Office Limited Legal Advisor to the Company	Thailand Securities Depository Co., Ltd. Securities Registrar
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Note : Further details of subsidiaries can be found in Form 56-1

Shareholders and Capital Structure

As of 12 December 2017

Common Stock

Authorized Capital : THB 4,704,337,397

Paid-up Capital : THB 3,575,483,607

Par Value : THB 1.00

Market : SET

Industry : Property & Construction

Sector : Property Development

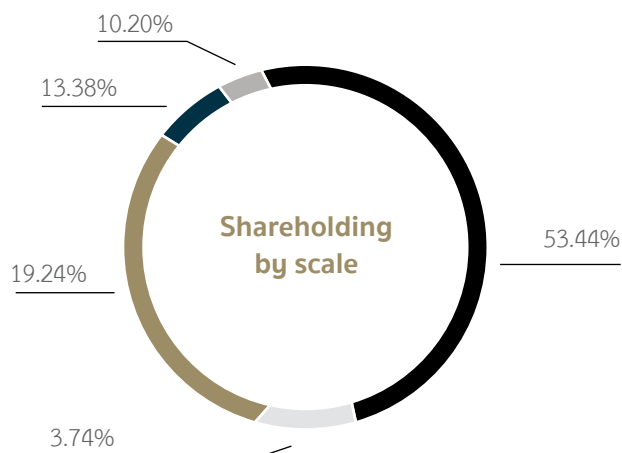
First Trade Date : 10 Sep 1993

Securities Code : RML

Number of shareholders : 8,893

Foreign Limit : 49.0%

Foreign Holding : 30.5%



Major Shareholders	Holding	
	Shares	(%)
JS ASSET MANAGEMENT PTE. LTD.	893,000,000	24.98
Thai Prosperity Fund II	250,000,000	6.99
Thai NVDR Co., Ltd.	216,019,407	6.04
Mr. Jirawud Kuvananant	206,198,300	5.77
UBS AG SINGAPORE BRANCH	98,948,100	2.77
Mr. Surachai Suwanthanakul	69,319,900	1.94
Mr. Jirawud Kuvananant by Siam Knight Fund Management Securities Co., Ltd.	67,149,200	1.88
Mr. Supachai Suthipongchai	60,000,000	1.68
Ms. Urapa Suthipongchai	50,000,000	1.40
Mr. Apisak Theppadungporn	39,899,100	1.11
Total	1,950,534,007	54.56

Shareholding by scale	Holding	
	shares	(%)
● 50 million or more	1,910,634,907	53.44
● 10 million - less than 50 million	364,855,282	10.20
● 1 million - less than 10 million	687,828,915	19.24
● 100,000 - 1 million	478,566,751	13.38
● Less than 100,000	133,597,752	3.74
Total	3,575,483,607	100

Other Securities

1. Warrants

Warrants (RML-W4)

On 15 June 2015, the Company issued 893,853,790 warrants (RML-W4), which can be exercised to subscribe for newly issued ordinary shares of the Company at the rate of 1 warrant per 1 ordinary share with the exercise price of Baht 1.97. These warrants can be exercised on the last business day of each March, June, September and December starting from 30 September 2015 to 15 June 2018.

On 27 April 2017, the Company has notified the right adjustment of warrants to purchase ordinary shares of the Company. The current exercise ratio is 1 : 1.02348 (unit : share) and the exercise price is 1.925 Baht per share

As at 31 December 2017, no RML-W4 warrant unit holder has exercised his right to purchase ordinary shares of the Company.

RML-W4

Total as of 1 Jan 2017 : 893,853,790 Units

Exercised during 2017 : -

Total as of 31 Dec 201 : 893,853,790 Units

Market : SET

Securities Code : RML-W4

Last Exercise Date : 14 June 2018

Expiration Date : 14 June 2018

Exercise Frequency : Quarterly

ESOP - Warrants (RML-WB)

On 1 November 2013, a resolution was passed at the EGM No 1/2013 of the Company approving the issue and offer for sale of 89 million ESOP warrant units at the offering price of Baht 0.00 per unit. The warrant unit has an exercise conversion rate of 1 warrant unit per 1 ordinary share, with the exercise price of Baht 1.67. The warrants were offered to 2 executive directors of the Company at 44.5 million units each.

On 12 November 2013, a resolution was passed at the Board of Directors meeting No.12/2013 approving the issue of 89 million warrants of the Company (RML-WB) on 15 November 2013, whereby the holders of these warrants can exercise their rights to purchase ordinary shares of the Company on the last business day of every month during the period of not more than 5 years, starting from the issue date of the warrants.

On 27 April 2017, the Company has notified the right adjustment of warrants to purchase ordinary shares of the Company. The current exercise ratio is 1 : 1.02348 (unit : share) and the exercise price is 1.632 Baht per share

As at 31 December 2017, no RML-WB warrant unit holder has exercised his right to purchase ordinary shares of the Company.

RML-WB

Total as of 1 Jan 2017 : 89,000,000 Units

Exercised during 2017 : -

Total as of 31 Dec 2017 : 89,000,000 Units

Market : N/A

Securities Code : N/A

Last Exercise Date : 14 Nov 2018

Expiration Date : 14 Nov 2018

Exercise Frequency : Monthly

2. Bill of Exchange

As of 31 December 2017, the Company has no outstanding bills of exchange.

3. Debentures

As of 31 December 2017, the Company has following debentures outstanding:

Detail	Value (Million)	Terms (Year)	Interest Rate* (%)	Maturity
Debenture of Raimon Land PCL No. 1/2015, maturity in 2018	500	3	4.80	29 July 2018
Debenture of Raimon Land PCL No. 1/2016, maturity in 2019	1,000	3	4.70	21 September 2019
Debenture of Raimon Land PCL No. 1/2017, maturity in 2020	711.7	3	4.70	20 June 2020

**The interest is paid every 3 months.

The debenture agreement contains covenants as specified in the agreement and restrictions on the Company, related to such matters as the maintenance of a certain debt to equity ratio.

Dividend Policy

1. Company's Policy

In the case the Company achieves a net profit and there is no existing accumulated loss carried forward, the Company shall pay out dividends, in the form of cash, of no more than 50% of total net profit after tax, net of allocation for any required legal reserves.

2. Statutory Reserve for the Company

According to clause 116 of Public Company Limited Act (B.E. 2535), the Company is required to allocate at least 5 percent of its total net profit after tax (net of accumulated loss carried forward, if any) as statutory reserve. The Company is required to allocate for statutory reserve until such reserve has reached an amount equivalent to 10 percent of the Company's registered capital. This statutory reserve cannot be used for dividend payment purpose.

3. Subsidiaries' Policy

Board of directors of each respective subsidiary is authorized to provide resolutions for dividend payment. The dividend payment shall be paid out of total net profit after tax only. For interim dividend payment, the board of directors of each respective subsidiary may consider to affect such payment as long as it is deemed that such subsidiary has enough net profit after tax to do so.

4. Statutory Reserve for the Subsidiaries

Upon each dividend payment, subsidiaries are required to allocate at least one twentieth of their respective net profit after tax for statutory reserve. The subsidiaries are required to allocate for their respective statutory reserves until such reserves have reached one tenth of the subsidiaries' respective capital.

Corporate Social Responsibility Towards Society and Environment

Organizational Governance, Human Rights, and Labor Practices

The Company is committed to good organizational governance, fair human rights and labor practices. The Company has stipulated code of conduct which is published on the Company's website: <http://rml.listed-company.com/>. In addition, in order to promote the Company's staff to comply with code of conduct, the Company has provided employees with access to information via the Company's internal system called sharepoint.

Responsibility towards Customers

The Company emphasizes on customers' benefits during the process of project concept design all the way through selection of construction materials (details of each project may vary) with key following points:

- Ample common area and sufficient parking space for customers
- Rigorous security system including elevator key card access and strict policy on external visitors
- Design and construction materials which help reduce energy consumption and customers' energy-related expenses
- Double glaze glass to prevent noise pollution

In addition, in the case of unpredictable events that render customers unable to affect a transfer, the Company, on case by case basis, has a policy to assist customers as followings:

- In the case of death or severe sickness, the Company will return deposits without penalties
- In the case of sudden change in customers' financial position arising from abrupt unemployment or significant change in foreign exchange rate, the Company shall hold the customers' deposit for a period of one year with the purpose of re-deploying the amount as deposits for an alternative unit within the same or other project
- In the case customers have not fully paid for deposits and there is a sudden change in customers' financial position, the Company shall recommend customers to switch to a more economical unit

Environment Protection

The Company emphasizes environment protection during the process of project concept design all the way through selection of construction materials (details of each project may vary) with key following points:

1. Energy Conservation

- Double Glazing and/or additional Low E coating (solar barrier) – to reduced heat (lower A/C and electrical load) and noise gain
- Use of automatic control air conditioning systems that make use of chilled water to reduce energy usage and to be more environmentally-friendly
- Use of an electrical system that supports the use of LED light bulbs thus helping to save energy

2. Environment Preservation

- Re-cycling of 'grey' water from units to use for landscape irrigation or floor cleaning
- Low water consumption bathroom/toilet fittings, example: 4 litres per minute rather than 6 liters/minute, dual flush cisterns
- Efficient pressure control systems for all water/plumbing outlets that help to conserve overall water usage
- Salt water chlorination system for swimming pools to reduce pollution arising from chlorine purification
- Use of wood laminated materials in the construction work that help reduce the overall quantity of solid wood material and, thus, the number of trees that are felled. In the case of wood, forested (renewable) timber is used rather than rain forest timber
- Ceramic tile, using this product rather than natural stone or even timber
- Preservation of existing mature trees on projects, where possible

3. Design Element

Targets 50% of project's open area as green area and provides greeneries wherever possible such as green wall for carpark section of the building

Human Resources

Total Employees, Categorized by Departments

As of 31 December 2017, the Company had a total of 165 employees not including Directors and executives. Details of employees as per departments as following:

Departments	Number or employees
Research & Business Development	6
Customer Relations Management	21
Project Development	14
Direct Marketing	7
Executive Office	3
Customer Relations Management - Post Handover	10
Finance & Accounting	20
Human Resources	3
Administration	15
Internal Audit	2
Information Technology	4
Legal	2
Marketing	8
Property Management	2
Property Management (Raimon Land Services Co. Ltd.)	23
Sales	25
Total	165

Employee Remuneration

Types of Remuneration	Total Remuneration in 2017 (THB)
Salaries and Overtime	94,897,593
Bonus	18,728,263
Sales Commission	26,247,350
Contribution to the Employee provident fund	3,914,190
Others	10,129,920
Total	153,917,316

Policy for Staff Development

The Company greatly emphasizes on staff development. The Company has set up “Training and Development” as one criteria of the Key Performance Indicators (KPIs). Moreover, all employees will do Individual Development Plan (IDP) and consult with their supervisor on an annual basis to set the direction to develop their potential to be consistent and support with the business operation of the Company. Details of such policy can be found on the Company’s website: www.raimonland.com under corporate governance section.

Summary of Staff Training

Item	Details	Hours
1	The essence of the financial advisor’s ethics and operating guidelines under the Code of Ethics of the Financial Advisor	4.00
2	Anti-Corruption: Synergy to Success	16.00
3	Create iOS and Android application with HTML 5, Angular JS and Ionic Framework	8.00
4	Luxury Brand Management with focus on the Art of Collaborations	16.00
5	Recruitment Center Workshop	3.00
6	20 issues of financial reporting standards that the bookkeepers must comply with	7.50
7	Tax & Law Strategies for Acquisition Planning	8.00
8	SET SD Forum 2/2017 : Sustainability Strategy: Key Blueprint for Business Growth	13.50
9	Construction Project Management & Control Strategy	8.00
10	SET SD Forum 3/2017 “Sustainable Investment Opportunity of Long Term	4.50
11	Effective Meeting skills Workshop	15.00
12	Management of Social Responsibility for Sustainable Development	5.00
13	Strengthen the listed company, for sustainable Thai society	6.50
14	Effective Presentation Techniques Course # 9	7.00
15	Enhancing Good Corporate Governance on CGR Scorecard	5.50
16	Future-Proof your organization in digital era	9.00
17	CSP:Company Secretary Program 83	8.50
18	IIAT Annual Conference 2017	15.00
19	Standardization of financial statements for PAES	7.50
20	Rental agreement, Accounting practices and get ready for TFRS16 – Leases	7.50
21	Impact of accounting equation that accountant must comply with financial standard.	7.50
22	Techniques for evaluating of probabilities of corruption and assessment tools (Curriculum) No. 3	7.50
23	Auto Desk Navisworks Essential	8.00
24	Complete accounting system for Hotel, Resort, Bangalow, Serviced Apartment, Condotel	7.50
25	Strategy for audit and fraud prevention in procurement process	7.50

Summary of Staff Training (Continue)

Item	Details	Hours
26	New TERS that you should know	16.00
27	Contractor Management Workshop	9.00
28	Prohibited of VAT and purchase tax	3.00
29	Cyber Defense Initiative Conference	9.00
30	Establishment of Housing / Condominium estate juristic person #24	9.00
31	Prohibited of VAT and purchase tax	6.00
32	Insights, innovation and evolving markets	16.00
33	Similarities and differences in principles of Accounting and Revenue Tax of TERS	16.00
34	Accounts and taxes related to real estate business.	152.00
35	Improve your skill, save time for your works	8.00
36	Principle of Infographic Design	8.00
37	How to design presentation for professional business	8.00
38	The Psychology Marketing	8.00
39	Create Business model with Business Model Canvas	8.00
40	Marketing Uncensored	8.00
41	Human resource management for new manager	288.00
42	Techniques to sale at par value	248.00
43	Think of Success	504.00
44	Basic English for Business	480.00
45	Enterprise Risk Management	210.00
46	Anti-Corruption Training	335.00
Total		2,562.00

Remarks: Average training session for staff is 15.53 hour per person

Director and Management Remuneration

Director Remuneration

The Company has established a transparent policy on Director Remuneration whether in the form of monetary or non-monetary benefits. Amount of remuneration is based on responsibility, duty, and benefits the Company expected to derive from a board member. In addition, such remuneration is required to be comparable with those of other publicly listed company on the Stock Exchange of Thailand; provided that such comparable companies are of similar industry and size. Finally, remuneration is required to be sufficiently attractive to retain and motivate board members to perform their duties with utmost transparency, with the aim to achieve the Company's goal. The Nomination and Remuneration

Committee is required to define general guidelines for the Company's incentive pay to the Board of Directors and Executive Management, which must be ultimately approved by the general meeting of the Company.

Management Remuneration

The Board of Director takes into consideration responsibilities, duties, and performance of each individual executive when determining incentive pay for the management. The Nomination and Remuneration Committee is required to define guidelines for the Company's incentive pay to the management. Such pay is expected to be sufficiently attractive in order to retain and motivate the management of the Company.

Monetary Remuneration

Directors' Remuneration

Name	Remuneration in 2017 (THB)
1. Mr. Pradit Phataraprasit	1,190,000.00
2. Mr. Lee Chye Tek Lionel	3,800,000.00
3. Mr. Tan Chin Kwang Johnson ⁽¹⁾	284,400.00
4. Ms. Nuch Kalyawongsa	392,000.00
5. Mr. Roland Pang Tze Vui	566,000.00
6. Mr. Siri Ganjarerndee	888,333.33
7. Mr. Kitti Gajanandana ⁽²⁾	332,000.00
8. Mr. Weidt Nuchjalearn ⁽³⁾	578,133.33
Total	8,030,866.66

Remarks:

⁽¹⁾ Mr. Tan Chin Kwang Johnson has resigned from directorship, effective from 5 June 2017

⁽²⁾ Mr. Kitti Gajanandana retired by the term of office since 24 April 2017

⁽³⁾ Mr. Weidt Nuchjalearn was appointed to be director in place of Mr. Kitti Gajanandana since 24 April 2017

Management's remuneration

Type of Remuneration	Remuneration in 2017 (THB)
Salary	45,409,332.00
Bonus	27,994,095.00
Contribution to Provident Fund	2,210,383.00
Others	3,409,957.00
Total	79,023,767.00

Other Types of Remuneration

Summary of Warrants to the Directors, Management and/or the Employees of the Company, under the ESOP Plan (RML-WB)

Program Objectives

1. To retain key person(s) within the organization and to maintain commitment of such person(s)
2. To allow Directors to participate in ownership of the Company
3. To retain personnel with high capability and efficiency on a long-term basis, and also to support the Directors' motivation to work for the Company's long-term benefits

Key details of the ESOP - Warrants to be issued and allocated to the Directors of the Company

1. The term of the ESOP-Warrants shall be 5 years, from the date of the first issue and allocation
2. The total number of ESOP-Warrants to be issued and offered is 89,000,000 units, or representing 2.49% of the Company's paid-up shares outstanding
3. Offering price of 0 Baht per unit
4. The ESOP-Warrants shall be allocated as followings :

Name	Position at the time of issuance	Allotment	
		Units	Percentage of total issuance
1. Mr. Tan Chin Kwang Johnson*	Chief Executive Officer and Executive Director	44,500,000	50.00
2. Mr. Lee Chye Cheng Adrian	Executive Director	44,500,000	50.00

* Mr. Tan Chin Kwang Johnson has resigned from directorship, effective from 5 June 2017

1. Each unit of ESOP-Warrants shall be convertible into one ordinary share
2. The exercise price of Baht 1.67 per share, which is 25% higher than the weighted average closing price of the Company's ordinary shares trading on SET during 15 consecutive business days prior to the approval date by the Board of Directors on this matter (between 5 - 25 September 2013), which is equaled to Baht 1.34 per share.
3. In case that the RML-WB holder is no longer the director, management and/or employee, as a result of resignation, voluntary dismissal, or lay-off by the Company due to the fault of such director, management and/or employees, such RML-WB Holder shall no longer be eligible to exercise the RML-WB Warrants.

On 27 April 2017, the Company has notified the right adjustment of warrants to purchase ordinary shares of the Company. The current exercise ratio is 1 : 1.02348 (unit : share) and the exercise price is 1.632 Baht per share.

Corporate Governance

Corporate Governance Policy

Board of Directors of Raimon Land Plc has set out policies for corporate governance that adhere to the ‘Principles of Good Corporate Governance for Listed Companies’ promoted by the Stock Exchange of Thailand. The Company ensures transparency, integrity and accountability in line with international standards by setting up an Audit Committee comprised of 3 qualified independent directors. These independent directors are tasked to independently audit and monitor performance of the Board of Directors. To further ensure good corporate governance and better supervision, the Company has appointed an internal auditor since the end of 2003. Structurally, the Audit Committee and internal auditor are completely independent from the Company’s Executive Committee. The Board has committed itself to compliance with the ‘Code of Best Practice for Directors of Listed Companies’ and the 5 principles of ‘Good Corporate Governance, 2012’ as follows:

1. Rights of shareholders:

- The Board of Directors acknowledges that good corporate governance is vital for the benefits of the Company and shareholders. Thus, the Board of Directors has set up policies and procedures to ensure transparency in accordance to relevant laws and business ethics, with the aim to maximize shareholders’ benefits and to prevent any conflicts of interest. In addition, good corporate governance, along with internal control systems executed by independent directors and Audit Committee, is essential to sufficient risk management, and having proper internal control systems in place as well as having internal audit system reviewed by Independent Directors/Audit Committee Members.
- The Company shall disclose up-to-date information to the public via its corporate profile, corporate website and company newsletter, all of which in English and Thai.
- Shareholders are notified at least 7 days in advance (14 days under the case of special agendas) of each shareholder’ meeting in a written letter that specifies

the date, time and venue of the meeting. The letter shall also provide detailed agendas, each of which shall be accompanied by the Board of Directors’ opinion on such matter. Such practice is to ensure that all shareholders shall receive adequate time and information for decision making process.

- The Company is fully aware of the right of shareholders to access information. The Company welcomes shareholders’ comments and ideas. The Company has arranged for representatives of the Executive Committee, management, Audit Committee and auditors to attend every meeting. Complete and accurate minutes are taken at each meeting and shall be submitted to the Stock Exchange of Thailand within 14 days following such meeting. Every meeting minute shall be presented to shareholders in subsequent meeting for shareholders’ acceptance.

2. Equitable Treatment of Shareholders

- All shareholders have equal rights to attend and vote at meetings as specified in the Articles of Association. Should a shareholder be unable to attend a meeting, the shareholder is encouraged to appoint a proxy to attend the meeting or assign an independent director to vote for his stead. All shareholders shall be treated equally with respect to their rights.
- The shareholders shall have an opportunity to propose additional agendas and questions concerning the Company prior to the shareholders’ meeting date in advance through SET’s website. The Company shall published the criteria for shareholders to propose additional agenda on the company’s website.
- The shareholders’ meeting shall be convened in accordance with the agendas set out in the meeting notice. The Company will not add extra agendas without prior notice to shareholders to assure that shareholders an opportunity to study all necessary information before making decision.
- Chairman of the shareholders’ meeting shall provide shareholders an opportunity to express opinions and ask questions related to the agenda or related to the Company in general.

- The Board of Directors provides an opportunity for shareholders to elect directors on an individual basis.

The Board of Directors uses voting cards for important agenda items such as election of directors, related party transactions, acquisitions or disposals of core assets, etc.

3. Role of stakeholders

3.1 Protection of stakeholders' rights

- The Company values the rights of stakeholders including shareholders, customers, employees, suppliers, competitors, official authorities, society and environment. The Company has published Code of Conduct to provide ethical guidelines for the Company's directors, management, and employees. The Company expects every person in the organization to strictly adhere to such Code of Conduct.
- The Board of Directors has established clear policies on fair treatment to each group of stakeholders for implementation and measurement of policy effectiveness in order to prevent infringement of stakeholder right and to redress violations of stakeholders' legal rights.

3.2 Policy and practice toward Competitors

- The Company sets a policy toward its business competitors in a way consistent with international practice and the legal framework for business competition with good business ethics, professionalism and transparency. It will not spy on or fraudulently obtain of its competitors' trade secrets. The Company practices are as following:
 - The Company will compete with professional integrity and shall treat competitors with fairness under the applicable rules and regulations of the competition.
 - Company shall not damage competitors' reputation by abusive accusation.
 - The Company shall not take any actions to create competitive disadvantage to its competitors such as abuse or wrongfully obtain competitor's confidential information and etc.

3.3 Policy and practice toward Trading Partners

- The Company believes in doing business with

integrity, transparency, equality and fairness. Having great Trading Partner will help both parties to drive for sustainable growth. The Company has a policy and practice toward Trading Partners as one of the Company's stakeholders as detailed below:

- Company shall operate in line with the terms and conditions of agreement. If not, Company shall inform the Trading Partners in advance to solving the problem together and try to prevent any damages that might happen.
- Company shall not demand or receive or pay any improper benefits to its Trading Partners.
- The Company has a screening and selection of Trading Partners Policy with an emphasis on pricing, quality, service, delivery, expertise and experiences. The Company also considers about business ethics of the Trading Partner, reliability, financial status, past record and the Trading Partner must not have conflict/joint of interest with other Trading Partner/bidders which could obstruct the fairly price competition.

3.4 Policy and practice toward Creditors

- The Company always aware that honesty is the fundamental of good relationship with creditors. The Company set policies and practices in order to reassure its Creditors as following:
 - Creditors should be treated with responsibility, honesty and fairness on the basis of the fair return to both parties.
 - Company shall strictly comply with all the terms and conditions agreed upon in an agreement especially the terms of guarantee and managing cash flow to be able to pay to the creditors according to the terms and conditions in the agreement.
 - The Company shall disclose any necessary and important information, conditions and restrictions or facts to its creditors in accordance with the legal framework of Consumer Protection Law and other relevant laws.
 - In the event that any particular condition cannot be met, the company shall notify the creditors in advance and seek a mutually acceptable solution.

3.5 Policy on Non-Infringement of Intellectual Property

- The Company emphasizes the importance of legally and proper use of intellectual properties and information technology. The Company has a policy to abide by intellectual property laws (copyright, trademark, patent and etc.). The usage of computer and information technology must be complied with the Computer-Related Crime Act and relevant laws. The company does not support any actions of its directors, managements and employees that violates intellectual property of others without authorization.
- The Company provided guideline for its directors, managements and employees on those policies above through the Company's site. In case of any complaints or the company finds out of any violation, the company will follow the rules set out in Code of Conduct Policy and other relevant regulations.

3.6 Policy and practice toward Employee

- The Company recognizes the value in human resources. The Company intends to create the pride in the organization and the participatory working environment as well as equal opportunities for career progression. Employees will be provided with skill and knowledge development thoroughly and continuously to create value and maintain business excellency.
 - The company will treat employees with respect to honor and dignity.
 - The Company will conduct recruiting and hiring process with fairness by considering the qualifications, educations, experiences and other necessary requirements of each positions without discrimination on sex, age, race and religion.
 - The Company set out remuneration management policy based on fairness and suitability. The remuneration must be in line with the responsibilities, quality, achievement of each position, employee's attitude and potential, which could be comparable with other companies in the same industry.
 - The Company has welfare & benefits policies for employees such as provident fund, social security fund, group life and health insurance, annual physical checkup and financial aid to

employees in various occasions.

- The Company has policy to develop skill and knowledge of its employees and enhance their ability for career progression continuously, which could be comparable with other companies in the same industry.
- The Company recognizes that good communication brings efficiency and good working environment. Therefore, the Company continuously informs and updates its employees on relevant news and information as often as possible.

4. Disclosure and transparency

- The Company recognizes the importance of accurate, complete, transparent and timely disclosure of financial, general and other information that may affect the price of the Company's securities. Further, the Company has set up Investors Relation Department in order to handle communication with investors and analysts with an emphasis on complete, transparent and timely disclosures. Contact Information of Investor Relation is as follows:

Telephone : +66 (0) 2029 1889 ext. 2003

Fax : +66 (0) 2029 1891

E-mail : ir@raimonland.com

- The Company's Board of Directors is responsible for the accuracy of the Company's and its subsidiaries' consolidated financial statements and related information as shown in the annual reports, which are prepared in accordance with generally accepted Thai accounting principles. Conservative judgments and best estimates have been used to prepare the financial statements to ensure adequate and proper disclosure in the notes to the financial statements.
- The Company's Board of Directors has arranged for an efficient internal control system to ensure that financial information is recorded accurately, completely and adequately in order to safeguard the Company's assets; and to help identify any loopholes in order to establish preventive measures in relation to any significant fraud or operation irregularities.
- The Company has provided a transparent and appropriate guideline to determine directors' remuneration. Such guideline is required to be in accordance with market practices. Directors'

remuneration is approved by shareholders at the general meeting, while management remuneration is approved by the Nomination and Remuneration Committee or the Board of Directors. Executive remuneration shall take into account the Company's operating results as well as the performance of relevant executives.

- Directors and the first four Executives according to the definition in the Notifications of the Capital Market Supervisory No. TorJor. 23/2551, including the spouses and underage children of the Directors and Executives of the Company, are obliged to submit securities holding report to Securities and Exchange Commission (SEC) within 30 days after they have been appointed directors or executives and report of change in securities holding must also be filed within 3 business days from the date of purchase, sale, transfer or acceptance of transfer of securities and a copy of such report must be delivered to the Company on the same day as sending to the Securities and Stock Exchange Commission, in compliance with the Securities and Exchange Act B.E. 2535 (1992) and relevant regulations from SEC.

5. Responsibilities of the Board of Directors

5.1 Structure of the Board of Directors

- The Board of Directors of the Company consists of 8 directors as follows:

Directors	5 persons
Independent Directors	3 persons
- Independent Directors shall constitute at least one third of the Board of Directors. Independent Directors is comprised of
 - (1) Chairman of the Board of Directors/Audit Committee member and
 - (2) two Audit Committee members. The Independent Directors/Audit Committee are encouraged to express their views and maintain their independence when performing operation and transaction audit as well as evaluating internal control systems.
- In 2017, there were a total of 7 Board of Directors meetings, whereby the attendance record of directors is as follows:

Name	Date of Appointment	Number of Attendances
1. Mr. Pradit Phataraprasit	1 February 2013	6/7
2. Mr. Lee Chye Tek Lionel	1 February 2013	7/7
3. Mr. Tan Chin Kwang Johnson ⁽¹⁾	1 February 2013	3/3
4. Mr. Lee Chye Cheng Adrian	4 February 2013	7/7
5. Ms. Nuch Kalyawongsa	4 February 2013	7/7
6. Mr. Roland Pang Tze Vui	16 May 2014	7/7
7. Mr. Siri Ganjarende	14 August 2014	7/7
8. Mr. Sataporn Amornvorapak	14 August 2014	7/7
9. Mr. Kitti Gajanandana ⁽²⁾	8 April 2004	2/2
10. Mr. Weidt Nuchjalearn ⁽³⁾	24 April 2017	5/5

Remarks:

- ⁽¹⁾ Mr. Tan Chin Kwang Johnson has resigned from directorship, effective from 5 June 2017
- ⁽²⁾ Mr. Kitti Gajanandana retired by the term of office since 24 April 2017
- ⁽³⁾ Mr. Weidt Nuchjalearn was appointed to be director in place of Mr. Kitti Gajanandana since 24 April 2017

- Separation of roles, duties and responsibilities
The Company has made a clear outline defining the authority and responsibility of the Board of Directors, Executive Committee, Audit Committee, Nomination and Remuneration Committee, Enterprise Risk Management Committee and Chairman of the Board. In addition, Chairman of the Board of Directors shall act as an independent director and possess no relationship with management. Chairman of the Board of Directors shall not be representative of major shareholders, nor shall be the same person with Chief Executive Officer.

5.2 Director Authorization and Restriction

- Any 2 of the following 3 Directors - Mr. Lee Chye Tek Lionel, Mr. Lee Chye Cheng Adrian and Mr. Sataporn Amornvorapak – signing together with the affixing of the official company seal.
- Authorization of Board of Directors, Executive Committee and Executives, shall be in accordance with The Approval Limit No. 1/2017, in order to be able to perform their duties effectively and be in line with good internal control.

5.3 Scope of Authority of the Company's Board of Directors

- The Company's directors are required to perform their duties in compliance with all relevant laws and regulations; the Company's objectives and articles of association; and the resolutions by shareholders in good faith. The Company's directors are prohibited from carrying out any business of the same nature as and in competition with the Company's business and from being partners or shareholders or directors of other juristic persons carrying out a similar and competitive business, unless the shareholders are informed of such in a shareholders meeting prior to his/her appointment. If a director has direct or indirect interests in any agreements to be entered into with the Company or increases or decreases his/her shareholding or debenture holding in the Company and its affiliates or debenture, the director must inform the Company without delay.
- The Company's directors shall act for the best interests of the Company, stakeholders, and shareholders as per followings:
 - a) Review, consider and approve key business matters such as the Company's visions and missions, strategy, annual budget, financial targets, risks and company business plan at least once a year.
 - b) Monitor, control and supervise that management execution is performed in line with policies, work plans and budget and in an efficient and effective manner, as well as evaluate and ensure the performance reporting.
 - c) Establish and approve corporate governance policy and ensure consistency through policy revision, expected to perform at least annually.
 - d) Ensure the reliable audit, accounting system and financial report. Monitor the appropriateness of internal control procedures and internal audits as well as effectiveness and efficiency of risk management procedure.

5.4 Role and Responsibilities of the Chairman of the Board

- Summon the Board meetings and control submission of the invitation to the meetings including any related documents to provide adequate information in a timely basis to the directors.

- Preside over the meetings of the Board of Directors, manage the meetings in line with the agenda, Articles of Association and relevant laws as well as manage time appropriately and promote expression of opinions in an independent and transparent manner at meetings.
- Give the casting vote in the event the votes are tied at Board of Directors meetings.
- Preside over the shareholders' meeting, manage the meetings in line with the agenda, Articles of Association and relevant laws as well as manage time appropriately.
- Supervise to ensure proper and efficient communication between the directors and shareholders during shareholders' meeting and provide the opportunity for shareholders to express opinions equally.
- Support and encourage the Board of Directors working at full capacity, duties and responsibilities in line with the principles of corporate governance.

5.5 Board Meeting and Relevant Notification

- The Board of Directors shall convene at least 4 times annually, scheduling the meeting in advance at the beginning of every year. Directors are required to attend extraordinary meeting as required. Unless there is an emergency, letter of invitation shall be distributed to the board members 7 days prior to the meeting in order to provide directors sufficient time to digest the information. In addition, letter of invitation is expected to contain information concerning date, time, agendas and place of meeting. The Company is expected to produce meeting minutes within 14 days of the board meeting, and all directors are entitled to access the meeting minutes. The Company shall file all approved meeting minutes.
- In 2017, the company set 5 meeting schedules in advance and had 2 extraordinary meeting during the year.

5.6 Meeting Quorum and Voting

- Meeting quorum requires at least half of the directors to be present. In the case the Chairman of the Board is absent, the Vice-chairman shall automatically be elected as chairman of the meeting. In the case the

Company does not have Vice-chairman, one of the directors present at the meeting shall be elected as chairman.

- Decision shall be based upon majority rule.
- Each of the directors has 1 vote. Those having conflict of interests shall be abstained from voting. In the case there is a tie, the chairman is entitled to cast an additional vote.

5.7 Appointment of Directors and Executives

To ensure the effectiveness, efficiency, professionalism and versatility of the company, the selection and nomination of directors will be considered based on the Board Diversity as well as knowledge, ability, expertise, relevant experience and others qualifications as required by law. The selection and nomination of directors will be carried out by Nomination and Remuneration Committee and the Board of Directors.

For the criteria and procedure of nomination, the Nomination and Remuneration Committee will screen and select the qualified person from a variety of professions who has the necessary skills to enhance the strengths and effectiveness of the Board of Directors. The qualified person must have leadership, visions, morality and ethics with no limitation to gender who also have a transparent working history, not have prohibited traits as defined in the Public Companies Act and notifications of the Securities and Exchange Commission and able to express opinions freely. The qualified person will be nominated to the Board of Directors for consideration. Once approved, the nominated person will be proposed to the shareholder for approval at the general shareholders' meeting.

1) Appointment of Directors

An appointment of directors must be approved by the shareholders at the general shareholders' meeting, except for the case where vacancy was caused by a reason beyond term expiration. Under such case, the Board of Directors shall be entitled to appoint a person to fill such vacancy. The appointed person shall serve the remaining period of the term.

In practice, the nomination of directors can be carried out by the Nomination and Remuneration Committee and the Board of Directors. In addition, shareholders may

nominate a candidate for consideration during shareholders' meeting. The person, regardless of how he or she is nominated, has to be qualified, knowledgeable, capable, and experienced in relevant fields. In addition, the person shall not have prohibited traits as defined in the Public Companies Act and notifications of the Securities and Exchange Commission. The requirements and procedures for selection of company directors are given below.

According to Section 4 of the Company's Articles of Association, the Board of Directors comprises of at least 5 directors and at least half of the directors must reside in Thailand.

The appointment of directors must be carried out at the shareholders' meeting in accordance with the following requirements and procedures:

- 1.1 Each shareholder has one vote to one share.
- 1.2 In appointing directors, each shareholder may vote for candidate(s) individually or as a group, as long as voting requirement in item no. 1 applies. However, the votes are indivisible (the voting for appointment of directors shall be non-cumulative voting).
- 1.3 The directors will be selected based on the total number of votes; in the case of a tie, the Chairman will cast the deciding vote.
- 1.4 At every annual general shareholders' Meeting, one-third of the directors - or the number nearest to one-third - must retire from the board. The retiring directors may be re-elected.
- 1.5 There must be drawing by lots to determine the directors retiring by rotation on the first and second years following a conversion into a public company. In each subsequent year, the directors who have been directors for the longest period must retire. In addition to the retirement by rotation, director vacates from the post upon:
 - a. Passing away
 - b. Resignation
 - c. Disqualifications or possessing prohibited traits according to the Public Companies Act
 - d. Removal by a resolution of the shareholders at the general shareholders' meeting
 - e. Dismissal by a court order

- 1.6 Any director wishing to resign is required to submit a resignation letter to the Company. The resignation is effective immediately upon the letter being received by Company. The director may notify the registrar of the resignation.

2) Selection of Independent Directors

The Company realizes the importance of having independent directors. Independent directors are in charge with auditing and supervising the Executive Committee in order to ensure transparency; to comply with relevant internal control systems, laws and regulations; as well as improving the Company's operational efficiency. An independent director must be knowledgeable, competent and experienced. Independent directors are selected according to the criteria set by the Company. The Nomination and Remuneration Committee will screen and select the qualified person and submit a short-list of nominated person to the Board of Directors for consideration. Once approved, the nomination is proposed to the shareholders for approval at a shareholders' meeting, as outlined in the Company's Articles of Association. To qualify as an independent director, an individual must meet the following criteria:

- 2.1 Holding less than 1% of the Company's total voting shares;
- 2.2 Having no involvement in the management of the Company; not being an employee or a consultant; not having power to exert control in the Company, its affiliates, associated companies or connected person; not possessing a potential conflict of interest for at least 2 years prior to appointment; not having any juristic relationship with the legal consultant or external auditor of the Company or its affiliates;
- 2.3 Having no involvement in any business relationship in terms of finance and/or management of the Company, affiliates, joint venture or connected person of the amount equal to or more than 3 percent total net tangible assets; not having a relationship as a customer, a supplier, a trade creditor/debtor, or a financial creditor/debtor; receiving no benefits from the Company; and
- 2.4 Not having familial relationship with management, major shareholders of the Company or its affiliates and associated companies, nor someone that may

create a conflict of interest; and shall not be appointed to represent interests of particular directors or major shareholders.

5.8 Director Orientation

The Company has established policy in relation to director orientation with the aim to acclimatize the newly appointed director(s). The newly appointed director(s) will have an opportunity to discuss with Chairman of the Board and Executive Committee. The discussion shall cover expectation, roles, and responsibilities in relation to directorship as well as the Company's policies in relation to good corporate governance. In addition, the newly appointed director(s) shall have an opportunity to understand the Company's business and process via having site visits at applicable business units.

5.9 Policy to Promote Continuous Development of the Directors and Executives

The Board of Directors has a policy that promotes continuous development of directors, executives, and company secretary in order to improve productivity. The Board of Directors encourages every person to attend seminars and courses with relevant institutions, such as Thai Institute of Directors, the Stock Exchange of Thailand, among others, as deemed appropriate. In 2017, the following directors attended the following seminars:

Name	Position	Courses/Seminar Title
Mr. Sataporn Amornvorapak	Director	<ul style="list-style-type: none">• Strategy for audit and fraud prevention in procurement process• Rental agreement, Accounting practices and get ready for TFRS16 – Leases• TFRS for SMEs Impact of accounting equation that accountant must comply with financial standard.

5.10 Performance Assessment of the Board of Directors

The company set the policy for the board of directors to conduct its annual performance evaluation by using board self-assessment method to assess their performance once

a year. The result of such evaluation will be used for enhancement of efficiency of board or directors. Currently, the evaluation of the Board of Directors' performance is done in 3 category:

1. Self-Assessment for the board of directors as a group
2. Self-Assessment of committee as a group
3. Self-Assessment of the board of directors on an individual basis

The criteria for assessment as followings:

Criteria	Board as a group	Committee as a group	Board on individual basis
1. Board structure and qualifications	/	/	/
2. Roles, duties and responsibilities of the board	/	/	/
3. The board meeting	/	/	/
4. Duties of directors	/	X	X
5. Relationship with management	/	X	X
6. Director and Management Self-improvement	/	X	X

At the end of the year, the company secretary will give the evaluation form, both collectively and individually, to all members of Board of Directors to evaluate their performance during the past year. After the self-assessment was completed, the Board of Directors will send the form back to the company secretary to collect and analyze the performance assessment of the Board of Directors. The company secretary shall later report the result to the Board of Directors to acknowledge and consider in line with company's yearly objectives.

The score will be calculated as percentage in each criteria. Scores 85 or higher are considered "Excellent", 75-84 "Good", 65-74 "Moderately Good", 50-64 "Average" and "Needs Improvements" for scores below 50.

Sub-committee (as of 31 December 2017)

The Company consists of the Board of Directors along with four sub-committees as following:



Executive Committee

Name	Position Title	Number of Attendance / Number of Meetings
1. Mr. Lee Chye Tek Lionel	Chairman of Executive Committee	12/12
2. Mr. Lee Chye Cheng Adrian	Executive Committee Member	12/12
3. Mr. Sataporn Amornvorapak	Executive Committee Member	11/12
4. Mr. Tan Chin Kwang Johnson ⁽¹⁾	Executive Committee Member	0/2
5. Ms. Shanya Sae-tia ⁽²⁾	Chief Operating Officer	6/7

(1) Mr. Tan Chin Kwang Johnson resigned from Executive Committee since 8 March 2017

(2) Ms. Shanya Sae-tia resigned from the Company and Executive Committee since 15 August 2017

Scope of Authority, Duties and Responsibilities of the Executive Committee

- 1) In relevant with all aspects of day-to-day operations, the Executive Committee has authorities to determine policies, directions, strategies, business plans, budget, management structure and manage all operations of the Company. The Executive Committee shall propose the business plan which is in line with economic conditions for the Board of Directors' consideration and approval. The Executive Committee shall monitor and

follow up the operating result to be in accordance with policies, business plan and strategies of the Company.

- 2) Monitor, follow up and report the operating result and financial status of the Company and its subsidiaries as well as the important issue to the Board of Directors regularly.

The Executive Committee has no authority to approve a transaction that may create a conflict of interest; that would benefit a member of the Executive Committee or connected person; that would conflict with the Company or its subsidiaries as per regulations by Stock Exchange of Thailand. Such transaction must be submitted to the Board of Directors and/or shareholders meeting for approval, as required by the Company's Articles of Association and relevant laws.

Audit Committee

The Audit Committee is comprised of three independent directors. Each of the independent directors has sufficient knowledge, experience, and qualification as per rules and regulations stipulated by The Stock Exchange of Thailand and The Securities and Exchange Commission. The term of an Audit Committee member is 4 years and could be re-elected by the Board of Directors. In the event that a vacancy occurs for any reason other than the expiration of the term, the Board of Directors will appoint another person who is qualified under SET regulations and requirements, as a replacement member of the Audit Committee. The replacement member will only serve for the remaining period of the term.

The Audit Committee is comprised of three independent directors. The Audit Committee meetings are normally held at least on a quarterly basis. In 2017 there were five meetings and reported to the Board of Directors regularly. Members of the Audit Committee are as follows:

Name	Position Title	Number of Attendance / Number of Meetings
1. Dr. Siri Ganjarende ⁽¹⁾	Chairman of the Audit Committee	5/5
2. Mr. Kittu Gajanandana ⁽²⁾	Chairman of the Audit Committee	2/2
3. Mr. Pradit Phataraprasit	Audit Committee Member	4/5
4. Mr. Weidt Nuchjaleam ⁽³⁾	Audit Committee Member	2/2

⁽¹⁾ Dr. Siri Ganjarende was re-appointed to be an independent director and a member of the Audit Committee in the Annual General Meeting dated 24 April 2017 and he was appointed to take the position of "Chairman of the Audit Committee" by the Board of Directors which became effective since 16 May 2017.

⁽²⁾ Mr. Kittu Gajanandana occupied the position of "Chairman of the Audit Committee" and an independent director until 24 April 2017.

⁽³⁾ Mr. Weidt Nuchjaleam was appointed to be an independent director in the Annual General Meeting dated 24 April 2017 and he was appointed to take the position of "Member of the Audit Committee" by the Board of Directors which became effective since 16 May 2017.

Secretary to Audit Committee

Mr. Jakkalin Kornkul Assistant Vice President - Internal Audit

Dr. Siri Ganjarende is an Audit Committee member who qualified for reviewing the Company's financial reporting and taking the position of Chairman of the Audit Committee.

Scope of Authority, Duties, and Responsibilities of the Audit Committee

1. To review the Company's financial reporting to ensure that financial reports are fairly presented in all material respects.
2. To ensure that the Company's internal control system is adequate and efficient, encompassing all relevant operational, financial reporting, and compliance.
3. To evaluate to ensure that the efficient internal audit system exists according to the international internal auditing standards. In addition, it evaluates the adequacy of the budget, personnel, and independence of internal auditors including to recommend the appointment, transfer, termination and evaluate the performance of the head of internal audit department and other staff in the

internal audit department or any relevant units who take care of internal audit work.

4. To review the Company's compliance with all laws pertaining to its business and the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
5. To propose and appoint a Certified Public Accountant, to propose audit fee; and to attend a meeting with them, without management presence, at least once a year.
6. To disclose adequately and accurately all information pertaining to the connected transactions or transactions that may have a conflict of interest as required by rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, it considers disclosing the sufficient information when the connected transaction or conflict of interest exists to ensure that those transactions are reasonable and make the highest benefits for the Company.
7. To ensure that the Company has an efficient risk management system.
8. To establish the whistle-blowing process for the purpose of receiving lead to potential corruption, corporate fraud, and/or any financial irregularities as well as provide identity protection to the whistle-blower.
9. To prepare the Audit Committee Report, signed by Chairman of the Audit Committee, and published in the Company's annual report. The report shall consist of the following contents:
 - Opinion on the completeness in all material respects and reliability of the financial reporting
 - Opinion on the adequacy of the internal control system, risk management, and anti-corruption measures
 - Opinion on compliance with rules and regulations as stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand and any applicable business laws
 - Opinion on the appropriateness of the Certified Public Accountant
 - Opinion on connected transaction and conflict of interests
 - Number of meetings and meeting attendances of the Audit Committee members

- Overall opinion or observation by the Audit Committee formed during performance of duty as per the Audit Committee Charter
- Other matters deemed necessary for shareholders to acknowledge while in accordance with duties and responsibilities assigned by the Board of Directors.

10. To report to the Board of Directors the work carried out by the Audit Committee at least once a quarter.
 11. To have an authority to summon directors, management, department heads, and any employees to discuss and/or provide answers to the Audit Committees' inquiry.
 12. Under the performance of duty, should the Audit Committee has found or suspected that any transaction or action may cause material impacts to the Company's financial position and/or operation, the Audit Committee is required to report to the Board of Directors for a timely rectification. Transaction and action may include:
 - Any transaction that may create conflict of interests
 - Any fraud, corruption and/or important irregularities in relation to the internal control system
 - Violation of any rules and regulations as stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand and any relevant business laws
- If Board of Directors or management of the Company refuses or ignore to improve or remedy by the time limit, any Audit Committee member may report the transactions to the Securities and Exchange Commission or the Stock Exchange of Thailand.
13. To perform any other tasks as assigned by the Board of Directors and agreed by the Audit Committee.

Enterprise Risk Management Committee

The resolution was passed during Board of Directors' Meeting No. 10/2015 to establish Enterprise Risk Management Committee. The purpose of the Enterprise Risk Management Committee is to perform centralized oversight and policy setting of risk management activities and to provide

communication to the Board of Directors regarding important risks and related risk management activities. Members of the Enterprise Risk Management Committee consist of 6 directors as follows:

Name	Position Title	Number of Attendance / Number of Meetings
1. Mr. Weidt Nuchjalearn ⁽¹⁾	Chairman of Enterprise Risk Management Committee (Independent Director)	2/2
2. Dr. Siri Ganjarende ⁽²⁾	Enterprise Risk Management Committee member (Independent Director)	4/4
3. Mr. Roland Pang Tze Vui	Enterprise Risk Management Committee Member	4/4
4. Mr. Lee Chye Tek Lionel	Enterprise Risk Management Committee Member	4/4
5. Mr. Lee Chye Cheng Adrian ⁽³⁾	Enterprise Risk Management Committee Member	4/4
6. Mr. Sataporn Amornvorapak	Member and Secretary of Enterprise Risk Management Committee	4/4

Remarks:

⁽¹⁾ Mr. Weidt Nuchjalearn was appointed to be an independent director in the Annual General Meeting dated 24 April 2017 and he was appointed to take the position of "Chairman of Enterprise Risk Management Committee" by the Board of Directors which became effective since 6 June 2017.

⁽²⁾ Dr. Siri Ganjarende was appointed to be an Enterprise Risk Management Committee member by the Board of Directors which became effective since 16 May 2017.

⁽³⁾ Mr. Lee Chye Cheng Adrian was appointed as Chief Executive Officer by the Board of Directors meeting no. 2/2017 dated 24 February 2017 which became effective since 1 March 2017.

Mr. Sataporn Amornvorapak, Chief Finance Officer, is the secretary of Enterprise Risk Management Committee.

Scope of Authority, Duties, and Responsibilities of the Enterprise Risk Management Committee

- 1) To review the risk management processes and mitigation measures including to review the business and compliance risk assessment plans adopted by the Management and propose to the Board of Directors by Chairman of the Enterprise Risk Management Committee.
- 2) To take care of other duties as may be assigned by the Board of Directors.

The term of the Enterprise Risk Management Committee members, including the Chairman, shall be 3 (three) years which will coincide with their terms on the Board. Any retiring Enterprise Risk Management Committee member shall be eligible for re-appointment endlessly. In the event of the members of the Enterprise Risk Management Committee including the Chairman resigning/retiring before the expiry of their term, the vacancy will be filled at the discretion of the Enterprise Risk Management Committee and their successor will hold office for the remainder of the unexpired term of their predecessor on the Enterprise Risk Management Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established by the Raimon Land Plc's Board of Directors at the Board of Directors' Meeting No. 10/2558 on November 27th, 2015 to restructure the sub-committee by dissolved Remuneration Committee and established new Nomination and Remuneration Committee to provide support to the Board of Directors with respect to the consideration of the recruitment and selection process of the nomination of directors and the recommendation of qualified candidates to the Board for consideration prior to nomination proposal at the Shareholders Meeting for further approval and appointment. The Nomination and Remuneration Committee also review the compensation package of directors and senior executives for further recommendation to the Board of Directors.

The Nomination and Remuneration Committee is comprised of three directors. Members of the Nomination and Remuneration Committee are as followings:

Name	Position Title	Number of Attendance / Number of Meetings
1. Mr. Pradit Phataraprasit	Chairman of Nomination and Remuneration Committee (Independent Director)	2/2
2. Mr. Kitti Gajanandana ⁽¹⁾	Member of Nomination and Remuneration Committee (Independent Director)	1/1
3. Mr. Lee Chye Tek Lionel	Member of Nomination and Remuneration Committee	11/12
4. Mr. Weidt Nuchjalearn ⁽²⁾	Member of Nomination and Remuneration Committee (Independent Director)	1/1

Remark :

(1) Mr. Kitti Gajanandana retired by the term of office since 24 April 2017

(2) Mr. Weidt Nuchjalearn was appointed to be Nomination and Remuneration Committee member in place of Mr. Kitti Gajanandana since 16 May 2017

Secretary to Nomination and Remuneration Committee

Ms. Walapa Poolsap Vice President – Human Resource

Scope of Authority, Duties, and Responsibilities of the Risk Management Committee

Nomination - The Committee is responsible for:

- (1) Define the procedure, criteria and qualification for director nomination, with a focus on skills, experience, specific capabilities beneficial to the Company, dedication of time and personal endeavor to perform as directors.
- (2) Search and select qualified experts for directors and nominate to the Board of Directors to seek

approval for appointment from the annual general shareholders' meeting.

- (3) Identify, and making recommendations to the Board for the appointment of the Chief Executive Officer, having regard to skills, experience and expertise.

Remuneration – The Committee is responsible for:

- (1) Review, and make recommendations to the Board on the Company's remuneration framework for directors. The director remuneration is to be set to attract the best candidates for the Board while maintain a level commensurate with boards of similar size and type.
- (2) Review and approve the remuneration packages to be awarded to senior executives.

Each term of Nomination and Remuneration Committee member shall be 3 years. The Nomination and Remuneration Committee members who complete the term may be reappointed. In case of vacancy due to the reason other than the expiration of the term, the Board of Directors shall appoint a director who is qualified according to the requirement by the Stock Exchange of Thailand. The appointed director shall serve the remaining period of the term.

Appointment of Nomination and Remuneration Committee Member

The Board of Directors takes into consideration personal qualification and appropriate member composition for the committee during nomination process. Nevertheless, in the case there is no qualified person, the Board of Directors may institute a special committee, comprised of the Company's directors and/or external advisors, to nominate Nomination and Remuneration Committee member(s).

Other Policies in relation to Good Corporate Governance

Risk Management Policy

Execution and management of the Company's business shall take into account risk management policy implemented by the Risk Management Committee. Risk management policy shall cover risks in relation to business strategy, credit, financial liquidity, laws and regulations, corruption, execution, policies, and external

factors. The policy is set so that a systematic risk management can be achieved within the Company's policy framework while minimizing any potential risks

Policy on Conflict of Interests

The Company emphasizes on the prevention of conflict of interests. The Company has put in place a policy that forbids every person in the organization to abuse insider information for the benefits of his or her own. In addition, all business dealing shall be done in accordance with customers' and shareholders' best interests. None of the Company's directors, executives and employee is allowed to use personal or familial matters to influence his or her decision away from the principal as previously described. In the case of conflict of interests, any conflicted person shall be prohibited from making decisions on such matters.

Additionally, the Company has a policy to prevent any person, including directors, executives and employee, to directly or indirectly engage in a business that is in competition with the Group's businesses as per relevant rules, regulations, and Public Company Act (No. 4) (B.E. 2551).

Moreover, directors and executives shall file with the company a report on his interest or a related person's interest in relation to management of the company or the subsidiary. The directors and executives are required to submit the Form for Reporting on Interest of his interest or a related person's interest to the Company Secretary. The Board of Directors shall consider such transaction(s), especially one that may involve in the conflict of interest / connected transaction(s), to ensure the Company's utmost benefits.

Other non-compliance matters with Good Corporate Governance

The company recognizes the importance of good corporate governance principles and implemented those principles as the good practice of the Company which will apply to shareholders, investors and all stakeholders. However, the non-compliance matters with the good corporate governance principles as follows:

Non-Compliance matters	Reason
<ul style="list-style-type: none"> The Company has a policy to require a minimum quorum of at least 2/3 for board decisions. The Company has a compliance unit 	<ul style="list-style-type: none"> According to the Company's Articles of Association, no less than one half of the total number of directors present shall form a quorum. However, there are at least two-thirds of the directors presented at the meeting every time the resolution was made. The Audit Committee will review the Company's compliance with all laws pertaining to its business and the regulations of the Securities Exchange Commission and the Stock Exchange of Thailand.

Supervision on Insider Information

The Company emphasizes on the confidentiality of sensitive information. It has established policies and procedures to prevent directors and management from abusing insider information for their own benefits. The Company shall take legal action against any individual, who misuses insider information to the extent of criminal prosecution. In addition, the Company limits the access to such information by management and officers to the extent possible. The Company ensures that relevant officers adhere to the restrictions on trading of Company's shares using insider information; and/or forbids any inappropriate use of information in case the Company enters into a transaction which may have impact on security price. The management and officers are fully aware that they must not trade the Company's securities or cause others to trade on non-public information. Such information must not be disclosed to any other party prior to notification to the Stock Exchange of Thailand.

The company has the policy to prevent directors, executives and related employees from wrongfully taking advantage of inside information. Company's directors, managements and related employees (including their spouses and children who are minors) are all prohibited from trading company's

securities for the period of one month before the company announces its financial statements or other information that might affect the price of its securities to the public. The company secretary will inform about the blackout period from trading company's securities by sending a notification e-mail to all relevant parties.

In addition, the Company also requires management to report any changes in their holdings in the Company's securities to the Securities and Exchange Commission, as outlined in Section 59 of Securities and Exchange Act B.E. 2535. An executive is required to provide a copy of the report to the Company on the date that the executive reports it to the Securities Exchange Commission of Thailand.

Report of Shareholding by Directors and Management of the Company, as of 31 December 2017

List of Directors and Executives		Number of Ordinary Shares (RML)		
		1 January 2017	31 December 2017	Difference
1. Mr. Pradit	Phataraprasit	-	-	-
	Spouse and underage children	-	-	-
2. Mr. Lee Chye Tek	Lionel	893,000,000	893,000,000	-
	Spouse and underage children	-	-	-
3. Mr. Lee Chye Cheng	Adrian	-	1,000,000	1,000,000
	Spouse and underage children	-	-	-
4. Mr. Siri	Ganjarende	-	-	-
	Spouse and underage children	-	-	-
5. Mr. Weidt	Nuchjalearn	-	-	-
	Spouse and underage children	-	-	-
6. Ms. Nuch	Kalyawongsa	-	-	-
	Spouse and underage children	-	-	-
7. Mr. Roland	Pang Tze Vui	-	-	-
	Spouse and underage children	-	-	-
8. Mr. Sataporn	Amornvorapak	-	-	-
	Spouse and underage children	-	-	-
9. Mr. Waroon	Warawanisha	-	1,480,000	1,480,000
	Spouse and underage children	-	588,000	588,000
10. Ms. Neerja	Sachdev	-	-	-
	Spouse and underage children	-	-	-
11. Mrs. Walapa	Poolsap	-	-	-
	Spouse and underage children	-	-	-
12. Mr. Gerard	Conor Healy	96	96	-
	Spouse and underage children	-	-	-
13. Ms. Maneekarn	Wuttikullert	-	-	-
	Spouse and underage children	-	-	-

Auditor Fee for 2017

Company being Audited		Auditor Fee (THB)
1.	Raimon Land Public Company Limited	1,820,000
2.	Taksin Properties Co., Ltd.	470,000
3.	Raimon Land Unixx Co., Ltd.	450,000
4.	Raimon Land Development Co., Ltd.	320,000
5.	Raimon Land Ekkamai Co., Ltd.	320,000
6.	Raimon Land Silom Co., Ltd.	180,000
7.	Asangha Realty Co., Ltd.	150,000
8.	Raimon Land Services Co., Ltd.	110,000
9.	Raimon Land Estate Co., Ltd.	100,000
10.	The River Co., Ltd.	60,000
11.	Contemporary Property Co., Ltd.	60,000
12.	Raimon Land Park View Development Co., Ltd.	60,000
13.	Raimon Land Resorts Co., Ltd.	60,000
14.	Raimon Land Planner Co., Ltd.	60,000
15.	Raimon Land Residences Co., Ltd.	60,000
16.	Raimon Land Twenty Six Co., Ltd.	40,000
17.	Raimon Land Sathorn Co., Ltd.	40,000
18.	RML 548 Co., Ltd.	15,000
19.	Siam Spoon Co., Ltd.	15,000
20.	Raimon Land Ao-Nang Co., Ltd.	15,000
Total		4,405,000

Anti-Corruption Policy

The Company gives precedence to the transparency and good corporate governance. They are laying the foundation for business sustainability. The Company, Board of Directors, Management, and all employees give their concurrence to the Anti-Corruption practice intensively. Board of Directors approved the Anti-Corruption policy since 2015 and the policy was already published on the Company website at <http://rml.listedcompany.com/misc/cg/20170809-rml-anti-corruption-policy-2017-th.pdf>.

The Company has been certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption - CAC in the CAC Committee's meeting 4/2016, held on March 9, 2017. The certificate will be valid for 3 years from the resolution date.

The essential parts of the Anti-Corruption policy are as follows:

1. Directors, Managements, and employees at all levels and departments, including consultants, whether permanent, fixed-term or temporary, must not corrupt or accept the corruption of all forms in any circumstances, covering the business of the Company in every country and in every relevant government agency, public enterprise agency and private organization.
2. The following course of action may be considered as corruption, whether direct or indirect, or may incur risks of corruption act. Hence, the "Employees" of the Company shall pay utmost attention to and/or refrain from the following actions:
 - a. Giving and accepting gifts and hospitality
 - b. Giving and accepting cash or cash equivalent
 - c. Offering bribery to a government official
 - d. Giving and accepting bribery in any course of business
 - e. Fraudulent action with any private organization
 - f. Any charitable donation or contribution shall be made with the condition of being transparent and compliant with the laws
3. All employees shall notify any act of corruption as defined in the policy to their supervisor, management of the Company, or an internal audit department. The employees must provide concurrence on the investigation.

4. Any employee who commits the corruption and violates the terms of this policy will be subject to disciplinary action and the Company will conduct an investigation as appropriate. In case such as violates the law, the conviction must be applied
5. The Company complies with the anti-corruption laws in Thailand

Practices according to the Regulation and Controls to Prevent and Detect Risk from Fraud and Corruption

Risk Management department of the Company had addressed the corruption risks which related to the Company's businesses as follows:

- Facilitation payments offering to the government officials
- Bidder Collusion of contractors in bidding for a contract
- Unreasonably restricted contract specifications
- Improper gifts giving to the government officials.

However, those risks are under controlling and pursuing of Risk Management Department of the Company. The Company implements a proper internal control which helps prevent and manage those risks in order that the risks were decreasing to a lower-level exposure.

Whistle-Blowing Policy

- The Company shall establish whistle-blowing channels outside traditional mean so that whistle-blowing reports can be submitted by the employees, suppliers, or the public through this channel.
- The Company shall establish whistleblower channels through Dr. Siri Ganjarende, Chairman of the Audit Committee, (e-mail: siripusa@gmail.com or 44/2 Moo 6 Bangpai Subdistrict, Bangkhae District, Bangkok 10160) or Mr. Weidt Nuchjalearn (e-mail: weidt.nuchjalearn1@gmail.com or My Resort Bangkok Condominium, New Petchaburi Road, Tower B, Unit 194). The Company shall keep the identity of the whistleblower confidentially and shall provide comprehensive protection to the whistleblower.
- The Company shall disclose information only as needed in order to preserve whistleblower's safety against discrimination or retaliation.

Internal Control and Risk Management Systems

Raimon Land PLC. (“The Company”) is fully cognizant that internal control is vital for an organization. Effective internal control systems will help ensure corporate integrity, efficiency, transparency, and accountability, as well as the prevention, or at least minimization, of any potential damages that the Company may endure. As such, the Company has continuously improved a system of internal control that is both effective and efficient, as well as has established an Internal Audit Department responsible for assessing the sufficiency and effectiveness of such system.

The Internal Audit Department is a unit fully independent from management. The department is charged with the responsibility to review and audit activities of all business departments within the Company and its Subsidiary Companies, with the aim to ensure that all business departments comply with established internal control procedures. The Internal Audit Department focuses on preventive measures through implementing various internal control procedures that are effective and appropriate for the Company’s business operations; and also gives useful recommendations or relevant information to support those undertaking the business activities with the aim to improve efficiency and productivity while ensuring full compliance. Any business activities are expected to have full transparency and accountability in accordance with the principles of good corporate governance. AVP - Internal Audit is required to report quarterly findings to the Audit Committee, following which the Audit Committee shall then brief the Board of Directors on a quarterly basis.

The Internal Audit Department assessed the sufficiency of the existing internal control system of the Company’s processes and procedures and provided proper opinions regularly. Both of these assessments were performed in accordance with the framework established by SEC under the guidelines of COSO (The Committee of Sponsoring Organizations of the Treadway Commission). Such guideline consists of the following key elements: Control Environment; Risks Assessment; Control Activities; Information and Communications; and Monitoring Activities.

In the past year, the Internal Audit Department had conducted the internal audit works as follows:

- Sales processes as at Pattaya Office, The Lofts Asoke, and Mews Yen Akat
- Fixed Asset Processes
- Collection Processes
- Procurement of Properties Management Processes and Facilities Management Processes
- Procurement for Project Development and Head Office
- A subsidiary company processes “Asangha Realty”

Beside the internal audit works as described, the Internal audit department had involved in the investigation of appeal and had involved in observation of tender opening for the procurements related to construction projects throughout the year 2017. Additionally, the Internal Audit Department provided a recommendation to develop the internal control processes in order to prevent corruption and supported the company to enroll the certification process of “Thailand’s Private Sector Collective Action Coalition against Corruption or CAC. Finally, Raimon Land has been certified as a member of Thailand’s Private Sector Collective Action Coalition against Corruption held on March 9, 2017. The certificate will be valid for 3 years from the date of the resolution.

Having in place a good internal control system will help prevent and manage risks along with any damages potentially inflicted upon the Company and its Stakeholders including to increase the opportunity to accomplish the established company’s objectives and targets. Based on its review and assessment, the Audit Committee is confident that there is an effective and adequate internal control system in place. This will ensure that operations and business activities of the Company are in accordance with the established objectives, goals, relevant legal requirements and regulations efficiently.

In order to ensure that an effective internal control system and procedures are implemented; and to ensure that various business departments are in compliance, the Company has appointed Mr. Jakkalin Kornkul as AVP

– Internal Audit, and concurrently as the Secretary of the Audit Committee during the meeting no. 01/2014 dated 28 February 2014. Mr. Jakkalin shall have the responsibility of ensuring that operations of the Company and its Subsidiary Companies conform to established internal control procedures. The Audit Committee considers that Mr. Jakkalin Kornkul is academically well-qualified; has sufficient relevant experience in relations to the duties as an Internal Auditor, and has completed the Continuing Professional Development (CPD) according to the requirement of the Institute of Internal Auditor (IIA). Therefore, the Audit Committee endorses the appointment of Mr. Jakkalin Kornkul to this position.

Finally, any appointment, demolition, transfer, or discharge of AVP – Internal Audit and Secretary of the Audit Committee (Head of Internal Audit Department) is required to have the formal concurrence and endorsement of the Audit Committee.

Risk Management

Risk management is an important process to ensure that the company will achieve its objectives and targets. Risk Management Committee was appointed by Board of Directors in the meeting no. 10/2015. Board of Directors approved Charter of the Risk Management Committee so that the Committee may accomplish its objectives and provides a proper operational guideline as well. In addition, the Risk Management Committee has also approved a Risk Management Framework including Risk Management Policy.

The company performs its operations according to the Enterprise Risk Management Framework – ERM as per COSO (The Committee of Sponsoring Organizations of the Treadway Commission) guideline. Risk Management Process consists of the following activities.

1. Establish the company objectives and targets according to the Risk Appetite of the company which was approved by the Board of Director. The Risk Appetite must be reviewed on a yearly basis,
2. Identify the incidents or risk factors and consider which risk factors may occur and may affect objective achievement both internal risk factors and external risk factors.

3. Evaluate the degree of risks by considering their impact and likelihood simultaneously.
4. Response the risks by selecting the suitable responsive approach according to the level of risks. Cost and benefit of such responses must be considered as well.
5. Identify the control activities and consider the implementation plan to manage risk to be within the risk tolerance.
6. Follow-up to ensure that the control activities were conducted as appropriate and report the result to the Risk Management Committee regularly.

Having in place a good internal control system will help prevent and manage risks along with any damages potentially inflicted upon the Company and its Stakeholders including to increase the opportunity to accomplish the established company's objectives and targets.

Risk Factors

1. Business Risks

1.1 Risks relating to land acquisition

Raimon Land's strategy for property development is to acquire high potential land plots. Key attributes of such plots include a land located in the Central Business Area (CBD), convenient access to amenities and facilities, located in the center of a city with good environment, convenient access to transportation whether in the form of major roads, expressways or public transportation, and convenient to reach the office area. Land plots that meet these criteria are highly sought after and therefore command an increasingly high price.

Raimon Land reduces the risk of not being able to acquire such plots through maintaining strong relationships with landowners in prime areas as well as various key members of the property community including brokers, consultants, and lawyers. In addition, the Company allows potential sellers to submit land plots for consideration via the Company's website. Top management also leverages its own personal and professional network to bring in any land acquisition opportunity.

Finally, the Company is a leader in terms of producing in-house market research that keeps its business development team and top management supplied with up-to-date industry landscape. This helps mitigate the risks of acquiring an inappropriate land plot for development.

1.2 Risks relating to project development

Prices of construction materials may fluctuate significantly which in turns affect the cost of project development. Raimon Land minimizes such risks through employing single contractor per development under a 'Lump Sum Construction Contract.' Such arrangement allows the Company to effectively control costs. Furthermore, the Company at a time directly sources construction materials from manufacturers and suppliers, as well as agreeing in advance to a fixed delivery price. This helps reduce potential price fluctuations that may have an impact on the project's profitability.

Additionally, in undertaking each development project, the Company employs external advisors who are knowledgeable and experienced. Selection of these third-party advisors is based on their know-how, capabilities, reputation and track record. Latest technology, applications or special equipment are used to enhance the quality of their work and to control costs within the Company's budget. Latest technology and applications are also used for improving efficiency and productivity of the construction processes and procedures.

The Company has expanded its property development business into provincial markets over the past 10 years, focusing on a major destination such as Pattaya. Nevertheless, in expanding to these markets, there are inherent risks, including different housing requirements in relation to local characteristics. Furthermore, the Company's brand may not be as well recognized by the locals as compared to those in Bangkok. Finally, local rules and regulations in the provinces are different from that of Bangkok. Therefore, in order to minimize such risks, the Company undertakes detailed research and market surveys in each location in order to ensure a deep understanding of different local consumer groups and property markets in each province.

Despite the preceding risks, undertaking new projects in various provinces is also mean to mitigate risks in terms of over-concentration in a single area. Furthermore, developing projects in different locales will also help spread brand recognition to a wider audience and client base.

Regarding the inconsistent launch of a new project, it may result in volatile operating and financial performances. The Company minimized the risk by planning to diversify investment portfolio such as low rise residential projects as well as the mixed-use building project which provide strong cash generation and allow the Company to better manage its cash flows as well as better plan its construction timeframe to match its sales actions than high-rise condominium projects.



1.3 Risks relating to sales and payment collection

Deploying a ‘pre-sales’ strategy both reduces marketing risks and allows the Company to be more flexible in terms of adjusting strategy to changing market landscape. It also allows the Company to make use of down payments as working capital. However, such pre-sales strategy introduces risks relating to cost control since selling prices are fixed prior to the commencement of construction. This can result in a disappointing profitability margin due to higher-than-expected cost. In order to minimize such risks, the Company executes ‘Lump Sum Construction Contracts’ with contractors and purchases selected construction materials in advance directly from the suppliers/manufacturers. Thus, such risks are somewhat mitigated. Additionally, the Company can always deploy a phased presales strategy in order to reflect cost fluctuations during each phase of the sales activities.

However, monetary tightening against real-estate developers by the financial institutions was much relieved, as well as the requirement of high deposit amount from the homeowner, cautiousness in mortgage lending, and home loan rejection rate. These factors were relieved

since the second half of this year until the year 2018 at least. The reasons that make it even better are Thailand’s economic growth, signs of greater positive spillovers to export, and continued government investment. It is anticipated that the financial institutions may release mortgage loan approximately 3% to 4% greater than last year.

Raimon Land minimizes the risks relating to the collection of sales revenues by requiring a relatively high down payment from the client of approximately 25-40% of the unit price. Additionally, the company’s clients are high purchasing power persons and hardly take a loan to purchase. Less than 20% of the company’s client needs a loan before transferring the ownership. Consequently, this decreases the likelihood that customers may decline to transfer ownership, as they risk losing a substantial amount of deposit. Failure transfer rate is normally less than 1%.

Additionally, the Company implements various measures to ensure that payments are systematically followed-up. The Client Relations Management group establishes a close connection with and looks after each client rigorously. The Client Relations Management group is also required to report to senior management in a timely manner in the event that a payment issue arises. Moreover, the Company also offers buyers to pay the booking fee, contract payment, and monthly installments via their credit card which allows the Company to receive payments on time.

Raimon Land is well-known in the market as a leading premium residential property developer. Many of its projects are well accepted by both Thai and international communities. This is a direct result of the Company’s track record in delivering projects with good value for money and consistency in exceeding consumers’ expectation. As a result, Raimon Land commands a large ‘repeated customer’ base and they anticipate the project potential both for residence and investment.

Currently, the Company places great importance on its clients, whether from regional markets or within Thailand in order to mitigate the risk of sales. Catering to various customer groups mitigates consumer concentration risks

and allows the Company to be experimental with new design and concepts to cater for each customer group. This will mitigate risks that the Company may have outdated products as well as competition risks and changing of client's behavior. The Company may adjust its strategies to pursue the changing environment and economics to reflect the client's needs. Finally, expanding into international markets also allows the Company to mitigate any risks in relation to the local macro-economic factors.

1.4 Risks relating to changes in the relevant legal and regulatory requirements

There are risks relating to ongoing changes in relevant laws, rules, and regulations, especially those governing construction of outstanding large and/or high buildings. Changes can arise from various government acts such as 'City & Town Planning Acts', 'Building Acts', regulations that affect to building design such as 'Open Space Ratio', 'Floor Area Ratio' and BMA Code, the Treasury Department Code, the Land Department Code, including the regulations on the required environmental permits. The Company has continually minimized these risks by closely monitoring any amendments in legal and regulatory framework along with establishing close contacts with relevant government agencies in order to efficiently receive regulatory updates. In addition, the Company undertakes detailed feasibility assessments for each project within the framework of all applicable laws, rules, and regulations. As such, the Company is confident that its projects are rigorously reviewed and complied with any stipulated rules and regulations.

Further, according to the new Land and Building Tax Act which will be in effective in January 2019 tentatively, it is alert amongst the investors, real-estate developers, and financial institutions including the persons who are making the decision to buy land or residence. The purchasing is somewhat slow down because of the concerning about tax effect of the new law. Nevertheless, the new law may have the most effect on the person who holds un-utilized land because of the most tax effect. On the other hand, the resident who resides in the main house which under the specified value will get an exemption. But the second house will be subject to tax but in a low-level tax rate despite the house value. For the commercial and industrial

land and building, the owners may push the burden to the selling prices or service charges.

1.5 Risks relating to shortage of qualified and capable human resources

The Company is part of the property development business sector, which requires a capable management team and staff who are highly knowledgeable, capable, and well-experienced. Given the Company recognizes the value and importance of human resources; it has always recruited well-qualified individuals.

Given a highly competitive landscape, the Company's senior management is consistently approached to work for other companies. This can potentially create a risk of vacuum in the high-level management position. In order to ensure continuity in management, the Company has put in places appropriate incentive schemes whether in the form of monetary remuneration or career path opportunity. The Company highly believes that it will be able to retain key persons and staff in order to ensure continuity in management.

2. Competition Risk

2.1 Risks relating to intense competition in the property market

The property market has remained under high competition. The residential projects are still developing along the mass transit systems route. In addition, they are expanding to the mixed-use projects which include office buildings, hotels, residences, department stores, and retail shops altogether in order to suit for the continually increasing price in the Central Business District. Some developers are also expanding to develop projects for the elderly persons both Thai and Foreigner. Moreover, many types of collaboration between Thai and foreign investors are still prevalent such as acquisition, business combination, and joint venture. Besides the new developing projects, the ready-to-move residences which satisfy the real needs are enviable.

Currently, a demand of the high potential person for super luxury condominium is still most popular because they possess high purchasing power and have got least effect from the economic slowdown. Many developers are

interesting in this market. It encourages the real estate developers to consider more closely to integrate many factors altogether such as locations, design, quality of materials and construction process as well as residential innovations for the purpose that the project will be more outstanding than the competitor's and the project positioning is suitable for the prospect clients. With the realization of this risk, the Company has put a focus on research and development to enhance the competitiveness. Detailed study of target customer is emphasized, as well as surveys of market demands as mentioned.

In order to reduce risks of high competitiveness in the property sector, the Company is expanding its business to other types of business and increasing the recurring income. The Company has collaborated with Bangkok Wooden Spoon Company Limited to invest in food and beverage business by opening a 'Baan Ying' Thai food restaurant in Singapore.

3. Financial and Other Potential Risks

3.1 Risks relating to interest rates fluctuations

A substantial part of the Company's borrowings carries either a floating interest rate or MLR, which is based on ever-changing financial market conditions. Thus, fluctuations in interest rate may impact the Company's operations and cash flows. However, the Company believes that the interest rate will not be increased in the short run. According to the meeting of The Monetary Policy Committee of the Bank of Thailand dated 8 November and 20 December 2017, the committee approved the resolution to remain the policy interest rate at 1.5%. Additionally, the Company is still establishing the close relationship with banks and various lending institutions and is always seeking out the most appropriate source of borrowing at the best rates.

3.2 Risks relating to warrants issued

– both RML –W4, RML-WB, and RML-WC

As of 31 December 2017, the Company has issued RML-W4, RML-WB, and RML-WC totaling 893,853,790, 89,000,000, and 146,000,000 units respectively. As such, in the event that some of the warrant holders, who are non-existing Shareholders, exercise their rights totally, there will be an

Earnings Per Share dilution as well as a Control dilution excessively not more than 24%, which is based on the amount of 4,727,414,804 shares.

3.3 Risks relating to the economic slowdown in Thailand and overall property sector

During this year, Thai economics has been expanding for 3.9% which more than the past year. Major reasons for the economics expansion are from export and tourist expansion, gradually expansion in private consumption, and continually government investment. However, for the property sector, there are many unsold units remained in some area. The risk of the property sector, in general, is remaining. In the short term, the effect of investment in mixed-use projects, which residential and commercial areas are in the same project, must be closely monitored. Whereas in the short run there will be no concern because most of the large projects are in progress and the market are still in balance with sufficient demand to absorb additional supply. However, in the middle term or next 4 - 5 years after the large mixed-use projects are completed, supply for residence, office building, or retailing space may be increased. If the economic growth is not under expectation and the Company could not adopt the project plan to conform with the property business cycle, the supply may be over the market demand. (Source: Monetary Policy Report, December 2017, Bank of Thailand)

Connected Transactions

Details of Connected Transactions

For the financial year ended 31 December 2017, apart from those transactions already disclosed in section 6 of the Note to the Financial Statements, the Company and Subsidiary Companies did not undertake any transactions with any parties who may have a possible conflict of interests; namely: the majority Shareholder, Directors, and those related or connected to these parties.

Necessity and Reasonableness of Transactions

In undertaking such connected transaction, the Company takes into consideration the necessity and reasonableness of such transactions as well as whether they are in line with normal business practices, in order to achieve maximum benefit and be in the best interests for the Company; whereby other key considerations taken into account include: the appropriateness of the fees charged and compensation relative to current fair market process and conditions that are comparable to the normal transactions undertaken by the Company with other non-related parties or businesses, and the associated general terms and conditions.

As such, undertaking such connected transactions should not unfairly transfer of any benefits from the Company to another party who may have a conflict of interests or vested interests in regards to the proposed transaction. During 2017, the Audit Committee has acknowledged and given its concurrence to all proposed connected transactions as well as decisions and actions by the Board of Directors/the Management in such matters, taking into account the appropriateness of proceeding with such connected transactions.

Procedures for the approval of 'Connected Transactions'

Approval for undertaking any such connected transactions by the Company has been fully in accordance with the Securities and Exchange Act as well as any notifications, rules and regulations of the SET; whereby those Directors or persons involve and with a vested interest in the proposed connected transaction will not participate in the

consideration and approval of such transactions, unless it is considered as being a valid exception and waiver according to the Securities and Exchange Act as well as any notifications, rules and regulations of the SET regarding 'Disclosures of Information and Other Acts of Listed Companies in regards Connected Transactions B.E. 2546'.

Policies and Potential for undertaking future 'Connected Transactions'

For the future, the Company may undertake further connected transactions if it is considered to be of maximum benefits for and best interests of the Company; whereby the Company has established associated policies for undertaking such connected transactions that are in line with normal business practices, at fair market prices and comparable to those transactions undertaken by the Company with non-related parties. The Company is determined to full comply with the Securities and Exchange Act as well as any notifications, rules and regulations of the SET, together with any requirements on the disclosures of information on connected transactions or any acquisition or disposal of any assets of the Company and its Subsidiary Companies. Additionally, the Audit Committee will participate with the Board of Directors in meetings to consider and approve any proposed connected transactions, so as to gives its opinion as to the appropriateness of the transaction price and the reasonableness in undertaking such transactions.

Board of Directors' Responsibility for Financial Report

Financial statements of Raimon Land Public Company Limited and its Subsidiaries For the Fiscal Year ending 31 December 2017

Auditor: Chonlaros Suntiasvaraporn, EY Office Limited

The Company has carefully reviewed separated and consolidated financial statements (the "Financial Statements") and hereby certifies that:

1. The Financial Statements are fairly presented, in all material respects including statements of financial positions, comprehensive income, and cash flow of the Company and its subsidiaries
2. The Company has established an adequate system for information disclosure to ensure that the Company has disclosed all material information in relation to the Company and its subsidiaries. The Company ensures that such system is being implemented
3. The Company has established an adequate internal control system, which is strictly implemented. In addition, the Company has disclosed evaluation reports on internal control system, dated 31 December 2017, to external auditors and Audit Committee. The reports provide detailed analysis of loopholes; significant changes of internal control system; and any potential dishonesty that may occur during the preparation of financial statements of the Company and its subsidiaries.

Name	Position	Signature
1. Mr. Lee Chye Cheng Adrian	Director	
2. Mr. Sataporn Amornvorapak	Director	

Note :

Clause No. 89/20 of Securities and Exchange Act (B.E. 2535), revised by Securities and Exchange Act (No.4) (B.E. 2551) has stipulated that directors and management of the Company are responsible for any damages that may occur to shareholders arising from misrepresentation or omission of material information. Such information includes financial statements, statements of profit and loss, balance sheet, and any other relevant reports required for disclosure as per Clause No. 56 or Clause No. 199. Such responsibility is not limited to directors who have signed such documents. However, directors or management who can testify his or her innocence, according to his or her roles and responsibilities, shall not be made at fault as per Clause No. 89/20

Independent Auditor's Report

To the Shareholders of Raimon Land Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Raimon Land Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Raimon Land Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raimon Land Public Company Limited and its subsidiaries and of Raimon Land Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

a) *Revenue from sales of real estate recognition*

During the year 2017, the Company and its subsidiaries recognised sales of real estate amounting to Baht 2,866 million in the consolidated statements of comprehensive income and the Company recognised sales of real estate amounting to Baht 423 million in the separate statement of comprehensive income. As the amounts of revenue recorded directly affect the Group's profit or loss for the year. I paid particular attention to the correctness of the revenue recognition from sales of real estate in accordance with the Group's policy as stated in Note 4.1 to the financial statements.

I assessed and tested the effectiveness of internal controls put in place by the Group with respect to the revenue cycle for real estate sales by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I checked sales transactions occurring during the year and near the period-end against corresponding sale and purchase agreements, documents supporting the sales transactions and documents supporting the transfers of ownership to examine whether the revenue recognition was consistent with the information stipulated in the relevant agreements, and whether it was in compliance with the Group's policy. I also examined the accounting entries of revenue made through journal vouchers to detect possible irregularities in revenue transactions.

b) Impairment of investments in subsidiaries

As disclosed in the Note 12 to the financial statements, as at 31 December 2017, the Company has investments in subsidiaries in the separate financial statements with a net book value of Baht 3,620 million net of allowance for impairment loss on investment in subsidiaries of Baht 853 million which, is a significant amount. The Company recorded impairment loss on investments in subsidiaries totaling Baht 160 million for the year 2017 in the separate statement of comprehensive income, with management having noted indicators of impairment since the book value of the net assets of the subsidiaries was lower than the carrying amount of the investments in subsidiaries. In determining the impairment loss on investments in subsidiaries, management had to exercise judgement with respect to its projections of future operating performance and future plan and determination of appropriate key assumptions. There is thus a risk with respect to the amount of the impairment loss recorded.

I gained an understanding of and assessed the appropriateness of the assumptions applied in preparing plans and cash flow projections of subsidiaries, based on the understanding I gained of the process by which the figures were arrived at; comparison of the assumptions with external and internal sources of information, a review of the past cash flow projections in comparison to actual operating results in order to estimate the reliability of the cash flow projections, and a review of the assumptions and approaches used by the independent valuer in calculating the fair value of assets, in order to assess the impairment of investments in subsidiaries.

c) Provision for diminution in value of project development costs

Estimating the net realisable value of project development costs, as disclosed in the Note 5 to the financial statements, is an area of significant management judgement. This requires detailed analysis of the competitive environment, demand and supply in the real estate market, economic circumstances and the situation within the industry. There is thus a risk with respect to the amount of provision set aside for diminution in the value of project development costs.

I gained an understanding of and assessed the methods and assumptions applied by the management in determining the provision for diminution in value of project development costs and reviewed the consistency of the application of that basis. I also compared the movements of capital assets of development projects to identify the asset groups with indicators of lower than normal turnover or without sales transaction during the period. In addition, I performed an analytical review on the details of sales transactions occurring after the date of the financial statements and the development costs of for each project.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 27 February 2018

Statement of financial position

Raimon Land Public Company Limited and its subsidiaries

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	647,680,887	1,133,733,821	361,727,515	422,371,900
Current investments	8	1,085,711	1,072,969	1,085,711	1,072,969
Trade and other receivables	9	53,373,680	10,491,676	352,134,431	338,676,151
Short-term loans to related parties and interest receivables	6	-	-	2,993,253,226	2,116,696,523
Project development cost	10	6,872,485,323	6,265,030,847	378,545,608	608,180,527
Advance payment to contractors		122,509,293	72,817,452	4,795,815	4,752,272
Deposit for purchase of land		140,200,000	-	-	-
Other current financial assets		2,498,213	-	2,498,213	-
Other current assets		72,918,508	89,767,360	9,341,491	12,199,874
Total current assets		7,912,751,615	7,572,914,125	4,103,382,010	3,503,950,216
Non-current assets					
Restricted bank deposits	11	360,000,000	3,800,000	-	3,800,000
Investments in subsidiaries	12	-	-	3,620,054,019	3,734,569,203
Land awaiting development		506,741,515	506,741,515	13,715,589	13,715,589
Investment properties	13	111,331,127	129,480,815	35,733,429	38,928,490
Property, plant and equipment	14	822,746,935	835,899,443	38,575,698	26,988,358
Deposit for leasehold right	30	340,673,157	300,000,000	341,131,293	300,000,000
Leasehold right	15	65,088,284	68,080,378	-	-
Deferred tax assets	26	139,672,401	164,967,194	7,891,827	6,932,199
Withholding tax deducted at source		111,285,103	99,536,040	-	-
Other non-current assets		87,684,701	18,712,489	49,184,705	11,382,762
Total non-current assets		2,545,223,223	2,127,217,874	4,106,286,560	4,136,316,601
Total assets		10,457,974,838	9,700,131,999	8,209,668,570	7,640,266,817

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

Statement of financial position (continued)

Raimon Land Public Company Limited and its subsidiaries

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	828,880,000	467,481,500	-	200,000,000
Trade and other payables	17	231,823,821	222,979,326	69,314,701	55,030,332
Retention payables		130,130,907	178,534,108	27,060,732	50,526,855
Deposits and advance received from customers		840,071,163	1,102,028,930	39,237,267	41,980,630
Current portion of long-term loans from financial institutions	18	1,025,862,339	466,340,668	390,000,000	-
Current portion of debentures	19	499,491,872	-	499,491,872	-
Short-term loans from related parties and accrued interest	6	-	-	154,360,818	160,564,785
Accrued income tax		13,428,133	25,613,246	694,270	15,045,016
Other current liabilities		38,753,573	50,494,995	29,680,645	40,233,163
Total current liabilities		3,608,441,808	2,513,472,773	1,209,840,305	563,380,781
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	18	-	510,000,000	-	-
Debentures - net of current portion	19	1,705,497,274	1,493,743,676	1,705,497,274	1,493,743,676
Deferred tax liabilities	26	19,072,580	22,965,541	499,643	-
Provision for long-term employee benefits	20	23,276,455	18,118,390	22,287,043	17,488,903
Other non-current liabilities		34,966,788	33,938,730	1,338,871	3,748,104
Total non-current liabilities		1,782,813,097	2,078,766,337	1,729,622,831	1,514,980,683
Total liabilities		5,391,254,905	4,592,239,110	2,939,463,136	2,078,361,464

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

Statement of financial position (continued)

Raimon Land Public Company Limited and its subsidiaries

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital					
Registered					
4,704,337,397 ordinary shares of Baht 1 each					
(31 December 2016: 4,558,354,509 ordinary shares of Baht 1 each)	21	<u>4,704,337,397</u>	<u>4,558,354,509</u>	<u>4,704,337,397</u>	<u>4,558,354,509</u>
Issued and fully paid-up					
3,575,483,607 ordinary shares of Baht 1 each		3,575,483,607	3,575,483,607	3,575,483,607	3,575,483,607
Share premium		104,094	104,094	104,094	104,094
Excess of investment in subsidiary arising as a result of additional purchase of investment in the subsidiary at a price higher than the net book value of the subsidiary at the acquisition date		(564,048,205)	(564,048,205)	-	-
Capital reserve for share-based payment transactions	23	28,940,372	27,720,892	28,940,372	27,720,892
Retained earnings					
Appropriated - statutory reserve	24	109,000,000	109,000,000	109,000,000	109,000,000
Unappropriated		1,899,997,438	1,957,360,313	1,556,677,361	1,849,596,760
Other components of shareholders' equity		<u>6,927</u>	<u>(239,888)</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		5,049,484,233	5,105,380,813	5,270,205,434	5,561,905,353
Non-controlling interests of the subsidiaries		<u>17,235,700</u>	<u>2,512,076</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>5,066,719,933</u>	<u>5,107,892,889</u>	<u>5,270,205,434</u>	<u>5,561,905,353</u>
Total liabilities and shareholders' equity		<u>10,457,974,838</u>	<u>9,700,131,999</u>	<u>8,209,668,570</u>	<u>7,640,266,817</u>

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

Statement of comprehensive income

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Sales of residential condominium units		2,866,255,831	5,073,582,505	422,752,749	1,194,577,013
Rental and service income		63,061,932	53,503,775	9,488,275	8,761,895
Other income					
Project management fee income	6	11,233,000	17,796,401	19,895,600	14,511,871
Marketing commission income	6	22,429,450	19,802,593	71,231,921	66,320,049
Guarantee fee income	6	-	-	8,440,731	20,059,625
Interest income	6	7,479,856	4,325,511	106,085,247	88,052,750
Dividend income	12	-	-	133,854,340	-
Others		45,437,204	37,419,467	6,580,882	3,186,775
Total revenues		3,015,897,273	5,206,430,252	778,329,745	1,395,469,978
Expenses					
Cost of residential condominium units sold		1,934,259,744	3,181,416,995	195,503,626	570,374,390
Selling expenses		245,105,694	291,147,982	41,625,094	61,034,719
Administrative expenses		509,289,857	564,483,430	313,174,187	367,244,060
Loss on diminution in value of investment in subsidiaries	12	-	-	159,513,909	102,924,501
Total expenses		2,688,655,295	4,037,048,407	709,816,816	1,101,577,670
Profit before finance cost and income tax expenses		327,241,978	1,169,381,845	68,512,929	293,892,308
Finance cost		(77,062,478)	(94,166,611)	(101,600,561)	(66,952,420)
Profit (loss) before income tax expenses		250,179,500	1,075,215,234	(33,087,632)	226,939,888
Income tax expenses	26	(58,989,921)	(224,615,547)	(9,550,917)	(77,335,744)
Profit (loss) for the year		191,189,579	850,599,687	(42,638,549)	149,604,144
Other comprehensive income for the year					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Exchange differences on translation of					
financial statements in foreign currency - net of income tax		246,815	28,459	-	-
Other comprehensive income for the year		246,815	28,459	-	-
Total comprehensive income for the year		191,436,394	850,628,146	(42,638,549)	149,604,144

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

Statement of comprehensive income (continued)

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) attributable to:				
Equity holders of the Company	192,917,975	850,652,934	<u>(42,638,549)</u>	<u>149,604,144</u>
Non-controlling interests of the subsidiaries	<u>(1,728,396)</u>	<u>(53,247)</u>		
	<u>191,189,579</u>	<u>850,599,687</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	193,164,790	850,681,393	<u>(42,638,549)</u>	<u>149,604,144</u>
Non-controlling interests of the subsidiaries	<u>(1,728,396)</u>	<u>(53,247)</u>		
	<u>191,436,394</u>	<u>850,628,146</u>		
Earnings per share	27			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.05</u>	<u>0.24</u>	<u>(0.01)</u>	<u>0.04</u>
Diluted earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.05</u>	<u>0.24</u>	<u>(0.01)</u>	<u>0.04</u>

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

Statement of changes in shareholder's equity

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

Consolidated financial statements												(Unit: Baht)
Equity attributable to owners of the Company												
Note	Issued and paid-up share capital	Share premium	Excess of investment in subsidiary arising as a result of additional purchase of investment in the subsidiary at a price higher than net book value of the subsidiary at the acquisition date	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholder's equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity				
Balance as at 1 January 2016	3,575,483,607	104,094	(564,048,205)	24,796,124	101,000,000	1,311,353,068	(288,347)	(288,347)	4,448,420,341	2,564,723	4,450,985,064	
Profit for the year	-	-	-	-	-	850,652,934	-	-	850,652,934	(63,247)	850,599,687	
Other comprehensive income for the year	-	-	-	-	-	-	28,459	28,459	28,459	-	28,459	
Total comprehensive income for the year	-	-	-	-	-	850,652,934	28,459	28,459	850,681,393	(63,247)	850,628,146	
Increase in investments in subsidiaries	-	-	-	-	-	-	-	-	-	600	600	
Capital reserve for share-based payment transactions	-	-	-	2,924,768	-	-	-	-	2,924,768	-	2,924,768	
Statutory reserve	-	-	-	-	8,000,000	(8,000,000)	-	-	-	-	-	
Dividend paid	-	-	-	-	-	(196,645,689)	-	-	(196,645,689)	-	(196,645,689)	
Balance as at 31 December 2016	3,575,483,607	104,094	(564,048,205)	27,720,892	109,000,000	1,957,360,313	(239,888)	(239,888)	5,105,380,813	2,512,076	5,107,892,889	
Balance as at 1 January 2017	3,575,483,607	104,094	(564,048,205)	27,720,892	109,000,000	1,957,360,313	(239,888)	(239,888)	5,105,380,813	2,512,076	5,107,892,889	
Profit for the year	-	-	-	-	-	192,917,975	-	-	192,917,975	(1,728,396)	191,189,579	
Other comprehensive income for the year	-	-	-	-	-	-	246,815	246,815	246,815	-	246,815	
Total comprehensive income for the year	-	-	-	-	-	192,917,975	246,815	246,815	193,164,790	(1,728,396)	191,436,394	
Increase in investments in subsidiaries	-	-	-	-	-	-	-	-	-	16,597,680	16,597,680	
Capital reserve for share-based payment transactions	-	-	-	1,219,480	-	-	-	-	1,219,480	-	1,219,480	
Dividend payment from subsidiaries to non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	(145,660)	(145,660)	
Dividend paid	-	-	-	-	-	(250,280,850)	-	-	(250,280,850)	-	(250,280,850)	
Balance as at 31 December 2017	3,575,483,607	104,094	(564,048,205)	28,940,372	109,000,000	1,899,997,438	6,927	6,927	5,049,484,233	17,235,700	5,066,719,933	

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

Statement of changes in shareholder's equity (continued)

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

		Separate financial statements					(Unit: Baht)
	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total
					Appropriated	Unappropriated	
Balance as at 1 January 2016		3,575,483,607	104,094	24,796,124	101,000,000	1,904,638,305	5,606,022,130
Total comprehensive income for the year		-	-	-	-	149,604,144	149,604,144
Capital reserve for share-based payment transactions	23	-	-	2,924,768	-	-	2,924,768
Statutory reserve	24	-	-	-	8,000,000	(8,000,000)	-
Dividend paid	29	-	-	-	-	(196,645,689)	(196,645,689)
Balance as at 31 December 2016		<u>3,575,483,607</u>	<u>104,094</u>	<u>27,720,892</u>	<u>109,000,000</u>	<u>1,849,596,760</u>	<u>5,561,905,353</u>
Balance as at 1 January 2017		3,575,483,607	104,094	27,720,892	109,000,000	1,849,596,760	5,561,905,353
Total comprehensive income for the year		-	-	-	-	(42,638,549)	(42,638,549)
Capital reserve for share-based payment transactions	23	-	-	1,219,480	-	-	1,219,480
Dividend paid	29	-	-	-	-	(250,280,850)	(250,280,850)
Balance as at 31 December 2017		<u>3,575,483,607</u>	<u>104,094</u>	<u>28,940,372</u>	<u>109,000,000</u>	<u>1,556,677,361</u>	<u>5,270,205,434</u>

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

Cash flow statement

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit (loss) before tax	250,179,500	1,075,215,234	(33,087,632)	226,939,888
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	65,395,530	64,507,482	20,023,245	17,649,130
Reverse allowance for doubtful accounts	(1,250,000)	-	-	-
Allowance for doubtful accounts	-	1,393,228	-	-
Allowance for doubtful account in short-term loan to and interest receivable from subsidiaries	-	-	3,568,230	35,533,780
Loss on disposal/ write-off of building improvement and equipment	2,888,404	3,945,654	913,414	180,163
Loss on write-off of computer software	1,295,557	-	-	-
Unrealised loss (gain) on exchange rate	(1,904,181)	-	965,417	202,175
Expenses from provision for long-term employee benefits	5,158,065	4,468,556	4,798,140	4,195,442
Write-off of withholding tax deducted at source	41,516	862,766	-	-
Allowance for doubtful account in refundable withholding tax deducted at source	-	21,594,707	-	-
Reduce project development cost to net realisable value	31,072,185	12,708,634	-	-
Impairment loss of investment properties	10,971,405	-	-	-
Loss on diminution in value of investment in subsidiaries	-	-	159,513,909	102,924,501
Realised gain on current investments	-	(273,194)	-	(62,280)
Unrealised gain on current investments	(12,742)	(10,689)	(12,742)	(10,689)
Share-base payment transactions	1,219,480	2,924,768	1,219,480	2,924,768
Interest income	(7,479,857)	(4,325,511)	(106,085,247)	(88,052,750)
Dividend income	-	-	(133,854,340)	-
Interest expenses	66,779,972	85,892,970	96,558,123	62,001,232
Amortisation of debenture issuing cost	3,353,065	1,387,580	3,353,065	1,387,580
Profit from operating activities before changes in operating assets and liabilities	427,707,899	1,270,292,185	17,873,062	365,812,940
Operating assets decrease (increase)				
Trade and other receivables	(41,632,004)	(3,891,404)	(13,458,280)	18,051,262
Project development cost	(598,509,280)	1,445,186,354	195,503,626	557,406,962
Advance payment to contractors	(49,691,841)	38,164,304	(43,543)	844,355
Deposit for land purchase	(140,200,000)	-	-	-
Other current assets	16,935,253	(8,607,797)	1,408,614	(3,312,168)
Other non-current assets	(10,851,663)	(1,532,353)	(4,602,320)	211,063
Operating liabilities increase (decrease)				
Trade and other payables	7,755,346	13,469,841	13,195,220	(7,098,240)
Retention payables	(48,403,201)	(35,795,319)	(23,466,123)	(672,881)
Deposits and advance received from customers	(261,957,767)	(943,999,276)	(2,743,363)	(405,979,018)
Other current liabilities	(11,741,422)	8,500,927	(10,552,518)	10,963,374
Other non-current liabilities	(549,143)	30,510,481	350,916	423,028
Cash flows from (used in) operating activities	(711,137,823)	1,812,297,943	173,465,291	536,650,677
Cash received from interest income	5,943,686	4,362,509	134,200,446	118,357,851
Cash paid for interest expenses	(137,931,591)	(113,741,658)	(92,333,171)	(57,514,204)
Cash refund from withholding tax deducted at source	665,299	13,483,525	-	7,275,071
Cash paid for corporate income tax	(62,229,080)	(124,055,518)	(24,361,648)	(76,022,159)
Net cash flows from (used in) operating activities	(904,689,509)	1,592,346,801	190,970,918	528,747,236

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

Cash flow statement (continued)

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	(356,200,000)	-	3,800,000	-
Cash paid for current investments	-	(74,000,000)	-	(49,000,000)
Cash received from sales of current investments	-	92,224,640	-	48,000,000
Decrease (increase) in short-term loans to related parties	-	-	(911,109,731)	229,625,312
Cash paid for acquisition of investment properties	(364,232)	-	(364,232)	-
Cash paid for acquisition of equipment	(34,226,651)	(17,147,274)	(26,533,963)	(4,306,471)
Cash received from disposal of equipment	718,742	734,944	434,387	610,290
Acquisition of computer software	-	(4,476,783)	-	(4,209,284)
Cash paid for deposit for leasehold right	(7,000,000)	(300,000,000)	(7,000,000)	(300,000,000)
Cash paid for leasehold right	-	(1,100,000)	-	-
Cash paid for purchase of investments in subsidiaries	-	-	(44,998,725)	(1,999,400)
Dividend received from subsidiaries	-	-	133,854,340	-
Advance payment to contractor for design of building and others	(61,187,242)	-	(34,835,753)	-
Purchases of land awaiting for development	-	(492,071,334)	-	-
Net cash flows used in investing activities	(458,259,383)	(795,835,807)	(886,753,677)	(81,279,553)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	361,398,500	367,481,500	(200,000,000)	100,000,000
Decrease in short-term loans from related party	-	-	(7,890,000)	(905,147)
Increase (decrease) in long-term loans from financial institutions	49,521,671	(1,309,544,261)	390,000,000	(1,049,996,163)
Cash received from issuance of debentures	711,700,000	1,000,000,000	711,700,000	1,000,000,000
Cash paid for debenture issuing cost	(3,807,595)	(5,350,000)	(3,807,595)	(5,350,000)
Cash paid for liabilities under finance lease agreements	(7,908,216)	(4,935,026)	(3,989,149)	(4,614,601)
Dividend paid	(250,280,850)	(196,645,689)	(250,280,850)	(196,645,689)
Increase in non-controlling interests of the subsidiaries				
from investment in the subsidiaries	16,597,680	600	-	-
Dividend payment from subsidiaries to				
non-controlling interest of the subsidiaries	(145,660)	-	-	-
Net cash flows from (used in) financing activities	877,075,530	(148,992,876)	635,732,406	(157,511,600)
Increase in translation adjustment	414,460	28,459	-	-
Net increase (decrease) in cash and cash equivalents	(485,458,902)	647,546,577	(60,050,353)	289,956,083
Unrealised loss on exchange for cash and cash equivalents	-594,032	-	-594,032	-
Cash and cash equivalents at beginning of the year	1,133,733,821	486,187,244	422,371,900	132,415,817
Cash and cash equivalents at end of the year	647,680,887	1,133,733,821	361,727,515	422,371,900

Supplemental disclosure of cash flows information

Non-cash transactions:

Increase in equipment under finance lease agreements	9,485,417	2,816,250	1,229,000	2,562,082
Paid deposit for leasehold right by transfer project development cost	33,673,157	-	34,131,293	-

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

Notes to consolidated financial statements

Raimon Land Public Company Limited and its subsidiaries

For the year ended 31 December 2017

1. General information

Raimon Land Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is JS Asset Management Pte. Ltd., a company existing under Singapore laws. The Company is principally engaged in the property development. The registered office of the Company is at 3 Rajanakarn Building, 19th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Raimon Land Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			Percent	Percent
Contemporary Property Company Limited	Ceased operations	Thailand	98.59	98.59
Raimon Land Planner Company Limited	Ceased operations	Thailand	95.00	95.00
The River Company Limited (Held by the Company 89.0% and indirect held by Contemporary Property Company Limited 11.0%)	Ceased operations	Thailand	100.00	100.00
Taksin Properties Company Limited (Held by the Company 68.8% and indirect held by The River Company Limited 31.2%)	Property development	Thailand	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2017</u>	<u>2016</u>
			Percent	Percent
Raimon Land Park View Development Company Limited	Ceased operations	Thailand	99.99	99.99
Raimon Land Resorts Company Limited	Investment and service	Thailand	99.99	99.99
Raimon Land Residences Company Limited	Ceased operations	Thailand	99.99	99.99
Raimon Land Unixx Company Limited (Held by the Company 99.8% and indirect held by Raimon Land Residences Company Limited 0.2%)	Property development	Thailand	99.99	99.99
Raimon Land Development Company Limited	Property development	Thailand	99.99	99.99
Raimon Land Services Company Limited	Services	Thailand	99.96	99.96
Raimon Land Ekkamai Company Limited	Property development	Thailand	99.99	99.99
Raimon Land Silom Company Limited	Property development	Thailand	99.99	99.99
Raimon Land Estate Company Limited	Property development	Thailand	99.97	99.97
Asangha Realty Company Limited	Agent for property resale or leasing	Thailand	99.97	99.97
Raimon Land Twenty Six Company Limited	Property development	Thailand	99.99	-
RML 548 Company Limited	Property development	Thailand	99.99	-
Siam Spoon Company Limited	Investment	Thailand	99.99	-
Raimon Land Sathorn Company Limited	Property development	Thailand	99.99	-
Raimon Land Ao-Nang Company Limited	Hospitality	Thailand	99.99	-
Raimon Land Development (Singapore) Pte. Ltd.	Property development and Investment	Singapore	100.00	100.00
Raimon Land Properties (Singapore) Pte. Ltd.	Property development	Singapore	100.00	100.00
Baan Ying Pte., Ltd. (Held by Siam Spoon Company Limited 51 %)	Food and beverage	Singapore	51.00	-

In August 2017, the Company incorporated Raimon Land Twenty Six Company Limited, RML 548 Company Limited and Siam Spoon Company Limited and holds 99.99 percent of the registered share capital of these subsidiaries.

In September 2017, the Company incorporated Baan Ying Pte. Ltd. As of 31 December 2017, Siam Spoon Company Limited, a subsidiary of the Company, holds 51 percent of the registered share capital of this subsidiary.

In September 2017, the Company incorporated Raimon Land Sathorn Company Limited and Raimon Land Ao-Nang Company Limited and holds 99.99 percent of the registered share capital of these subsidiaries.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries’ financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of residential condominium units

Revenues from sales of residential condominium units are recognised as revenues when significant risks and rewards are transferred to the buyer.

Rental and related service income

Rental and related service income of units in office buildings, residential condominium and community mall are recognised on a time proportion basis.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cost of residential condominium units sold

In determining the cost of residential condominium units sold, the total development costs are attributed to units sold on the basis of the sale value.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Project development cost

Project development cost is valued at the lower of cost and net realisable value. The details of cost calculation are as follows:

- | | | |
|--------------------------|---|---|
| Land | - | The Company and its subsidiaries record cost of land separately for each project. |
| Construction in progress | - | Construction in progress mainly consists of the cost of design, cost of construction, public utility costs and interest capitalized to cost of projects. The Company and its subsidiaries record cost of design, construction and public utilities based on the actual cost incurred. |

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended sale are capitalized as part of the cost of the respective projects and will be ceased when the projects are completed or when the construction is suspended until active development resumes. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of money market funds are determined from their net asset value on last business day of the year.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.8 Investment properties and depreciation

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives and the leasehold remaining period:

Office building for rent	20 years
Community mall	27 years

Depreciation of the investment properties is included in determining operating income.

No depreciation is provided on land.

4.9 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Land improvement	5 years
Buildings and building improvement	20 years
Residential condominium units for services	30 years
Furniture, fixtures and office equipment	2 - 10 years
Motor vehicles	5 years

Depreciation is included in determining operating income.

No depreciation is provided on land.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.10 Land awaiting development

Land awaiting development is valued at the lower of cost and net realisable value. Cost included all costs to acquire land.

4.11 Leasehold right and amortisation

Leasehold right is stated at cost less accumulated amortisation. Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

4.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that give them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company's and its subsidiaries' operations.

4.13 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of property or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining operating income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.17 Equity-settled share-based payment transactions

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

4.18 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Project development costs estimation

In recognising revenue from real estate sales, the Company and its subsidiaries need to estimate all project development costs, including land costs, land improvement costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

Provision for diminution in value of project development cost

The determination of allowances for diminution in the value of project development cost, requires management to make judgements and estimates. The allowance for diminution in value of project development cost is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales. This requires detailed analysis of the competitive environment, demand and supply in the real estate market, economic circumstances and the situation within the industry.

Provision for impairment on investments

The Company treats investment in subsidiaries 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 judgment of the management.

Classification of long-term loans

In classifying the current portion of long-term loans from banks, the management of the Company and its subsidiaries has used judgement to estimate collateral redemptions and loan settlement in accordance with the terms and conditions stipulated in the loan agreements.

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 utilized. 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.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no significant loss will incur. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Companies, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Project management fee income	-	-	20	15	As stipulated in agreements
Marketing commission income	-	-	71	47	At prices charged to the third parties
Guarantee fee income	-	-	8	20	At 1.5% per annum of average outstanding guarantee
Interest income	-	-	103	85	Interest rate of 5.0% per annum and average MLR-1.75 per annum (2016: Interest rate of 5.0 - 5.5% per annum and average MLR-1.75 to -1.875 per annum)
Dividend income	-	-	134	-	Announced rate
Interest expenses	-	-	4	4	Interest rates of 3.0% per annum (2016: Interest rates of 3.0 - 5.0% per annum)
Service fee expenses	-	-	3	1	As stipulated in agreements
Purchase of condominium units	-	-	-	2	At prices charged to the third parties

As at 31 December 2017 and 2016, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Amounts due from related parties (Note 9)				
Subsidiaries				
- Taksin Properties Company Limited	-	-	294,897	296,580
- Raimon Land Development Company Limited	-	-	996	1,091
- Raimon Land Unixx Company Limited	-	-	15,552	8,696
- Raimon Land Ekkamai Company Limited	-	-	1,625	29,169
- Raimon Land Resorts Company Limited	-	-	-	50
- Raimon Land Services Company Limited	-	-	196	257
- Asangha Realty Company Limited	-	-	719	9
- Raimon Land Estate Company Limited	-	-	4,165	2,402
- Raimon Land Silom Company Limited	-	-	28,133	-
- Raimon Land Twenty Six Company Limited	-	-	4,799	-
- RML 548 Company Limited	-	-	208	-
- Siam Spoon Company Limited	-	-	9	-
- Raimon Land Sathorn Company Limited	-	-	207	-
- Raimon Land Ao-Nang Company Limited	-	-	132	-
Major shareholders				
- JS Asset Management Pte. Ltd.	1,215	1,654	-	-
Directors	46	46	-	-
Related parties (related by directors)	231	231	17	17
	<u>1,492</u>	<u>1,931</u>	<u>351,655</u>	<u>338,271</u>
Amounts due to related parties (Note 17)				
Subsidiaries				
- Taksin Properties Company Limited	-	-	-	112
- Raimon Land Unixx Company Limited	-	-	268	-
- Raimon Land Development (Singapore) Pte. Ltd.	-	-	36	465
- Baan Ying Pte. Ltd.	-	-	117	-
Major shareholders				
- JS Asset Management Pte. Ltd.	15	-	-	-
Directors	383	-	-	-
Related parties (related by directors)	628	479	-	-
	<u>1,026</u>	<u>479</u>	<u>421</u>	<u>577</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deposits and advance received from customers - related parties				
- Directors and employees	6,580	4,268	-	-
- Related parties (related by directors)	9,332	9,332	9,332	9,332
	<u>15,912</u>	<u>13,600</u>	<u>9,332</u>	<u>9,332</u>

Loans to related parties and loan from related party

As at 31 December 2017 and 2016, the balance of loans to and related interest receivable, and loan from and related accrued interest between the Company and those related parties and the movement are as follows:

	(Unit: Thousand Baht)				
	Separate financial statements				
	Balance as at	Increase	Decrease	Unrealised	Balance as at
	31 December	during	during	losses on	31 December
	<u>2016</u>	<u>the year</u>	<u>the year</u>	<u>exchange rate</u>	<u>2017</u>
Short-term loans to related parties and interest receivables					
<u>Subsidiaries</u>					
- Raimon Land Park View Development Company Limited					
Loans	18,460	3,569	-	-	22,029
Interest receivable	5,284	1,027	-	-	6,311
- Raimon Land Resorts Company Limited					
Loans	537	-	(537)	-	-
Interest receivable	74	7	(81)	-	-
- Taksin Properties Company Limited					
Loans	151,500	60,000	(131,500)	-	80,000
Interest receivable	642	6,340	(6,642)	-	340
- Raimon Land Unixx Company Limited					
Loans	430,514	47,000	(407,863)	-	69,651
Interest receivable	9,878	5,646	(8,091)	-	7,433
- Raimon Land Residences Company Limited					
Loans	12,223	-	-	-	12,223
Interest receivable	12,607	12,446	-	-	25,053

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at	Increase	Decrease	Unrealised	Balance as at
	31 December	during	during	losses on	31 December
	2016	the year	the year	exchange rate	2017
- Raimon Land Ekkamai Company Limited					
Loans	416,499	60,000	(476,499)	-	-
Interest receivable	68,388	5,132	(73,520)	-	-
- Raimon Land Estate Company Limited					
Loans	231,120	520,613	(233,987)	-	517,746
Interest receivable	6,062	19,912	(8,925)	-	17,049
- Raimon Land Silom Company Limited					
Loans	794,113	18,300	(70,000)	-	742,413
Interest receivable	3,432	39,088	(33,164)	-	9,356
- Raimon Land Twenty Six Company Limited					
Loans	-	882,062	-	-	882,062
Interest receivable	-	13,036	-	-	13,036
- Raimon Land Sathorn Company Limited					
Loans	-	546,870	(2,019)	-	544,851
Interest receivable	-	3,878	(991)	-	2,887
- RML 548 Company Limited					
Loans	-	11,100	-	-	11,100
Interest receivable	-	38	-	-	38
- Siam Spoon Company Limited					
Loans	-	18,000	(3,000)	-	15,000
Interest receivable	-	25	-	-	25
- Raimon Land Development (Singapore) Pte. Ltd.					
Loans	2,606	497,223	(428,223)	(2,694)	68,912
Interest receivable	1,334	10,197	-	(176)	11,355
Total	2,165,273	2,781,509	(1,885,042)	(2,870)	3,058,870
Less: Allowance for doubtful debts	(48,576)	(17,041)	-	-	(65,617)
Net	2,116,697	2,764,468	(1,885,042)	(2,870)	2,993,253

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2017
Short-term loan from related party and accrued interest				
<u>Subsidiary</u>				
- Contemporary Property Company Limited				
Loans	128,718	-	(7,890)	120,828
Accrued interest	31,847	3,796	(2,110)	33,533
	<u>160,565</u>	<u>3,796</u>	<u>(10,000)</u>	<u>154,361</u>

Short-term loans to subsidiaries

Loans to subsidiaries are unsecured loans and due at call, carrying interest at rates of 5.0 percent per annum and MLR-1.75 percent per annum (2016: interest at rates 5.0 - 5.5 percent per annum and MLR-1.75 to -1.875 percent per annum).

During the current year, the Company entered into short-term loan agreements with subsidiaries as follows:

Taksin Properties Company Limited

On 4 January 2017, the Company entered into a loan agreement to increase loan facilities from Baht 150 million to Baht 300 million. The loan carries interest at the rate of 5 percent per annum and is due at call.

Raimon Land Estate Company Limited

On 3 April 2017, the Company entered into a loan agreement to provide a loan facility of Baht 1,000 million to Raimon Land Estate Company Limited. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

Raimon Land Development (Singapore) Pte. Ltd.

On 21 June 2017, the Company entered into a loan agreement to provide a loan facility of USD 14.8 million to Raimon Land Development (Singapore) Pte. Ltd. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

On 30 August 2017, the Company entered into a loan agreement to provide a loan facility of SGD 0.5 million to Raimon Land Development (Singapore) Pte. Ltd. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

Raimon Land Twenty Six Company Limited

On 25 August 2017, the Company entered into a loan agreement to provide a loan facility of Baht 700 million to Raimon Land Twenty Six Company Limited. On 11 September 2017, the Company entered into an addendum agreement to alter the loan facility from Baht 700 million to Baht 1,000 million. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

RML 548 Company Limited

On 31 August 2017, the Company entered into a loan agreement to provide a loan facility of Baht 1,000 million to RML 548 Company Limited. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

Siam Spoon Company Limited

On 31 August 2017, the Company entered into a loan agreement to provide a loan facility of Baht 100 million to Siam Spoon Company Limited. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

Raimon Land Sathorn Company Limited

On 29 September 2017, the Company entered into a loan agreement to provide a loan facility of Baht 1,100 million to Raimon Land Sathorn Company Limited. The unsecured loan carries interest at the rate of 5 percent per annum and is due at call.

Allowance for doubtful debts

During the current year, the Company has recorded full allowance for doubtful accounts for the short-term loans to and interest receivable increasing during the year from Raimon Land Park View Development Company Limited and Raimon Land Residences Company Limited.

Short-term loan from subsidiary

Loan from subsidiary is unsecured loan carrying interest at a rate of 3 percent per annum (2016: Interest at rate 3 - 5 percent per annum) and due at call.

Directors and management's benefits

For the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expense payable to their directors and management as below.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Short-term employee benefits	85	79	85	79
Post-employment benefits	5	4	5	4
Share-based payment transactions (Note 23.1)	1	3	1	3
Total	91	86	91	86

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in note 30.5 to the consolidated financial statements.

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Cash	564	444	123	98
Bank deposits	647,117	1,133,290	361,605	422,274
Total	647,681	1,133,734	361,728	422,372

As at 31 December 2017, bank deposits in saving accounts and fixed deposits carried interests between 0.125 and 1.30 percent per annum (2016: between 0.125 and 1.40 percent per annum).

8. Current investments

Current investments represent investments in money market fund which are stated at fair value.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade accounts receivable - unrelated parties	9,646	8,880	381	512
Other receivables - related parties (Note 6)	1,492	1,931	351,655	338,271
Other receivables - unrelated parties	48,589	7,284	361	156
Total	59,727	18,095	352,397	338,939
Less: Allowance for doubtful debts	(6,353)	(7,603)	(263)	(263)
Trade and other receivables, net	53,374	10,492	352,134	338,676

10. Project development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and construction under development	4,394,062	2,264,671	-	-
Developed land and construction	2,669,484	4,160,348	390,695	620,330
Total	7,063,546	6,425,019	390,695	620,330
Reduce cost to net realisable value	(191,061)	(159,988)	(12,149)	(12,149)
Net	6,872,485	6,265,031	378,546	608,181
Capitalised borrowing costs during the year	73,737	28,544	-	-
Capitalisation rate (Percent per annum)	4	4	-	-
Mortgaged as collateral for credit facilities and guarantees	4,500,811	3,679,900	341,354	549,397

During the current year, a subsidiary reduced project development cost by Baht 31 million to reflect the net realisable value (2016: Baht 13 million). This was included in cost of sales.

11. Restricted bank deposits

This represents certificate of deposit of a subsidiary which was pledged with a local bank to secure long-term loan of the Company

12. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
			(%)	(%)		
Contemporary Property Company Limited	200,000	200,000	98.59	98.59	196,126	196,126
Raimon Land Planner Company Limited	2,000	2,000	95.00	95.00	1,900	1,900
Raimon Land Park View Development Company Limited	100,000	100,000	99.99	99.99	100,000	100,000
The River Company Limited (Held by the Company 89.0% and indirect held by Contemporary Property Company Limited 11.0%)	1,232,030	1,232,030	100.00	100.00	1,121,994	1,121,994
Taksin Properties Company Limited (Held by the Company 68.8% and indirect held by The River Company Limited 31.2%)	1,200,000	1,200,000	100.00	100.00	825,000	825,000
Raimon Land Resorts Company Limited	7,000	7,000	99.99	99.99	7,000	7,000
Raimon Land Residences Company Limited	10,000	10,000	99.99	99.99	5,100	5,100
Raimon Land Unixx Company Limited (Held by the Company 99.8% and indirect held by Raimon Land Residences Company Limited 0.2%)	1,737,500	1,737,500	99.99	99.99	1,727,500	1,727,500
Raimon Land Development Company Limited	500,000	500,000	99.99	99.99	390,694	390,694
Raimon Land Services Company Limited	500	500	99.96	99.96	500	500
Raimon Land Ekkamai Company Limited	5,000	5,000	99.99	99.99	5,000	5,000
Raimon Land Silom Company Limited	45,000	45,000	99.99	99.99	45,000	45,000
Raimon Land Estate Company Limited	1,000	1,000	99.97	99.97	1,000	1,000
Asangha Realty Company Limited	1,000	1,000	99.97	99.97	1,000	1,000
Raimon Land Twenty Six Company Limited	100,000	-	99.99	-	24,999	-
RML 548 Company Limited	5,000	-	99.99	-	5,000	-
Siam Spoon Company Limited	5,000	-	99.99	-	5,000	-
Raimon Land Sathorn Company Limited	5,000	-	99.99	-	5,000	-
Raimon Land Ao-Nang Company Limited	5,000	-	99.99	-	5,000	-
Raimon Land Development (Singapore) Pte. Ltd.	-	-	100.00	100.00	-	-
Raimon Land Properties (Singapore) Pte. Ltd.	-	-	100.00	100.00	-	-
Total					4,472,813	4,427,814
Less: Allowance for impairment loss on investments in subsidiaries					(852,759)	(693,245)
Investments in subsidiaries, net					3,620,054	3,734,569

During the year, the Company recorded dividend from the subsidiaries approximately Baht 134 million (Baht 118 million from Raimon Land Ekkamai Company Limited, Baht 10 million from Contemporary Property Company Limited and Baht 6 million from Asangha Realty Company Limited).

For the year ended 31 December 2017, the Company recorded allowance for impairment loss on investments in The River Company Limited of approximately Baht 160 million (2016: The River Company Limited of approximately Baht 102 million and in Raimon Land Planner Company Limited of approximately Baht 1 million) in the separate statement of comprehensive income.

Raimon Land Twenty Six Company Limited (the subsidiary)

On 1 August 2017, the Company incorporated Raimon Land Twenty Six Company Limited, with a registered share capital of Baht 100 million, comprising 1,000,000 ordinary shares with a par value of Baht 100 each. The Company invested 999,997 ordinary shares, which represents 99.99 percent shareholding of the registered share capital. The subsidiary called up 25 percent of its registered share capital.

RML 548 Company Limited (the subsidiary)

On 30 August 2017, the Company incorporated RML 548 Company Limited, with a registered share capital of Baht 5 million, comprising 50,000 ordinary shares with a par value of Baht 100 each. The Company invested 49,997 ordinary shares, which represents 99.99 percent shareholding of the registered share capital and paid in capital totaling Baht 5 million.

Siam Spoon Company Limited and its subsidiary (Baan Ying Pte. Ltd.)

On 30 August 2017, the Company incorporated Siam Spoon Company Limited, with a registered share capital of Baht 5 million, comprising 50,000 ordinary shares with a par value of Baht 100 each. The Company invested 49,997 ordinary shares, which represents 99.99 percent shareholding of the registered share capital and paid in capital totaling Baht 5 million.

On 22 September 2017, the Company incorporated Baan Ying Pte. Ltd. to engage in the food and beverage business in Singapore with a registered capital of SGD 100, comprising 100 ordinary shares with a par value of SGD 1 per share. Siam Spoon Company Limited holds 100 percent of the registered share capital of this subsidiary.

On 13 November 2017, a meeting of the Company's Board of Directors No. 7/2017 passed a resolution to approve Siam Spoon Company Limited, the subsidiary, entering into a joint venture agreement with Bangkok Wooden Spoon Company Limited to jointly invest in Baan Ying Pte. Ltd. This would increase the capital of Baan Ying Pte., Ltd to SGD 1,400,000 (1,400,000 ordinary shares with a par value of SGD 1) with Siam Spoon Company Limited holding 51 percent of the registered share capital of this subsidiary. On 22 December 2017, Siam Spoon Company Limited entered into the joint venture agreement with Bangkok Wooden Spoon Company Limited.

Raimon Land Sathorn Company Limited (the subsidiary)

On 27 September 2017, the Company incorporated Raimon Land Sathorn Company Limited, with a registered share capital of Baht 5 million, comprising 50,000 ordinary shares with a par value of Baht 100 each. The Company invested 49,997 ordinary shares, which represents 99.99 percent shareholding of the registered share capital and paid in capital totaling Baht 5 million.

Raimon Land Ao-Nang Company Limited (the subsidiary)

On 27 September 2017, the Company incorporated Raimon Land Ao-Nang Company Limited, with a registered share capital of Baht 5 million, comprising 50,000 ordinary shares with a par value of Baht 100 each. The Company invested 49,997 ordinary shares, which represents 99.99 percent shareholding of the registered share capital and paid in capital totaling Baht 5 million.

13. Investment properties

The net book value of investment properties as at 31 December 2017 and 2016 is presented below.

	Consolidated financial statements			Separate financial statements	
	Land and office building for rent	Community mall	Total	Land and office building for rent	Total
As at 31 December 2017					
Cost	68,039	233,175	301,214	68,039	68,039
Less: Accumulated depreciation	(32,306)	(25,761)	(58,067)	(32,306)	(32,306)
Less: Allowance for diminution in value	-	(131,816)	(131,816)	-	-
Net book value	35,733	75,598	111,331	35,733	35,733
As at 31 December 2016					
Cost	67,675	233,175	300,850	67,675	67,675
Less: Accumulated depreciation	(28,747)	(21,778)	(50,525)	(28,747)	(28,747)
Less: Allowance for diminution in value	-	(120,844)	(120,844)	-	-
Net book value	38,928	90,553	129,481	38,928	38,928

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	129,481	137,019	38,928	42,473
Acquisition of assets	364	-	364	-
Depreciation charge	(7,542)	(7,538)	(3,559)	(3,545)
Allowance for diminution in value	(10,972)	-	-	-
Net book value at end of year	<u>111,331</u>	<u>129,481</u>	<u>35,733</u>	<u>38,928</u>

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and office building for rent	74	74	74	74
Community mall (included leasehold right)	147	159	-	-

The fair value of the above investment properties has been determined based on valuation performed by the accredited independent valuer, using income approach. The key assumptions used in the valuation of the land and office building for rent and the community mall include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company has pledged investment properties amounting to approximately Baht 36 million (2016: Baht 39 million) as collateral against credit facilities received from a financial institution.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Residential						
	Land and land	Building and	condominium	Furniture and	Office	Motor	
	improvement	improvement	units for	fixtures	equipment	vehicles	Total
Cost:							
1 January 2016	13,465	17,680	874,792	109,959	43,528	38,250	1,097,674
Additions	-	582	-	10,228	5,713	3,440	19,963
Disposals/ written-off	-	-	-	(17,032)	(1,018)	(2,750)	(20,800)
31 December 2016	13,465	18,262	874,792	103,155	48,223	38,940	1,096,837
Additions	833	14,083	-	9,497	8,440	9,486	42,339
Disposals/ written-off	-	(1,296)	-	(27,974)	(3,401)	(1,244)	(33,915)
Translation Adjustment	-	-	-	-	3	(166)	(163)
31 December 2017	14,298	31,049	874,792	84,678	53,265	47,016	1,105,098
Accumulated depreciation:							
1 January 2016	7	12,075	58,043	86,822	28,514	20,869	206,330
Depreciation for the year	15	138	29,230	10,146	6,988	6,015	52,532
Depreciation on disposals/ written-off	-	-	-	(12,478)	(891)	(2,750)	(16,119)
31 December 2016	22	12,213	87,273	84,490	34,611	24,134	242,743
Depreciation for the year	79	2,111	29,150	8,129	6,808	6,813	53,090
Depreciation on disposals/ written-off	-	(192)	-	(27,135)	(3,104)	(1,244)	(31,675)
Translation Adjustment	-	-	-	-	-	(2)	(2)
31 December 2017	101	14,132	116,423	65,484	38,315	29,701	264,156
Allowance for impairment loss:							
31 December 2016	13,288	4,907	-	-	-	-	18,195
31 December 2017	13,288	4,907	-	-	-	-	18,195
Net book value:							
31 December 2016	155	1,142	787,519	18,665	13,612	14,806	835,899
31 December 2017	909	12,010	758,369	19,194	14,950	17,315	822,747
Depreciation for the year:							
2016 (all included in administrative expenses)							52,532
2017 (all included in administrative expenses)							53,090

(Unit: Thousand Baht)

Separate financial statements						
	Land and land improvement	Building and building improvement	Furniture and fixtures	Office equipment	Motor vehicles	Total
Cost:						
1 January 2016	13,465	17,680	61,771	25,466	33,937	152,319
Additions	-	582	1,197	1,775	3,314	6,868
Disposals/ written-off	-	-	(2,964)	(594)	(2,750)	(6,308)
31 December 2016	13,465	18,262	60,004	26,647	34,501	152,879
Additions	833	14,083	6,998	4,620	1,229	27,763
Disposals/ written-off	-	(1,296)	(26,201)	(2,794)	(1,244)	(31,535)
31 December 2017	14,298	31,049	40,801	28,473	34,486	149,107
Accumulated depreciation:						
1 January 2016	8	12,075	53,534	17,916	16,855	100,388
Depreciation for the year	15	138	2,860	4,024	5,788	12,825
Depreciation on disposals/ written-off	-	-	(2,175)	(592)	(2,750)	(5,517)
31 December 2016	23	12,213	54,219	21,348	19,893	107,696
Depreciation for the year	79	2,110	3,331	3,647	5,659	14,826
Depreciation on disposals/ written-off	-	(191)	(26,038)	(2,713)	(1,244)	(30,186)
31 December 2017	102	14,132	31,512	22,282	24,308	92,336
Allowance for impairment loss:						
31 December 2016	13,288	4,907	-	-	-	18,195
31 December 2017	13,288	4,907	-	-	-	18,195
Net book value:						
31 December 2016	154	1,142	5,785	5,299	14,608	26,988
31 December 2017	908	12,010	9,289	6,191	10,178	38,576
Depreciation for the year:						
2016 (all included in administrative expenses)						12,825
2017 (all included in administrative expenses)						14,826

As at 31 December 2017, the Company and its subsidiaries had equipment and motor vehicles with net book value of Baht 15 million (2016: Baht 12 million) which were acquired under finance lease agreements (the Company only: Baht 8 million, 2016: Baht 12 million).

As at 31 December 2017, certain items of equipment and motor vehicles of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 96 Million (2016: Baht 106 million) (the Company only: Baht 63 million, 2016: Baht 78 million).

15. Leasehold right

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2017</u>	<u>2016</u>
Leasehold right	101,100	101,100
Less: Accumulated amortisation	(36,012)	(33,020)
Leasehold right - net	<u>65,088</u>	<u>68,080</u>
Amortisation charges included in administrative expenses	<u>2,992</u>	<u>2,965</u>

A reconciliation of the net book value of leasehold right for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	68,080	69,945
Addition	-	1,100
Amortisation charge	(2,992)	(2,965)
Net book value at end of year	<u>65,088</u>	<u>68,080</u>

16. Short-term loans from financial institutions

As at 31 December 2017, short-term loans from financial institutions consist of a subsidiary's promissory note of Baht 829 million (2016: Baht 267 million) with financial institutions, which carry interest at rates similar to market rate. This loan is due in May 2018.

The promissory note of the subsidiary to the financial institution is secured by the mortgage of the subsidiary's land with net book value of Baht 1,737 million and guarantee provided by the Company.

The loan agreement of the subsidiary contains covenants as specified in the agreement those, among other things, require the Company and the subsidiary to maintain certain interest-bearing debt to equity ratio on the consolidated financial statements according to the agreement.

As at 31 December 2017, the short-term credit facility of the Company which has not yet been drawn down amounted to Baht 171 million (2016: Baht 1,000 million)

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - unrelated parties	78,885	62,612	4,219	3,367
Other payables - related parties (Note 6)	1,026	479	421	577
Other payables - unrelated parties	43,236	50,412	5,541	5,541
Accrued expenses	108,677	109,476	59,134	45,545
Total trade and other payables	<u>231,824</u>	<u>222,979</u>	<u>69,315</u>	<u>55,030</u>

18. Long-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Long-term loans	1,025,862	976,341	390,000	-
Less: Current portion	<u>(1,025,862)</u>	<u>(466,341)</u>	<u>(390,000)</u>	-
Long-term loans, net of current portion	<u>-</u>	<u>510,000</u>	<u>-</u>	<u>-</u>

The Company and its subsidiaries have credit facilities from banks totaling Baht 3,876 million (2016: Baht 4,364 million) (the Company only: Baht 2,381 million, 2016: Baht 1,154 million) under numerous agreements, carrying interest rates reference to MLR. Loan repayments are due when condominium units are transferred to customers, as specified in the loan agreements, and full settlement due within dates between July 2018 to December 2020 (2016: April 2017 to December 2020) (the Company only: July 2018 to December 2020).

These loans are secured by the mortgage of the condominium units and detached houses of the projects, the land and construction thereon of the projects, land awaiting development of the Company, investment property, the transfer of beneficiary rights under purchase and sale agreements for the project's condominium units and detached houses, the transfer of beneficiary rights under insurance policies for the projects, the negotiable certificate of deposit and guarantee provided by the Company.

The loan agreements of the Company and the subsidiary contain covenants as specified in the agreements those, among other things, require the Company and the subsidiary to maintain certain interest-bearing debt to equity and debt to equity ratios according to the agreements.

As at 31 December 2017, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 2,210 million (2016: Baht 1,873 million) (the Company only: Baht 1,351 million, 2016: Baht 883 million).

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On 28 June 2017, the Company entered into a long-term loan agreement with a local bank, granting the loan facilities of Baht 1,000 million. This loan carries interest rate reference to MLR. Loan repayment is due when condominium units are transferred to customers, as specified in the loan agreement, and full settlement due within June 2020.

On 29 August 2017, the Company entered into a long-term loan agreement with a local bank, granting loan facilities of Baht 400 million. This loan carries interest at a rate referenced to the rate of negotiable certificates of deposit plus 1 percent per annum and full settlement is to be made within September 2019. The loan is secured by the pledge of negotiable certificate of deposit of the subsidiary that matures in May 2018 and June 2018.

The management of the Company expect to pay the full amount when collateral matures or within 31 December 2018 and have therefore classified the loan under the current portion of long-term loans.

19. Debentures

Unit : Thousand Baht						
Issued date	Matured date	Quantity (Unit)	Par value (Baht per unit)	Interest rate (Percent per annum)	Consolidated financial statements/ Separated financial statements	
					2017	2016
29 July 2015	29 July 2018	500,000	1,000	4.8	500,000	500,000
21 September 2016	21 September 2019	1,000,000	1,000	4.7	1,000,000	1,000,000
20 June 2017	20 June 2020	711,700	1,000	4.7	711,700	-
Total					2,211,700	1,500,000
Less: Unamortised costs relating to the issuance of the debentures					(6,711)	(6,256)
Debentures - net					2,204,989	1,493,744
Less: current portion					(499,492)	-
Debentures, net of current portion					1,705,497	1,493,744

On 20 June 2017, the Company issued and offered 711,700 units of unsecured debentures with a face value of Baht 1,000 each, or a total of Baht 711.7 million. The debentures mature on 20 June 2020, bearing interest at a rate of 4.7 percent per annum. The interest is paid on quarterly basis.

The above debentures are unsecured and their interests are paid on quarterly basis. The debenture agreements contain covenants as specified in the agreement and restrictions on the Company, related to such matters as dividend payment and the maintenance of interest-bearing debt to equity ratio.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Provision for long-term employee benefits				
at beginning of year	18,118	13,650	17,489	13,293
Included in profit or loss:				
Current service cost	4,684	4,111	4,340	3,847
Interest cost	474	357	458	349
Provision for long-term employee benefits				
at end of year	<u>23,276</u>	<u>18,118</u>	<u>22,287</u>	<u>17,489</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Administrative expenses	5,158	4,468	4,798	4,196
Total expenses recognised in profit or loss	<u>5,158</u>	<u>4,468</u>	<u>4,798</u>	<u>4,196</u>

The Company expects to pay Baht 0.2 million of long-term employee benefits during the next year.

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 23 years (the Company only: 23 years) (2016: 24 years, the Company only: 24 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.57 - 2.62	2.57 - 2.62	2.62	2.62
Salary increase rate	3	3	3	3
Turnover rate	0 - 34	0 - 34	0 - 34	0 - 34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1 %	Decrease 1 %	Increase 1 %	Decrease 1 %
Discount rate	(1,761)	2,012	(1,685)	1,926
Salary increase rate	2,384	(2,104)	2,281	(2,011)
Turnover rate	(1,876)	552	(1,795)	537

	(Unit: Thousand Baht)			
	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 1 %	Decrease 1 %	Increase 1 %	Decrease 1 %
Discount rate	(1,469)	1,678	(1,419)	1,622
Salary increase rate	1,777	(1,576)	1,715	(1,520)
Turnover rate	(1,566)	466	(1,512)	453

21. Share capital

On 24 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 passed the following resolutions.

- To approve the reduction of the Company's registered share capital from the existing registered capital of Baht 4,558,354,509 to Baht 4,558,337,397 by cancelling the 17,112 unissued shares remaining from the allocation of warrants to the existing shareholders (RML-W4).

- b) To approve the increase of the Company's registered share capital by Baht 146,000,000 from the registered share capital of Baht 4,558,337,397 (as mentioned in the note 21a) to Baht 4,704,337,397 to accommodate the issuance and offering of warrants to the employees of the Company and its subsidiaries under the RML-WC as mentioned in the note 23.2.

The Company registered the decrease and the increase in its share capital with the Ministry of Commerce on 9 May 2017 and 15 May 2017, respectively.

22. Warrants to purchase new ordinary shares of the Company issued to the Company's shareholders

On 15 June 2015, the Company issued 893,853,790 warrants (RML-W4). Each warrant can be exercised to purchase 1 new ordinary share at an exercise price of Baht 1.97 each. These warrants can be exercised for 3 years from the issued date, on the last business day of each March, June, September and December. The initial exercise date was on 30 September 2015 and the last exercise date will be on 14 June 2018.

On 27 April 2017, the Company adjusted the right of warrants (RML-W4) due to the Company's distribution of dividend in excess of the rate as prescribed in the terms and conditions of warrants (more than 90 percent of the net profit after deducting income tax). Each warrant can be exercised to purchase 1.02348 ordinary share at an exercise price of Baht 1.925 each.

As at 31 December 2017, there was not exercised for these warrants (RML-W4).

23. Warrants to purchase ordinary shares of the Company

23.1 Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company (RML-WB)

On 1 November 2013, the Extraordinary General Meeting of the Company's shareholders No. 1/2013 passed the approval for the Company to issue and offer 89 million units of warrants to purchase the Company's ordinary shares ("ESOP-Warrants") at the rate of Baht 0 per unit and at the exercise ratio of 1 unit per 1 ordinary share and at the exercise price of Baht 1.67 per share to two executive directors of the Company, 44.5 million units each. The date of issue warrants (RML-WB) was on 15 November 2013. The holders of the warrants are able to exercise their rights to purchase the Company's ordinary shares on the last business day of each month at the agreed option for a term of 5 years from the issued date.

On 27 April 2017, the Company adjusted the right of warrants (RML-WB) due to the Company's distribution of dividend in excess of the rate as prescribed in the terms and conditions of warrants (more than 90 percent of the net profit after deducting income tax). Each warrant can be exercised to purchase 1.02348 ordinary share at an exercise price of Baht 1.632 each.

As at 31 December 2017, no warrants were exercised (RML-WB).

The expenses recognised from share-based payment transactions for the year ended 31 December 2017 of the Company were Baht 1 million (2016: Baht 3 million).

The fair value of the warrants (RML-WB) was measured based on Binomial option pricing model as presented below.

	<u>RML-WB</u>
Fair value of warrants at grant date	0.22 - 0.48 Baht per share
Share price at grant date	1.32 Baht per share
Exercise price	1.67 Baht per share
Expected dividend yield	0 %
Expected stock volatility*	45.51 %
Risk-free interest rate	2.83 %

* The expected volatility of the share options is based on historical data of the Company's stock price during the period 16 November 2011 to 15 November 2013.

23.2 Warrants to purchase ordinary shares of the Company issued to the executive directors and/or employees of the Company and its subsidiaries (RML-WC)

On 24 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 passed a resolution to approve the issuance and offering of warrants entered in name certificates and non-transferable in the amount of not exceeding 146,000,000 units with no cost to the employees of the Company and its subsidiaries under the RML-WC. Each warrant can be exercised to purchase 1 ordinary share at an exercise price of Baht 1.31 per share. The warrants will be exercisable within 3 years after the warrants are issued and offered. The Company will allocate and offer the warrants within one year from the date that the Annual General Meeting of the Company's shareholders approved the issuance and offering of the warrants. The Company grants the board of director and/or the Chief Executive Officer and/or person authorised by the board of director and/or the Chief Executive Officer to consider and determine the qualifications of employees of the Company and its subsidiaries eligible to receive the warrants and the amount of warrants in which each employee of the Company and its subsidiaries will receive.

As at 31 December 2017, the Company has not yet allocated and issued the warrants to the management and employees of the Company and its subsidiaries.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of residential condominium units sold	1,934,260	3,181,417	195,504	570,374
Salary and other employee benefits	228,920	223,099	211,269	204,219
Management fee	19,689	14,141	-	-
Depreciation and amortisation charges	65,396	64,507	20,023	17,649
Special business tax and transfer fees	117,660	190,223	20,411	44,750
Other selling expenses	127,446	100,925	21,215	16,285
Loss on diminution in value of investment in subsidiaries	-	-	159,514	102,925
Impairment loss of investment properties	10,971	-	-	-

26. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	37,588	83,661	10,011	38,713
Adjustment in respect of income tax of previous year	-	(24)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	21,402	140,979	(460)	38,623
Income tax expenses reported in the statement of comprehensive income	58,990	224,616	9,551	77,336

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit (loss) before tax	250,180	1,075,215	(33,088)	226,940
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiply by income tax rate	50,036	215,043	(6,617)	45,388
Adjustment in respect of income tax of previous year	-	(24)	-	-
Effects of:				
Utilisation of unrecognised deferred tax				
assets in the previous year	(12,207)	(30,239)	-	-
Tax exemption for dividend income from subsidiaries	-	-	(26,771)	-
Write-off deferred tax assets				
- Tax losses of subsidiaries	7,637	24,600	-	-
Deferred tax assets which were not recognised during the year				
- Tax losses of subsidiaries	6,758	7,159	-	-
- Allowance for impairment loss on investments	-	-	31,903	20,585
- Allowance for doubtful accounts	-	4,640	3,408	9,715
- Others	7,536	52	7,481	-
Non-taxable income	(371)	-	-	-
Additional expenses deduction allowed	(1,544)	(805)	(977)	(303)
Non-deductible expenses	1,145	4,190	1,124	1,951
Total	8,954	9,597	16,168	31,948
Income tax expenses reported in the statement of				
 comprehensive income	58,990	224,616	9,551	77,336

As at 31 December 2017 and 2016, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Unused tax loss	19,424	19,083	-	-
Allowance for diminution in value of project development cost	31,497	25,283	2,430	2,430
Allowance for impairment loss on investment properties	22,607	21,351	-	-
Provision for long-term employee benefits	4,457	3,498	4,458	3,498
Cash received from customers and project development cost from the difference between tax and accounting of revenue recognition	51,526	93,545	1,004	1,004
Interest capitalised to project development cost from the difference between tax and accounting recognition	7,354	-	-	-
Others	2,807	2,207	-	-
Total deferred tax assets	<u>139,672</u>	<u>164,967</u>	<u>7,892</u>	<u>6,932</u>
Deferred tax liabilities				
Surplus of project development cost	18,573	22,966	-	-
Fair value of forward exchange contracts	500	-	500	-
Total deferred tax liabilities	<u>19,073</u>	<u>22,966</u>	<u>500</u>	<u>-</u>

As at 31 December 2017, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 1,058 million (2016: Baht 892 million) (the Company only: Baht 853 million, 2016: Baht 693 million). Deferred tax assets have not been recognised on these amount as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses which was not recognised as deferred tax assets amounting to Baht 205 million will expire by 2018 - 2022 (2016: Baht 199 million which will expire by 2017 - 2021).

27. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, warrants was not included in calculation of diluted earnings per share for the year 2017 and 2016 since the exercise price plus the balance of fair value of each warrants is higher than the average market price for the year.

Consolidated financial statements						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit attributable to equity holders of the						
Company	192,918	850,653	3,575,484	3,575,484	0.05	0.24
Effect of dilutive potential						
ordinary shares						
Warrants to purchase ordinary shares of the						
Company (ESOP-RML-WB / RML- W4)	-	-	-	-		
Diluted earnings per share						
Profit of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	<u>192,918</u>	<u>850,653</u>	<u>3,575,484</u>	<u>3,575,484</u>	0.05	0.24

Separate financial statements						
Profit (loss) for the year		Weighted average number		Earnings (loss) per share		
		of ordinary shares				
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
Basic earnings per share						
Profit (loss) attributable to equity holders						
of the Company	(42,639)	149,604	3,575,484	3,575,484	(0.01)	0.04
Effect of dilutive potential						
ordinary shares						
Warrants to purchase ordinary shares of the						
Company (ESOP-RML-WB / RML- W4)	-	-	-	-	-	-
Diluted earnings (loss) per share						
Profit (loss) of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	(42,639)	149,604	3,575,484	3,575,484	(0.01)	0.04

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3 percent or 5 percent of their basic salaries, and by the Company at the rate of 5 percent of employees' basic salaries. The fund, which is managed by Kasikorn Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 6 million (2016: Baht 5 million) were recognised as expenses.

29. Dividends

Dividends	Approved by	Total dividends	Dividends per share
		(Thousand Baht)	(Baht)
Final dividends for 2016	Annual General Meeting of the Company's shareholders on 24 April 2017	250,281	0.070
Final dividends for 2015	Annual General Meeting of the Company's shareholders on 25 April 2016	196,646	0.055

30. Commitments and contingent liabilities

30.1 Capital commitments

- a) As at 31 December 2017, the Company and its subsidiaries had capital commitments of approximately Baht 853 million and USD 1.5 million or approximately Baht 49 million and SGD 0.6 million or approximately Baht 14 million (2016: Baht 719 million) (the Company only: approximately Baht 1.2 million) relating to design and construction contracts of their projects and renovation works for food and beverage business.
- b) As at 31 December 2017, a subsidiaries had capital commitment of approximately Baht 526 million, relating to purchase of land.

30.2 Long-term land lease commitments

On 28 December 2016, the Company entered into a land lease agreement with a company, to lease land for construction of office and retail space for rent. The land lease agreement grants a 30-year operating lease period.

The Company paid a deposit for the leasehold rights of Baht 300 million and transferred the ownership of a condominium unit of its project and responsible for corporate income tax expenses of lessor of Baht 7 million. The land lease agreement specifies that the Company has commitments as follows:

- a) To make advance payment for the long-term lease of Baht 1,148 million on the land delivery date in April 2018.
- b) The Company has to pay annual rental over the lease period of 30 years totaling Baht 1,804 million. Rental payment will commence on 1 April 2022 when is 4 years after land delivery date.

In addition, the Company has to pay a fund annually during 2036 - 2040 with a total amount of Baht 100 million. The fund will be used for building improvement or decommissioning cost after the expiry date of land lease agreement.

30.3 Operating lease commitments

The Company and its subsidiaries have entered into several service agreements and lease agreements in respect of land, office building and retails space. The terms of the agreements are generally between 2 to 3 years.

The Company and its subsidiary had future minimum lease payments required under these non-cancellable operating leases contracts as follows.

(Unit: Million Baht)

	Consolidated financial statements		The Company only	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		(Audited)		(Audited)
Payable within:				
1 year	42	7	11	8
Over 1 and up to 3 years	69	24	14	23

30.4 Long-term service commitments

The Company and its subsidiaries had commitment in respect of agency fees of the projects to pay under the “Agency Agreement” at the rate of 1 to 7 percent of project units’ sale price.

30.5 Guarantee

30.5.1 As at 31 December 2017, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 1,059 million (2016: Baht 2,108 million).

30.5.2 As at 31 December 2017, the Company released the whole outstanding amount of bank guarantees issued by banks on behalf of the Company to guarantee electricity use. (31 December 2016: Baht 4 million).

30.6 Tax assessment

During the year 2012, a subsidiary received letters of corporate income tax and specific business tax assessments from the Revenue Department, whereby the taxes were assessed on the basis that the subsidiary must include the mortgage value in the subsidiary’s calculation of land sale price for tax purposes. The subsidiary then lodged an appeal against the tax assessment to the Tax Appeal Committee of the Revenue Department, on the grounds that the land sale price had already included the outstanding mortgage obligation. Subsequently, in March 2016, the Tax Appeal Committee rejected the subsidiary’s appeal against the tax assessment by the Revenue Department, and ordered the subsidiary to pay tax and surcharges amounting to approximately Baht 600 million to the Revenue Department. However, the Company disagreed with the ruling by the Tax Appeal Committee. The subsidiary, therefore, filed a case with the Central Tax Court seeking revocation of the tax assessment by the Revenue Department on 7 September 2016.

The Central Tax Court passed the judgment on 31 July 2017, concluding that the subsidiary paid the tax correctly, and thus the subsidiary was not liable for the additional tax and surcharge assessed by the Revenue Department. Furthermore, the subsidiary is entitled to receive a refund of withholding tax amounting to Baht 21.6 million from the Revenue Department, together with interest at a rate of 1% per month, calculated from 1 June 2011 to the date on which the Revenue Department issues a notification of tax refund to the subsidiary. However, the Revenue Department lodged an appeal against the judgment with the Court of Appeal for Specialized Cases on 19 December 2017 and the subsidiary have to submit the answer against the appeal. However, the subsidiary requested an extension of submission of the answer to appeal and the Court granted to extend to 23 March 2018.

However, based on the judgment passed by the Central Tax Court, together with the evidence used in court, although the Revenue Department lodged an appeal of this case, the Company is confident that the subsidiary's tax practice was correct, and thus no provision has been set up for this liability in the accounts.

30.7 Litigations

As at 31 December 2017, the Company and its subsidiaries have pending litigation cases, relating to allegations of breaches of agreements to purchase and to sell from some customers and torts with total amount of claim at Baht 30 million. However, the Company and its subsidiaries are defending the lawsuits, and since the Company's lawyers and management believe that the Company and its subsidiaries will not have a material effect from the litigation. During the year, the subsidiary recorded the provision in respect of these cases amounting to Baht 1 million.

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on their project property development.

The Company and its subsidiaries have aggregated all operating segments and presented them as the reportable segment which is property development. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the financial reporting standard. The operation of the Company and its subsidiaries is carried out from the single geographic location, Thailand. As a result, all of the revenues, operating profits and assets as reflected in these consolidated financial statements pertain to the aforementioned reportable operating segment and geographical area.

32. Fair value hierarchy

As at 31 December 2017 and 2016, the Company and its subsidiaries had the assets that were measured at fair value or disclosed fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current Investment	1	-	-	1
Foreign currency forward contracts	-	2	-	2
Assets for which fair value are disclosed				
Investment properties	-	-	221	221

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current Investment	1	-	-	1
Assets for which fair value are disclosed				
Investment properties	-	-	233	233

(Unit: Million Baht)

	Separate financial statements			
	31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current Investment	1	-	-	1
Foreign currency forward contracts	-	2	-	2
Assets for which fair value are disclosed				
Investment properties	-	-	74	74

(Unit: Million Baht)

	Separate financial statements			
	31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current Investment	1	-	-	1
Assets for which fair value are disclosed				
Investment properties	-	-	74	74

33. Financial instruments

33.1 Financial risk management

The Company's and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, loans to, investments, trade and other payables, short-term loan, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans to related parties. The Company's and its subsidiaries' management manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loan to related parties as stated in the statements of financial position.

Interest rate risk

The Company's and the subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans to, short-term loans, long-term loans and debentures. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statement						
As at 31 December 2017						
	Fixed interest rates		Floating	Non-interest		Effective
	within 1 year	1-5 years	interest rate	bearing	Total	interest rate
						(% p.a.)
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	647	1	648	0.125 - 1.30
Current investments	-	-	-	1	1	-
Restricted bank deposits	360	-	-	-	360	1.3
Trade and other receivables	-	-	-	53	53	-
	360	-	647	55	1,062	
<u>Financial Liabilities</u>						
Short-term loans from financial						
institutions	-	-	829	-	829	MLR-1.75
Trade and other payables	-	-	-	232	232	-
Long-term loans from financial						
institutions	-	-	1,026	-	1,026	2.3 and MLR
Debentures	500	1,705	-	-	2,205	- 0.75 to - 2.1625
	500	1,705	1,855	232	4,292	4.7 - 4.8

(Unit: Million Baht)

Consolidated financial statement

	As at 31 December 2016					
	Fixed interest rates		Floating	Non-interest		Effective
	within 1 year	1-5 years	interest rate	bearing	Total	interest rate
						(% p.a.)
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	1,133	1	1,134	0.125 - 1.40
Current investments	-	-	-	1	1	-
Restricted bank deposits	-	-	4	-	4	0.30
Trade and other receivables	-	-	-	10	10	-
	-	-	1,137	12	1,149	
<u>Financial Liabilities</u>						
Short-term loans from financial institutions	467	-	-	-	467	3.3 - 4.0
Trade and other payables	-	-	-	223	223	-
Long-term loans from financial institutions	-	-	976	-	976	Reference to MLR
Debentures	-	1,494	-	-	1,494	4.7 - 4.8
	467	1,494	976	223	3,160	

(Unit: Million Baht)

Separate financial statement

	As at 31 December 2017					
	Fixed interest rates		Floating	Non-interest		Effective
	within 1 year	1-5 years	interest rate	bearing	Total	interest rate
						(% p.a.)
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	362	-	362	0.125 - 1.30
Current investments	-	-	-	1	1	-
Trade and other receivables	-	-	-	352	352	-
Short-term loans to related parties and interest receivable	2,932	-	-	62	2,994	5.0 and MLR-1.75
	2,932	-	362	415	3,709	
<u>Financial Liabilities</u>						
Trade and other payables	-	-	-	69	69	-
Short-term loan from related party and accrued interest	121	-	-	34	155	3.00
Long-term loans from financial institutions	-	-	390	-	390	2.3 and MLR-0.75
Debentures	500	1,705	-	-	2,205	4.7 - 4.8
	621	1,705	390	103	2,819	

(Unit: Million Baht)

	Separate financial statement					
	As at 31 December 2016					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	within 1 year	1-5 years				
Financial Assets						
Cash and cash equivalents	-	-	422	-	422	0.125 - 1.40
Current investments	-	-	-	1	1	-
Restricted bank deposits	-	-	4	-	4	0.30
Trade and other receivables	-	-	-	339	339	-
Short-term loans to related parties and interest receivable	1,675	-	352	90	2,117	5.0 and MLR-1.75
	1,675	-	778	430	2,883	
Financial Liabilities						
Short-term loans from financial institutions	200	-	-	-	200	3.30
Trade and other payables	-	-	-	55	55	-
Short-term loan from related party and accrued interest	129	-	-	32	161	3.00
Debentures	-	1,494	-	-	1,494	4.7 - 4.8
	329	1,494	-	87	1,910	

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiaries have exposure to foreign currency risk arises mainly from cash at banks and lending that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of the Company and subsidiaries' financial assets and liabilities denominated in foreign currencies are summarised below.

(Unit: Million)

Foreign currencies	Consolidated financial statements				Separate financial statements			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
US Dollar	1.0	-	-	-	2.2	-	-	-
Singapore Dollar	0.1	8.9	-	-	0.5	9.1	-	-

Foreign currencies	Average exchange rate as at	
	31 December 2017	31 December 2016
	(Baht per 1 foreign currency unit)	
US Dollar	32.6809	35.8307
Singapore Dollar	24.4503	24.8010

The outstanding forward exchange contract for managing the exposure to foreign currency risk are as follows

Consolidated / Separate financial statements as at 31 December 2017			
Foreign currency	Amount	Forward rate	Maturity date
Forward contracts to “Sell”			
US Dollar	USD 1.9 million	Baht 33.87 per US Dollar	July 2018

33.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives.

34. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's interest-bearing debt to equity ratio was 0.80:1 (2016: 0.58:1) and the Company's was 0.52:1 (2016: 0.33:1).

35. Events after the reporting period

On 9 February 2018, the Annual General Meeting of the shareholders of RML 548 Co., Ltd. (subsidiary) No.1/2018 approved an increase in its registered share capital from Baht 5 million to Baht 100 million through the issuance of 950,000 ordinary shares with a par value of Baht 100 per share. RML 548 Co., Ltd. registered this additional share capital with the Ministry of Commerce on 21 February 2018.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2018.

General Information



Name	RAIMON LAND PUBLIC COMPANY LIMITED	
Type Of Business	Property Development	
Address	3 Rajanakarn Building 19 th Floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120	
Company Registration	0107536001508	
Homepage	www.raimonland.com	
Email Investor Relations	ir@raimonland.com	
Telephone	+66 (0) 2029 1889	
Facsimile	+66 (0) 2029 1891 / +66 (0) 2029 1892	
Capital As At	Registered Capital	Baht 4,704,337,397
31 st December 2017	Paid-up Capital	Baht 3,575,483,607





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