

ANNUAL REPORT 2017

L.P.N. Development Public Co., Ltd.



LIVABLE
COMMUNITY
FOR ALL

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1

Shifting Towards a Better Future

Start a new chapter with mindfulness to achieve
a balanced business practice and effective
integrated operation

Message from Chairman



Dear Shareholders,

The Company has faced a number of challenges in 2016 as a result of the economic slowdown, household debt problem and stringent loan approval criteria of financial institutions. The aforementioned circumstances drive the Company to review our vision, policy and operation in order to build continuous growth in the coming years. The organizational strategy was also revised and called the “Year of Shift”, categorizing the business operation of the Company into two business groups, namely, real estate development business and service business in relation to real estate. The consequence of the change in business strategy proved satisfactory. The performance of real estate development business started to be on track to recovery. At the same time, the service business related to real estate development of the Company gained interest and confidence from many real estate developers, particularly on community management, community services and comprehensive real estate development consultation service.

The Company started providing such services to many other organizations. The valuable knowledge and expertise was passed on and helped generate additional income for the Company successfully.

In 2018, the operational strategy of the Company is established as the “Year of Change”. There will be a number of changes in various aspects including the change in the structure of the Board of Directors and high-ranking executives as well as the change in the management structure. The Company is considering recruiting a Chief Financial Officer and Chief Strategy Officer to strengthen the management team. The Product and Service Research and Development Center will be founded. Furthermore,



In 2018, the operational strategy of the Company is established as the “Year of Change”. There will be a number of changes in various aspects including the change in the structure of the Board of Directors and high-ranking executives as well as the change in the management structure. The Company is considering recruiting a Chief Financial Officer and Chief Strategy Officer to strengthen the management team.

the Company is planning to employ ISO 14001 (Environmental Management System Standard) and ISO 9001 (Quality Management System Standard) in the service business. All of the above changes are initiated to promote comprehensive integration as the leader of urban residential condominium developer who does not only deliver high-quality products but also great quality of life in “Livable Community” to all customers.

I would like to thank the executives, staff, LPN Team and Lumpini Team for your hard work, commitment and patience as well as for fighting hand-in-hand through obstacles in 2017 which is the challenging and difficult year for all of us. In addition, I would also like to extend my gratitude to the government and private sectors, financial institutions and the media for your support and understanding as well as to all shareholders for your trust and confidence in the Company. The changes in 2018 will pose a new challenge that will drive the organization toward development and growth which is built upon corporate governance that is prudent, transparent and auditable. It will also create “Livable Community” that delivers the real pleasure of living under “Lumpini” brand to customers in a sustainable manner in the future.

Amornsuk Noparumpa
Chairman

Achieving Sustainable Growth

The vision of the Company has been revised every three years in order for the Company to achieve sustainable growth targets by taking into account the balance of both quantitative and qualitative rewards for all stakeholders as well as social and environmental responsibilities. The operation of the Company is in accordance with the principles of good governance. A mission statement is developed annually to reflect the changing environments. The organization is driven by the LPN Way which is derived from the extensive experiences in business operation.

Vision 2017–2019

“Strike a balance in and enhance the efficiency of real estate business operation and residential development in terms of profit and responsibility towards all stakeholders to achieve sustainable development”

Livable Community For All

“Livable Community For All” is Lumpini Community in which the residents live happily together with appropriate components, great quality of life, society, environment and awareness of Togetherness, Care and Share culture.

Value Organization

The organization that has been developed in an integrated fashion in the operation of all departments in order to deliver the value to stakeholders, society and environment.

Vision 2005–2016

2005–2007

To maintain leadership in the market while enhancing the efficiency by developing residential condominiums in an integrated manner for the creation of high quality communities.

2008–2010

To commit to maintain the leadership in the residential condominium development market by creating an integrated value to develop suitable quality of life and ensure satisfaction of the residents in the communities while also sustaining a reward for shareholders and stakeholders under good corporate governance principle.

2011–2013

To become the leader in the development of urban residence by creating and delivering integrated values to all stakeholders in order to achieve the development and sustainable growth.

2014–2016

To maintain the leadership position in the development of residential condominium targeting middle to lower-middle income group under the “Livable Community” and “Value Organization” concept for sustainable development and growth.

Mission 2018



Shareholders

Adjust the business plan to be in consistent with current market situations to maintain appropriate profit with integrated and efficient management and corporate governance principles.

Customers/Residents

Create and deliver “Livable Community” in terms of product and service values to “Lumpini” and “Outside Lumpini” communities.

Society and Environment

Raise social and environmental awareness of all stakeholders by operating the business appropriately for sustainable development.



Business Alliances

Develop efficiency of the operation in an integrated manner and competitive ability of product values for “Lumpini” and “Outside Lumpini” customers.

Staff

Build capacity as a business operator and competitive capability for career advancement and happiness through LPN Way and Togetherness, Care and Share culture.

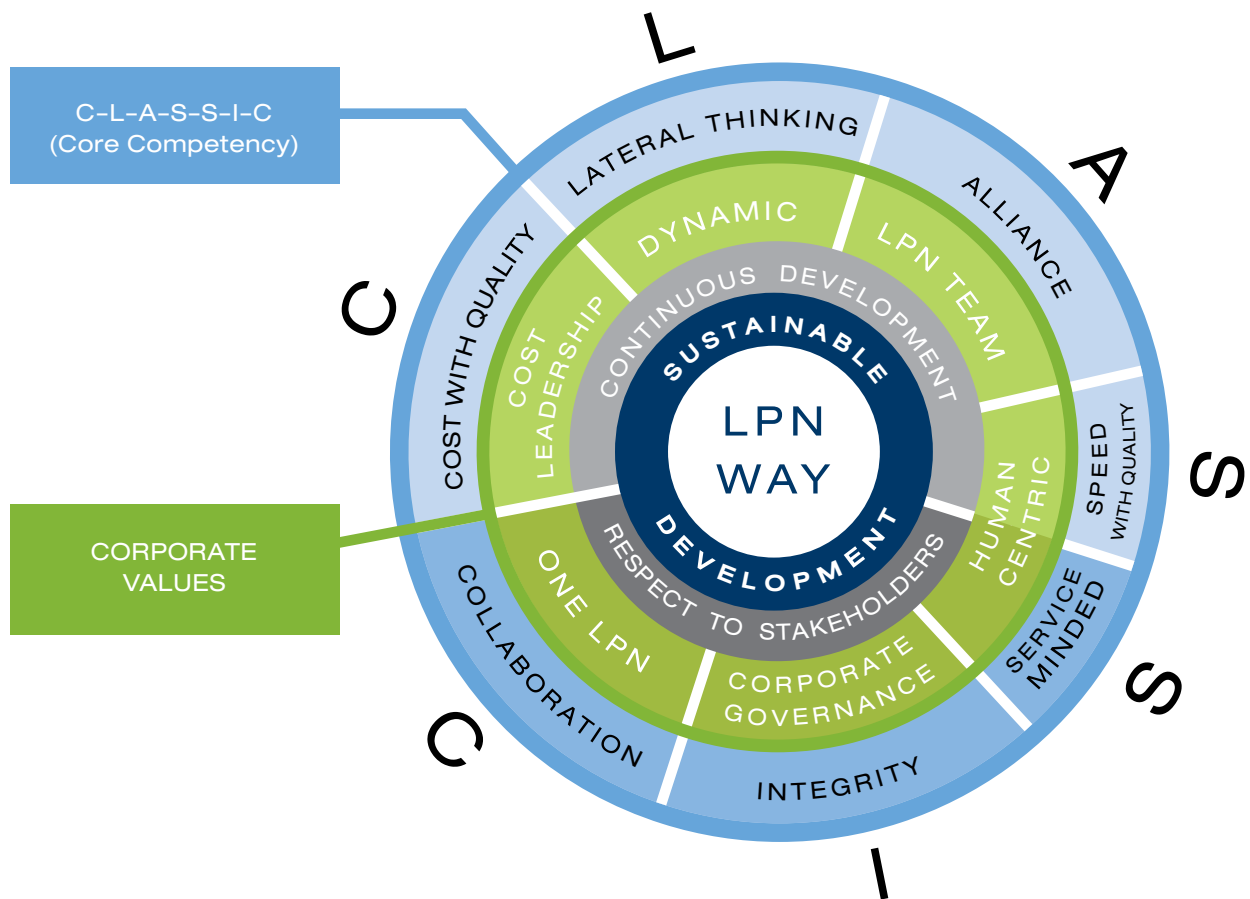
Internal Operation

Integrate all operations in the organization in a professional, efficient and flexible manner as well as embrace change by being human centric.

LPN WAY

LPN Way comprises two milestone values i.e. “continuous development” and “respect for stakeholders”. The seven components of the values are “C-L-A-S-S-I-C” which is integrated into the operation of the Company and is adhered to by all segments of the Company. It has been

developed into the organization values (LPN Values) and LPN Way with an aim to achieve the goal of the operation both in terms of quality and quantity and to drive the Company towards “Sustainable Development”.





C – Cost with Quality _____

The project management which realizes the importance of the careful utilization of resources and the efficiency of project management which focuses on the reduction of direct costs and hidden costs as well as the reduction of extra expenses in all departments without affecting the planned target and quality.



L – Lateral Thinking _____

The new way of thinking that is flexible and different without any fear of obstacles in order to improve, change, develop and create new products and services. The implementation and assessment of the new process must be possible. The aim is to add value to the products and services as well as the growth of the organization.



A – Alliance _____

The way of treating long-time and trustworthy business alliances with trust and fairness with the willingness to collaborate and develop the work continuously as if being in the same organization for the achievement of a common goal.



S – Speed with Quality _____

The focus on the development of the working and problem-solving process that is quick and attentive to details for the quality of the work and the completion before deadline to be one step ahead of others.



S – Service Mindedness _____

The care for all groups of customers at all times by putting ourselves in their shoes and showing willingness and enthusiasm to provide full services that exceed their expectations in order to add value to services and create good impression.



I – Integrity _____

The action towards the organization and related business partners which is honest, responsible, transparent, fair and ethical at all times.



C- Collaboration _____

The sense of collaboration from staff at all levels in the operation or activity of the Company for the achievement of the common goal.

Summary of Operational Performance in 2017

2017 was the “Year of Shift” of L.P.N. Development Public Co., Ltd. (L.P.N.), the developer of urban residential condominiums with affordable price targeting middle to lower-middle income earners. Condominium projects are designed and developed following LPN Design concept which focuses on delivering product value to the customers. The Company develops large-scale projects in order to achieve cost advantage and economy of scale. At the same time, the emphasis is put on achieving economy of speed from upstream to downstream stages in project development process so as to reduce the risk of delayed handover. In terms of service value, the uniqueness of the Company lies in the “Livable Community” strategy which is implemented by Lumpini Property Management Co., Ltd. (LPP), a subsidiary company. It makes a great impression and create bond with customers and residents of “Lumpini” community who are willing to make referral to others about “Lumpini” brand.



The above direction of business operation has continuously generated income growth for the Company. Anyhow, there have been significant changes during the past few years. Increasing household debt problems resulting in stringent loan approval criteria of financial institutions and economic slowdown have affected the purchase power and confidence of consumers. Both factors have direct impacts on the operation, strategy and project development process of the Company. During the past few years, the income growth target has been unmet and the inventory has increased. As a short-term solution to the problem, the Company has reduced the number of new projects launched since 2015 due to the concerns over the overall economic situation which might lead to another economic recession. The focus is put on solving the problem of a large amount of inventory by reducing inventory level as quickly as possible. As a result of the implementation of the policy, the Company is successful in lowering the inventory level. At the end of 2017, the value of combined inventory was seven billion THB from 6,500 condominium units, equivalent of 50% of the amount and value of the inventory at the beginning of 2017. It is expected that the inventory will be restored to a normal level at the end of 2018. On the other hand, the decreased number of new projects resulted in continual decrease in income of the Company. In 2017, it was recognized that the business of the Company was decelerating. A strategy was established to adjust the business operation direction by expanding the target group of customers to not only include middle to lower-middle income earners but also lower-middle to upper ones. At the same time, the project location was changed from high-density residential area in the suburb to high-potential area in the city center. The projects were also downsized to be consistent with the adjusted target group of customers. As a result of the above adjustments in 2017, the sales volume of the Company increased from 8.5 billion THB to 16 billion THB or 88% higher than that in 2016. The backlog as of the end of 2017 was 7.4 billion THB i.e. 5.9 billion THB in 2018 and 1.5 billion THB in 2019. Apart from adjusting the direction of project development, the Company also expanded the income base by generating extra income from service business. Three subsidiary companies which previously provided services only to internal organizations were starting to provide real estate development and community management services to other entrepreneurs, juristic persons or organizations. In 2017, the services were provided to many other real estate developers, therefore, the income from service business has increased more than 11%.



In 2017, the Company commanded 8% of market share of new projects launched. The Company launched ten new projects with the combined value of 14 billion THB, increasing from 5.4 billion THB in 2016 or nearly 160%. With regards to projects completed in 2017, there were only four projects completed and registered with the combined value of around four billion THB, all of which were still developed mainly for middle to lower-middle income earners. Since the number of complete projects was lower, the income in 2017 was thus decreased significantly. However, the income is increasing in 2018 following the launch of new projects and higher sales volume. In 2017, the Company commanded 6% of market share from 46,000 condominium units completed and registered in Bangkok and peripheral area.

Regarding financial performance, the gross income of the Company and subsidiary companies in 2017 was around 9.655 billion THB or 34% decrease from 2016. The net profit per share was 0.72 THB. As for the financial position of the Company and subsidiary companies, the net asset increased 2.448 billion THB or 13% i.e. from 18.557 billion THB to 21.006 billion THB. It was because the projects under development increased 4.823 billion THB or 72% i.e. from 6.645 billion THB to 11.469 billion THB. The total liabilities

increased 2.445 billion THB or 39% i.e. from 6.147 billion THB to 8.592 billion THB as a result of loan for project development and increased downpayment from increased sales volume. As a consequence of increased asset and liabilities, the interest bearing debt to equity ratio and debt to equity ratio have increased from 0.35:1 to 0.49:1 and 0.50:1 to 0.69:1 as of 31 December 2016 and 2017 respectively.

In parallel with financial performance to generate returns for shareholders, the Company operates the business in adherence to the principles of sustainable development, the balanced performance and the responsibility towards all stakeholders. The importance is also given to risk management, corporate governance and anti-corruption measures. In 2017, the awards received are as follows:

- From the Thai Institute of Directors:
The Company was ranked Outstanding (5 stars) in corporate governance.
- From Thai Listed Companies Association:
The Company was granted Sustainability Report Awards 2017 (Recognition)
- From ThaiPat Institute:
The Company was listed among the top one hundred companies for outstanding performance in terms of environment, social and governance aspects (ESG100) for the third consecutive year.
- From Private Sector Collective Action Coalition Against Corruption (CAC)
The Company received Level 4 certification (Certified).
- From Agency for Real Estate Affairs
The Company was awarded "Outstanding Real Estate Project" in the category of affordable residential condominium from the development of Lumpini Ville Sukhumvit 76.

The above demonstrates the commitment of the Company, Board of Directors, staff and business alliances to create and deliver operational value to all stakeholders in accordance with "sustainable development" principles.

Summary of Financial Information

(Revised)

	2017	2016	2015	2014	2013
Assets					
หน่วย : ล้านบาท					
Total assets	21,006.73	18,557.92	19,625.30	19,783.69	17,420.19
Land and cost of project under development	11,469.21	6,645.33	10,703.18	11,521.76	11,202.88
Inventories	5,495.63	8,510.52	5,589.38	4,956.59	3,500.00
Land and cost of project held for development	932.58	498.36	563.78	517.87	414.19
Asset for investment	1,254.65	1,226.86	1,169.71	975.26	550.40
Liabilities and Shareholders' Equity					
Short-term loans	4,469.27	3,183.25	2,933.57	4,986.45	5,148.27
Long-term loans	1,644.66	1,112.78	2,192.10	1,571.79	125.52
Total liabilities	8,592.92	6,147.28	8,044.05	9,375.31	7,794.38
Issued and fully paid-up share capital	1,475.70	1,475.70	1,475.70	1,475.70	1,475.70
Shareholders' equity	12,413.81	12,410.63	11,581.25	10,408.38	9,625.80
Operational Performance					
Total revenues	9,654.88	14,650.64	16,673.64	12,959.92	14,400.50
Revenues from sale	8,719.77	13,855.41	15,981.26	12,321.09	13,871.09
Sale cost	6,238.95	9,519.40	11,010.49	8,315.37	9,312.68
Gross profit from sale	2,480.82	4,336.00	4,970.77	4,005.73	4,558.41
Net profit (Loss)	1,062.32	2,176.23	2,413.40	2,021.42	2,328.58
Financial Ratio					
*Book value per share (THB/Share)	8.41	8.41	7.85	7.05	6.52
*Net profit per share (THB/Share)	0.72	1.47	1.64	1.37	1.58
Net profit margin (%)	11.00	14.85	14.47	15.60	16.17
Return on Equity (%)	8.56	18.14	21.95	20.18	25.72
Return on Assets (%)	5.37	11.40	12.25	10.87	14.81
Dividend per share (THB/Share)	**	0.90	0.90	0.80	0.84

* Weighted average shares

** Pending Approval from the Annual General Meeting of Shareholders 2017

Note: 1) Information from Consolidated Financial Statements

2) Total revenue is the revenue that includes profit from investment in associated company.

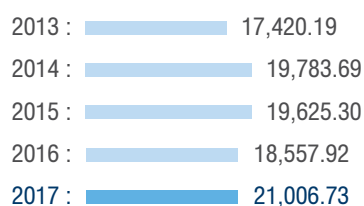
3) The financial ratio calculated by using the criteria of Securities and Exchange Commission in Industrials and Services sector

Balance Sheet 2017

Unit : Million THB

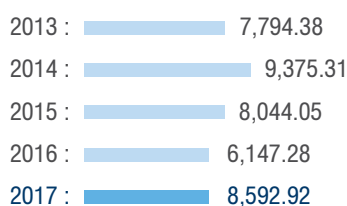
Total assets

21,006.73



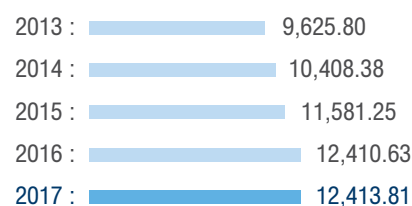
Total liabilities

8,592.92



Shareholders' equity

12,413.81

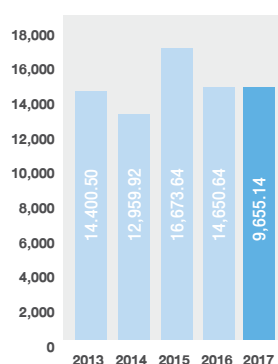


Income Statement 2017

Unit : Million THB

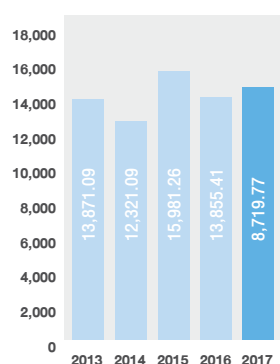
Total revenues

9,655.14



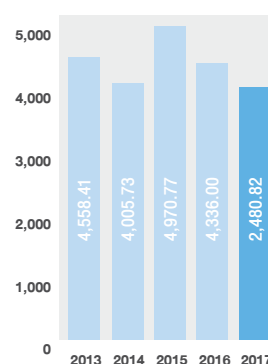
Revenues from sale

8,719.77



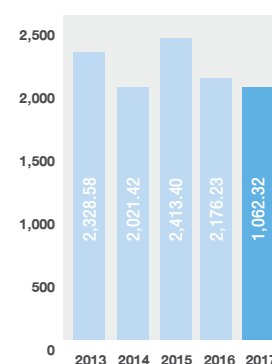
Gross profit from sale

2,480.82



Net profit

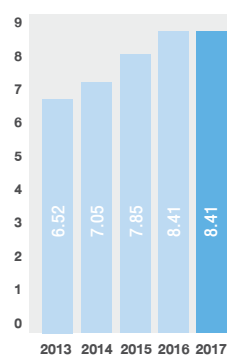
1,062.32



Financial Ratio 2017

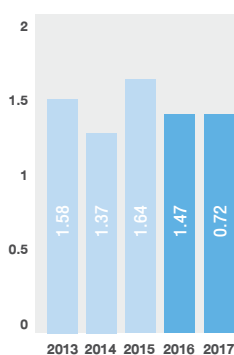
Book value per share (THB/Share)

8.41



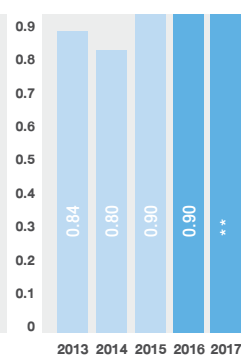
Net profit per share (THB/Share)

0.72



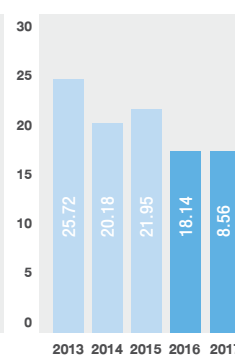
Dividend per share (THB/Share)

**



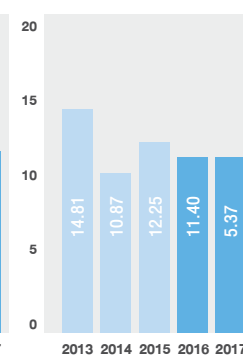
Return on Equity (%)

8.56



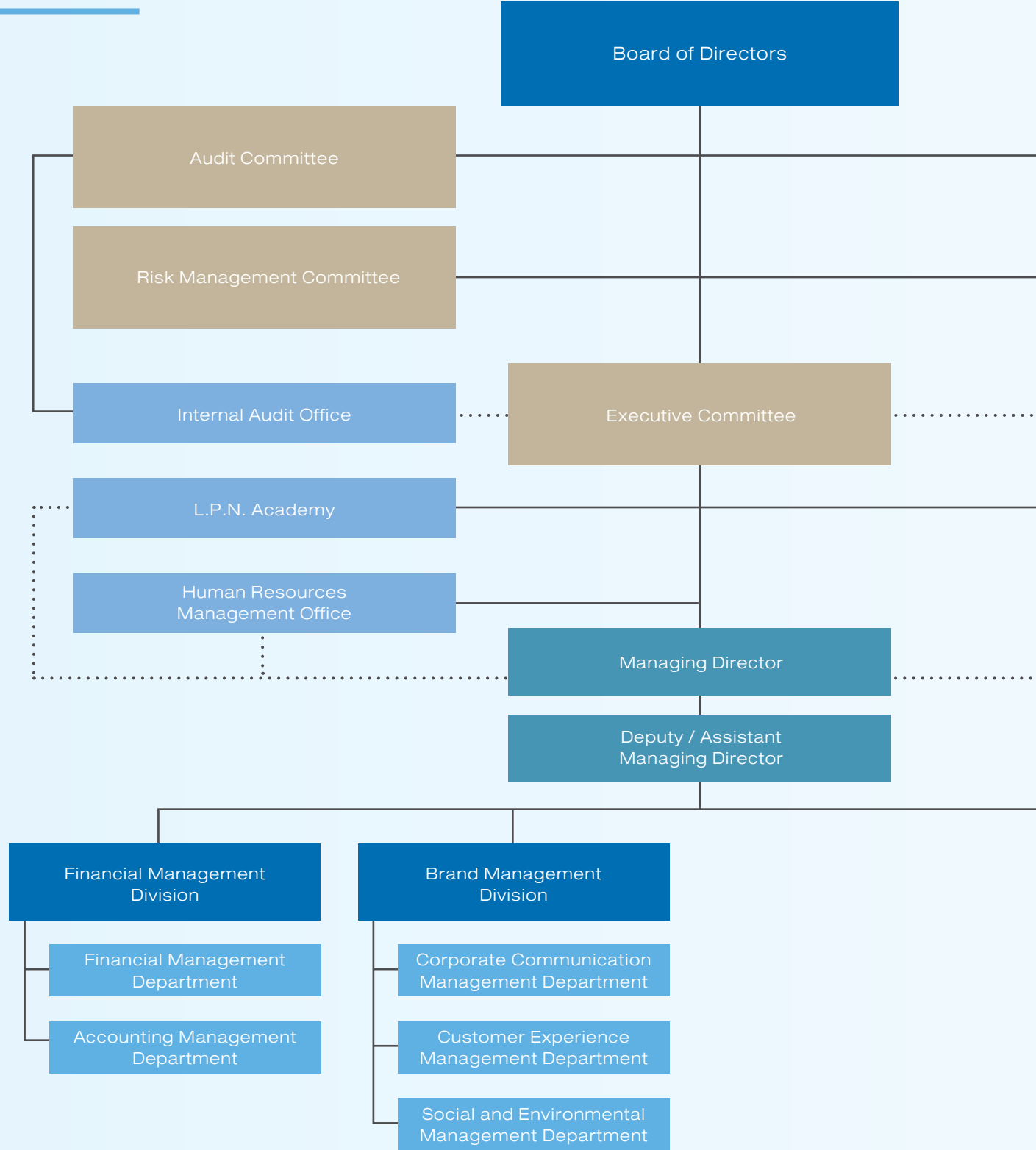
Return on Assets (%)

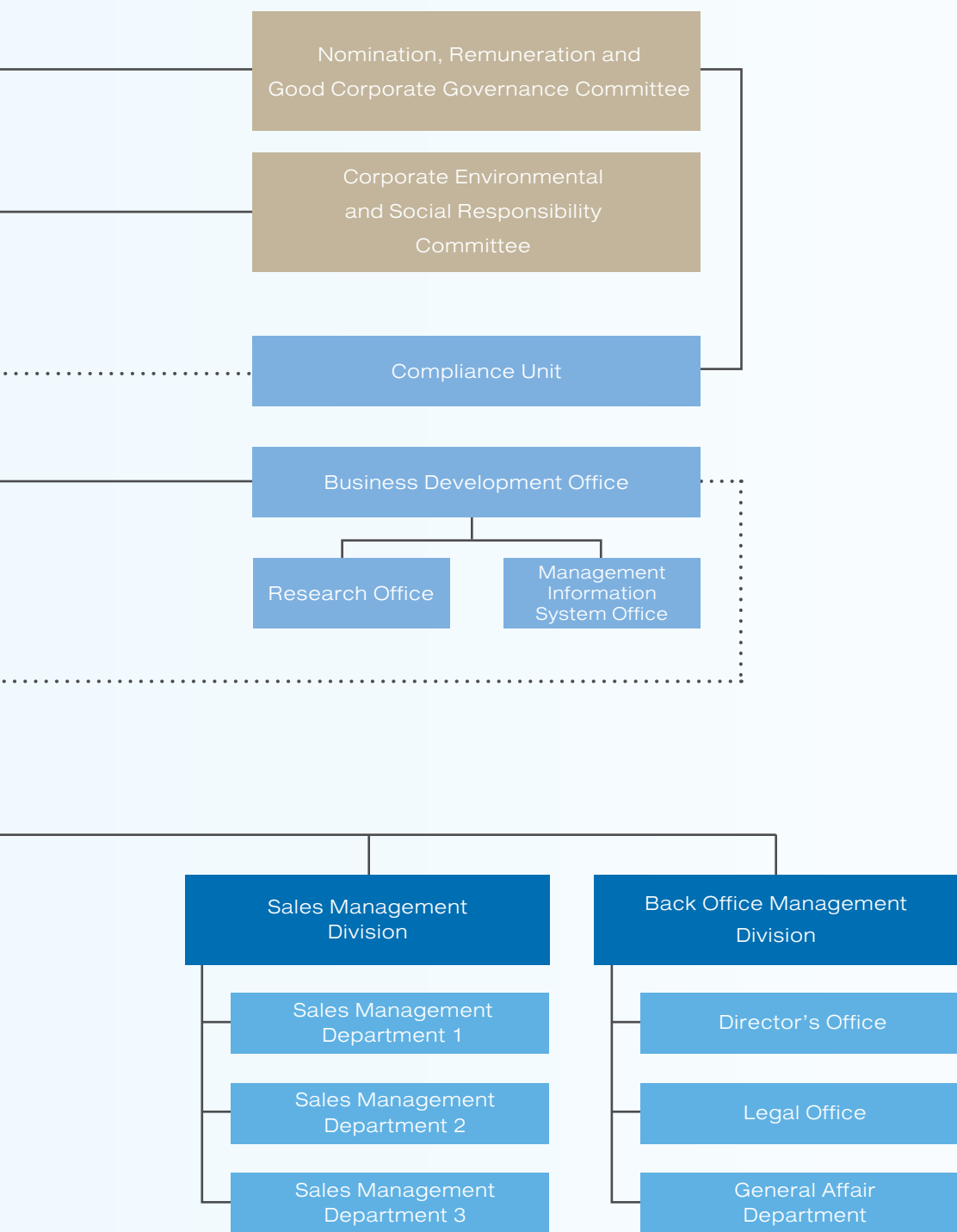
5.37



** Pending Approval from the Ordinary General Meeting of Shareholder in 2017

Organization Structure





Board of Directors



Mr. Amornsuk Noparumpa

Age: 72 years

Chairman of the Board of Directors
and Independent Director

Year of Appointment as a Director: 2005

Education

- Barrister-at-Law, Lincoln's Inn, London
- Barrister-at-Law, Council of Legal Education Thailand
- LL.B. (Honors), Thammasat University
- Diploma from the National Defence College of Thailand (Class 399)

Training

- Certification of Completion of Directors Certification Program (DCP 30/2003), Audit Committee Program (ACP 23/2008), Role of Compensation Committee (RCC 9/2009) and Role of the Chairman Program (RCP 36/2015) from the Thai Institute of Directors
- Curriculum in Security Psychology, Class 31
- Curriculum in Advanced Management, Class 7

Work Experiences During the Past Five Years

Listed Companies:

- | | |
|----------------|--|
| 2005 - present | • Chairman of the Board of Directors and Independent Director, L.P.N. Development Public Co., Ltd. |
| 2017 - present | • Independent Director, Energy Absolute Public Co., Ltd. |
| 1998 - present | • Director, Chairman of Audit Committee and Nomination and Remuneration Committee Member, RCL Public Co., Ltd. |

Non-Listed Companies:

- None -

Other positions that may cause a conflict of interest with the Company:

- None -

Positions in the government sector:

- None -

Work Experiences in the Past

- Director, Chairman of Audit Committee, Chairman of Nomination, Remuneration and Good Corporate Governance Committee, L.P.N. Development Public Co., Ltd.
- Director, Audit Committee Member, Executive Director, Nomination, Remuneration and Human Resources Development Committee and advisor to the Executive Committee, Thai Airways International Public Co., Ltd.
- Chairman of the Board of Directors, Siam Realty and Services Co., Ltd.
- Chairman of the Board of Directors, Ayudhaya Securities Public Co., Ltd.
- Vice President, Bank of Ayudhaya Public Co., Ltd.
- Director General, Department of Probation, Ministry of Justice
- Deputy Director General, Department of Legal Execution, Ministry of Justice
- Judge

Criminal records during the past 10 years:

- None -

Shareholding in the Company (including spouse's) (as of 31 December 2017):

- None -



Prof. Siri Keiwalinsrit

Age : 88 years

Vice Chairman of the Board of Directors
and Independent Director
Year of Appointment of a Director: 1994

Education

- Honorary Doctorate Degree of Law, Chulalongkorn University
- Barrister-at-Law, Council of Legal Education Thailand
- Bachelor of Laws, Thammasat University
- Diploma from the National Defence College of Thailand (Class 25)

Training

- Training course on Development in Land Possession and Administration, Cambridge University, England
- Director Accreditation Program (DAP 25/2004), Finance for Non-Finance Directors (FND 14/2004) and Audit Committee Program (ACP 7/2005) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years

Listed companies

- | | |
|----------------|---|
| 1994 - Present | • Vice Chairman of the Board of Directors and Independent Director, L.P.N. Development Public Co., Ltd. |
|----------------|---|

Non-Listed companies:

- None -

Any other positions which may cause conflict of interest with the company:

- None -

Government sector:

- | | |
|----------------|--|
| 1995 - Present | • Advisory Committee to the Law Improvement and Development Committee, Department of Lands |
| 1995 - Present | • Advisor to the Promotion of Safety and Occupational Health Committee, Safety and Occupational health Promotion Association |
| 1992 - Present | • Law Drafting Committee, Group No. 7, Office of Juridical Council |

Work Experiences in the Past

- Member of the Law Drafting Committee, Office of the Council of State
- Member of the Law Drafting Committee, Ministry of Labor and Social Welfare
- Director General, Department of Labor
- Director General, Department of Lands
- Deputy Director General, Department of Lands
- Chairman of the Appeals Commission, Social Security Office
- Senator
- Advisor to the First Vice President of the Senate
- Member of the State Enterprise Relations Committee, Ministry of Labor and Social Welfare
- Member of the Appraisal of the Capital in the Registration of Rights and Legal Transaction Committee
- Honorary Member, Legal Department, Office of the Civil Service Commission
- Member of the National Land Allocation Committee
- Director, National Housing Authority
- Member of the Private Surveyor Board

Criminal records during the past 10 years:

- None -

Shareholding in the Company (as of 31 December 2017):

- None -

Mr. Vudhiphol Suriyabhivadh

Age : 73 years

Director, Chairman of Audit Committee,
Chairman of Nomination,
Remuneration and Good Corporate
Governance Committee
and Independent Director
Year of Appointment of a Director: 1998



Education

- Bachelor of Commerce (Accountancy), University of New South Wales, Australia
- LL.B., Sukhothai Thammathirat University
- Diploma, Management Course, IMD, Lausanne, Switzerland

Training

- Directors Certification Program (DCP 36/2003), Audit Committee Program (ACP 7/2005) and Director Certification Program Update (CDPU 3/2015) from the Thai Institute of Directors Association (IOD)

Seminar

- Thailand IFRS Conference 2016 from Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Work Experiences During the Past Five Years:

Listed companies

- | | |
|----------------|---|
| 1998 - Present | • Director, Chairman of Audit Committee, Chairman of Nomination, Remuneration and Good Corporate Governance Committee and Independent Director, L.P.N. Development Public Co., Ltd. |
| 2005 - Present | • Chairman of Audit Committee, Nomination and Remuneration Committee Member and Independent Director, Thai Wah Public Co., Ltd. |
| 2005 - Present | • Chairman of Audit and Risk Management Committee, Nomination and Remuneration Committee Member and Independent Director, Laguna Resort and Hotel Public Co., Ltd. |
| 2005 - Present | • Chairman of Audit Committee, Nomination and Remuneration Committee Member and Independent Director, Bangkok Ranch Public Co., Ltd. |

Non-Listed companies:

- None -

Any other positions which may cause conflict of interest with the company:

- None -

Government sector:

- None -

Work Experiences in the Past

- Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member, L.P.N. Development Public Co., Ltd.
- Director, East Asiatic (Thailand) Public Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017):

1,447,000 shares or 0.10% of the total issued shares

Mr. Weerasak Wahawisal

Age : 61 years

Director, Audit Committee Member, Nomination,
Remuneration and Good Corporate Governance
Committee Member and Independent Director
Year of Appointment of a Director: 2006



Education

- Master of Accounting Sciences, University of Illinois, United States of America
- Master of Business Administration, Ohio University, United States of America
- Bachelor of Business Administration (Honors), Thammasat University

Training

- Director Accreditation Program (DAP 63/2007), Director Certification Program (DCP 91/2007), Role of Compensation Committee (RCC 15/2012), Audit Committee Program (ACP 45/2013), Director Certification Program Update (DCPU 1/2014), Chartered Director Class (CDC 8/2014) and Advance Audit Committee Program (AACP 20/2015) from the Thai Institute of Directors Association (IOD)

Seminar

- "The UK Experience on Implementing the Enhanced Auditor Reporting" from Securities and Exchange Commission and Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Work Experiences During the Past Five Years:

Listed companies

- | | |
|----------------|---|
| 2006 - Present | • Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director, L.P.N. Development Public Co., Ltd. |
| 2016 - Present | • Group Accounting Director, Bangkok Ranch Public Co., Ltd.) |

Non-Listed companies:

- None -

Any other positions which may cause conflict of interest with the company:

- None -

Government sector:

- None -

Work Experiences in the Past

- Vice President of Accounting, RCL Public Co., Ltd.
- Senior Vice President, Hutchison CAT Wireless Multimedia Ltd.
- Head of Finance Support, TA Orange Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (as of 31 December 2017): - None -

Mr. Khantachai Vichakkhana

Age : 69 years

Director, Audit Committee Member,
Nomination, Remuneration and Good
Corporate Governance Committee
Member and Independent Director
Year of Appointment of a Director: 2014



Education

- Master of Political Science (Public Administration), Thammasat University
- Bachelor of Laws, Thammasat University

Training

- Curriculum in Politics and Administration in the Democratic Retiree for High-Level Executives, Class 8, King Prajadhipok's Institute
- Curriculum in Chief Information Officer
- Curriculum in management capacity testing, Office of the Civil Service Commission
- Curriculum in Computer for Government Officers, Kasetsart University, in accordance with the resolution of the cabinet
- Curriculum in the design of examination to recruit personnel of the Department of Lands, Class 2, Training Division, Department of Lands
- Curriculum in Land Relationship Building, Office of Permanent Secretary, Ministry of Interior
- Curriculum in Advance Management, Class 30, Institute of Administration Development, Department of Provincial Administration
- Curriculum in High-level Land Administrator, Class 3, Department of Lands
- Curriculum in Internal Security Operations Command, Royal Thai Army
- Curriculum in speaker of Department of Lands, Class 2, Department of Lands
- Curriculum in Public Disaster Relief, Fire Police Division, Royal Thai Police
- Curriculum in Forensic Science, Class 9, Forensic Science Association of Thailand
- Director Accreditation Program (DAP 112/2014), Role of Compensation Committee (RCC 19/2014) and Director Certification Program (DCP 119/2015) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years

Listed companies

- | | |
|----------------|---|
| 2014 - Present | • Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director, L.P.N. Development Public Co., Ltd. |
| 2016 - Present | • Director and Independent Director, TPI Polene Power Public Co., Ltd. |
| 2009 - Present | • Director and Independent Director, TPI Polene Public Co., Ltd. |

Non-Listed companies:

- None -

Any other positions which may cause conflict of interest with the company:

- None -

Government sector:

- | | |
|--|---|
| <ul style="list-style-type: none">• Honorary Director, University Council, Rajamangala University of Technology Krungthep• Honorary Director, National Council of the Boy Scouts• Director of Asset Management, Thai Red Cross Society | <ul style="list-style-type: none">• Sub-committee for Consideration of Complaints and Dispute No. 11, Office of the Election Commission of Thailand• Member of Ministry of Interior Retired Officers Association and Foundation• Member of Triam Udom Suksa Alumni Foundation |
|--|---|

Work Experiences in the Past

- | | |
|---|--|
| <ul style="list-style-type: none">• Deputy Director General, Department of Lands (Executive 9)• Director, Bureau of Land Registry Standard (Land Administrative Officer Level 9)• Policy and Plan Analysis Officer (Land)• Inspector, Department of Lands (Land Officer Level 8)• Director of Land Business Control Division• Director of Land Administration Division | <ul style="list-style-type: none">• Director of Land Documents Division• Land Officer, Chonburi province• Land Officer, Phuket province (Land Officer Level 8)• Land Officer, Nonthaburi province and Bangyai branch• Land Officer, Nakhonnayok province• Land Officer, Uttaradit province (Land Officer level 7) |
|---|--|

Criminal records during the past 10 years:

- None -

Shareholding in the Company (Including spouse) (as of 31 December 2017):

- None -



Mrs. Jongjit Thapanangkun

Director

Year of Appointment of a Director: 1989

Age : 71 years

Education

- Master of Economics, Ramkhamhaeng University
- Bachelor of Economics, Ramkhamhaeng University

Training

- Certificate English of Proficiency AUA Language Institute
- Diamond Grading Gemological Institute of America
- Director Accreditation Program (DAP 4/2003), Finance for Non-Finance Directors (FND 14/2004) and Corporate Governance for Executives (CGE 5/2015) from the Thai Institute of Directors Association (IOD)

Seminar

- Introduction to ISO/IEC 17024 (Personnel Certification Body) from Thailand Professional Qualification Institute (Public Organization) and Management System Certification Institute (Thailand)

Work Experiences During the Past Five Years

Listed companies

- 1989 - Present • Director, L.P.N. Development Public Co. Ltd.

Non-Listed companies

- 1989 - Present • Director, Burapa Golf and Country Club Co., Ltd.

Any other positions which may cause conflict of interest with the company:

- None -

Government sector:

- None -

Work Experiences in the Past

- Vice Chairman of the Board of Directors and Managing Director, L.P.N. Development Public Co., Ltd.
- Chairman of the Board of Directors, Central Asia James Co., Ltd.
- Director, Lumpini Property Management Co., Ltd.
- Director, Pornsanti Co., Ltd.
- Managing Director, Burapa Golf and Country Club Co., Ltd.
- Managing Partner, Yi Heng Long Co., Ltd.
- Managing Director, Srisamang Factory Co, Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017):

4,000,000 shares or 0.27% of the total issued shares

* Mrs. Yupa Techakraisri, Mrs. Jongjit Thapanangkun and Mr. Kumpee Chongthurakit are siblings.

Mr. Tikhamporn Plengsrisk

Age : 68 years

Director, Chief Executive Officer,
Chief Executive Director, Nomination,
Remuneration and Good Corporate
Governance Committee and Chairman
of Risk Management Committee
Year of Appointment of a Director: 1989



Education

- Bachelor of Engineering, Chulalongkorn University

Training

- Directors Certification Program (DCP 23/2002) and Finance for Non-Finance Directors (FND 4/2003) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years

Listed companies

- | | |
|----------------|---|
| 1989 - Present | • Director, Chief Executive Officer, Chief Executive Director, Nomination, Remuneration and Good Corporate Governance Committee and Chairman of Risk Management Committee, L.P.N. Development Public Co. Ltd. |
|----------------|---|

Non-Listed companies

- | | |
|----------------|--|
| 2017 - Present | • Director, Lumpini Wisdom and Solution Co., Ltd |
| 2007 - Present | • Director, Lumpini Project management Service Co., Ltd. |
| 1994 - Present | • Director, Pomsanti Co., Ltd. |
| 1992 - Present | • Director, Lumpini Property Management Co., Ltd. |

Any other positions which may cause conflict of interest with the company: - None -

Government sector: - None -

Work Experiences in the Past

- Consultant, Grand Unity Development Co., Ltd.
- Director, Grand Unity Development Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017):

4,000,000 shares or 0.27% of the total issued shares

Mr. Pichet Supakijjanusan

Age : 68 years

Director, Executive Director, Nomination,
Remuneration and Good Corporate Governance
Committee Member, Risk Management Committee
Member and Chairman of Corporate Environmental
and Social Responsibility Committee
Year of Appointment of a Director: 1989



Education

- Bachelor of Architecture, Chulalongkorn University

Training

- Directors Certification Program (DCP 27/2003), Finance for Non-Finance Directors (FND 4/2003) and Audit Committee Program (ACP 21/2008) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years

Listed companies

- | | |
|----------------|---|
| 1989 - Present | • Director, Executive Director, Nomination, Remuneration and Good Corporate Governance Committee Member, Risk Management Committee Member and Chairman of Corporate Environmental and Social Responsibility Committee, L.P.N. Development Public Co. Ltd. |
|----------------|---|

Non-Listed companies

- | | |
|----------------|--|
| 2017 - Present | • Director, Lumpini Wisdom and Solution Co.,Ltd |
| 2007 - Present | • Director, Lumpini Project Management Service Co., Ltd. |
| 1994 - Present | • Director, Pornsanti Co., Ltd. |
| 1992 - Present | • Director, Lumpini Property Management Co., Ltd. |

Any other positions which may cause conflict of interest with the company: - None -

Government sector:

- | | |
|----------------|---|
| 2012 - Present | • Qualified Director, Engineering and Business Management Program, Faculty of Engineering, Thammasat University |
|----------------|---|

Work Experiences in the Past

- Director, Audit Committee Member and Independent Director, Merchant Partners Securities Public Co., Ltd.
- Director, Grand Unity Development Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (as of 31 December 2017):

4,000,000 shares or 0.27% of the total issued shares

Mrs. Yupa Techakraisri

Age : 67 years

Director, Executive Director and
Risk Management Committee Member
Year of Appointment of a Director: 1989



Education

- Bachelor of Economics, Ramkhamhaeng University
- Certificate of Advanced Accounting, Pitman Examination Institute

Training

- Directors Certification Program (DCP 32/2003) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years

Listed companies

- 1989 - Present • Director, Executive Director and Risk Management Committee Member, L.P.N. Development Public Co. Ltd.
- 1989 - Present • Director, T. Krungthai Industries Public Co., Ltd.

Non-Listed companies

- 2007 - Present • Director, Lumpini Project Management Service Co., Ltd.
- 1994 - Present • Director, Pornsanti Co., Ltd.
- 1992 - Present • Director, Lumpini Property Management Co., Ltd.
- 1986 - Present • Director, Srisamang Supplier Co., Ltd.

Any other positions which may cause conflict of interest with the company: - None -

Government sector: - None -

Criminal records during the past 10 years: - None -

Shareholding in the Company (as of 31 December 2017):

26,040,499 shares or 1.77% of the total issued shares

* Mrs. Yupa Techakraisri, Mrs. Jongjit Thapanangkun and Mr. Kumpee Chongthurakit are siblings.



Mr. Kumpee Chongthurakit

Age : 63 years

Director, Executive Director
and Risk Management Committee Member
Year of Appointment of a Director: 1989

Education

- Bachelor of Business Administration, Assumption University

Training

- Director Accreditation Program (DAP 4/2003) and Directors Certification Program (DCP 48/2004) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years

Listed companies

- 1989 - Present • Director, Executive Director and Risk Management Committee Member, L.P.N. Development Public Co. Ltd.
- 1987 - Present • Director, T. Krunghai Industries Public Co., Ltd.

Non-Listed companies

- 2007 - Present • Director, Lumpini Project Management Service Co., Ltd.
- 1992 - Present • Director, Lumpini Property Management Co., Ltd.
- 1990 - Present • Director, Pornsanti Co., Ltd.
- 1987 - Present • Director, Srisamang Supplier Co., Ltd.
- 1987 - Present • Director, S.S.A. Industries Co., Ltd.
- 1980 - Present • Director, Srisamang Factory Co., Ltd.

Any other positions which may cause conflict of interest with the company: - None -

Government sector: - None -

Work Experiences in the Past

- Marketing Officer, Deithelm Bangkok Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017):

18,656,570 shares or 1.26% of the total issued shares

* Mrs. Yupa Techakraisri, Mrs. Jongjit Thapanangkun and Mr. Kumpee Chongthurakit are siblings.



Mr. Charan Kesorn

Age : 55 years

Director and Risk Management

Committee Member

Year of Appointment of a Director: 2015

Education

- Master Degree in Business Administration, Thammasat University
- Bachelor Degree in Civil Engineering, Chiang Mai University

Training

- How to Measure the Success of Corporation Strategy-HMS from the Thai Institute of Directors Association (IOD)
- Thammasat Leadership Program, Class 2/2013
- Successful Formulation and Execution of Strategy, Class 14/2012 and Directors Certification Program (DCP 49/2004) from the Thai Institute of Directors Association (IOD)
- CEFE Train the Trainer, Department of Industrial Promotion

Work Experiences During the Past Five Years

Listed companies

- | | |
|----------------|---|
| 2015 - Present | • Director and Risk Management Committee Member, L.P.N. Development Public Co. Ltd. |
|----------------|---|

Non-Listed companies

- | | |
|----------------|--|
| 2014 - Present | • Director and Managing Director, Pornsanti Co., Ltd. |
| 2014 - Present | • Director, Lumpini Property Service and Care Co., Ltd. |
| 2009 - Present | • Director, Lumpini Project Management Service Co., Ltd. |
| 2006 - Present | • Director, Lumpini Property Management Co., Ltd. |

Any other positions which may cause conflict of interest with the company: - None -

Government sector: - None -

Work Experiences in the Past

- Director and Managing Director of Lumpini Property Service and Care Co., Ltd.
- Director and Managing Director, Lumpini Property Management Co., Ltd.
- Director and Managing Director of Lumpini Project Management Service Co., Ltd.
- Assistant Managing Director, Lumpini Property Management Co., Ltd.
- Expert Consultant for Business Plan Development of Institute for Small and Medium Enterprise Development (iSMED), Thammasat University
- Project Manager, Thames Water International (Thailand) Ltd.
- Executive, BYK Intertrade Ltd.
- Managing Director, Phoomwis Engineering Co., Ltd

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017): - None -



Mr. Opas Sripayak

Age: 55 years

Director, Executive Director, Risk Management
Committee Member and Managing Director
Year of Appointment of a Director: 2006

Education

- Mini M.B.A., Thammasat University
- Bachelor of Architecture, Silpakorn University

Training

- Finance for Non-Finance Directors (FND 24/2005) and Directors Certification Program (DCP 71/2006) from the Thai Institute of Directors Association (IOD)

Work Experiences During the Past Five Years:

Listed companies

- | | |
|----------------|---|
| 2006 - Present | • Director, Executive Director, Risk Management Committee Member and Managing Director, L.P.N. Development Public Co., Ltd. |
|----------------|---|

Non-Listed companies

- | | |
|----------------|---|
| 2011 - Present | • Director, Lumpini Property Service and Care Co., Ltd. |
|----------------|---|

Any other positions which may cause conflict of interest with the company: - None -

Government sector: - None -

Work Experiences in the Past

- Assistant Managing Director, Lumpini Property Management Co., Ltd.
- Manager, Research and Development Department, Lumpini Property Management Co., Ltd.
- Manager, Sales Department, L.P.N. Development Public Co., Ltd.
- Manager, Customer Services Department, L.P.N. Development Public Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017): - None -

Miss Somsri Techakraisri

Age : 56 years

Company Secretary
and Risk Management Committee Member



Education

- Mini M.B.A., Thammasat University
- Bachelor of Laws, Thammasat University

Training

- Certification of Completion of Directors Certification Program (DCP 70/2006) from the Thai Institute of Directors Association (IOD)
- Fundamental Practice for Corporate Secretary from Thai Listed Companies Association

Work Experiences During the Past Five Years:

Listed companies

- | | |
|----------------|---|
| 2006 - Present | • Company Secretary and Risk Management Committee Member, L.P.N. Development Public Co., Ltd. |
|----------------|---|

Non-Listed companies

- | | |
|----------------|---|
| 2014 - Present | • Managing Director, Pornsanti Co., Ltd. |
| 2011 - Present | • Director, Lumpini Property Service and Care Co., Ltd. |

Any other positions which may cause conflict of interest with the company : - None -

Government sector : - None -

Work Experiences in the Past

- Deputy Managing Director, L.P.N. Development Public Co., Ltd.
- Managing Director, Pornsanti Co., Ltd.

Criminal records during the past 10 years: - None -

Shareholding in the Company (Including spouse) (as of 31 December 2017): - None -



Company History

28 Years of Sustainable Growth and Delivery
of Product and Service Value
and the Real Pleasure of Living

Company History

• Starting The Business : The Beginning of Success

The Company started by developing “Lumpini Tower” project, a 36-story high office building on Rama 4 Road.

Lumpini Property Management Co., Ltd. was established with an aim to provide real estate management services after handover.



The Company registered to become a public company with the aspiration of “sincere commitment and creation.”

The Company jointly invested in Elec & Eltek (Guangzhou) Real Estate Development Ltd. which was a real estate developer in China.

The Company jointly invested in N.T.N. Concrete Co., Ltd. which was a company engaged in construction materials business.

1989

1992

1994–1996

2002

2003

2004

2005



• Developing “Livable Community”

The Company paid off all the debts following the debt restructuring plan and increased the capital for business expansion.

All the projects of city condo of the Company were highly successful.

The Company aimed to be the leader of residential condominium developer.

The sale of Lumpini Suite Sukhumvit 41 was closed within one hour.



LPN Family Day activity was organized to thank the customers and build good relationship with them.

The Company increased shareholding ratio in Grand Unity Development Co., Ltd. from 25% to 33.33%.



The “Livable Community” strategy was initiated focusing on the management of quality of life of the residents.

The Company focused on the development of Small Size Township projects.



- Encountering Economic Crisis In Thailand: Crisis of The Organization

The Company suffered from the national economic crisis. The debt to equity ratio was 3:1. There was a severe lack of cash.

The number of staff was reduced but the sales activities were continued and supported by business alliances, staff and all related parties.

The Company withdrew its investment from Elec & Eltek (Guangzhou) Real Estate Development Ltd.

The Company withdrew its investment from N.T.N. Concrete Co., Ltd.

The Company successfully restructured its debt with financial institutions at the amount of 3,705 million THB.

- Discovering the Identity of LPN: The Development of City Condo

The identity of LPN was discovered as well as the business opportunity in time of crisis.

It was the turn around period. The brand and staff capacity were strengthened.

The Company initiated the development of City Condo and LPN Design unit with the size of 30 sq.m.

Core competency was established and defined as "CLASSIC".

Grand Unity Development Co., Ltd. was established jointly with Uni-Venture Public Co., Ltd. to develop "unfinished buildings".

1997

1998–1999 2001

2006

2007

2008–2009

Lumpini CondoTown brand was developed targeting lower-middle income group.

LUMPINI CondoTown
RAMINDRA • LAT PLAKHAD

All Lumpini brands were highly accepted by the customers. The innovation in sale i.e. tagging strategy was initiated.

Lumpini brand was communicated through "30 Happy Days" campaign. The happiness of the residents was reflected through more than 3,000 stories of door hanging.



The Company was awarded an honorary award from the Office of the Consumer Protection Board as a good business operator.



The projects were developed with "LPN Green" concept focusing on the responsibilities towards the environment and society.

"From Corporate CSR to Community CSR" concept was initiated resulting in the establishment of many Lumpini clubs with the objective of running socially beneficial activities.

"Lumpini Park" brand was created.
Suan Ruam Jai added value to the product.

LUMPINI Park
RIVERSIDE • RAMA 9



The Company was assessed by the Thai Institute of Directors and was awarded Level 5 (Excellent) performance for two consecutive years.

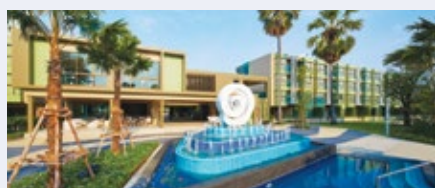


The Company expanded the project development to other provinces under “Lumpini Park Beach” brand.



In collaboration with TK Park, the Company developed and promoted learning in community via “Living Library” concept.

Lumpini Property Service and Care Co., Ltd. was established to run cleaning services business to create jobs, income and good quality of life to underprivileged women. The long-term goal was for the company to become a social enterprise.



The Company gave importance to elderly people with the “Pleasure Family” concept in order for the “Livable Community” to be able to respond to the lifestyle of both working and elderly people.

The development of the organization towards sustainability was emphasized.

L.P.N. Academy was founded to develop knowledge and provide trainings to staff.



2010

2011

2012

2015

2016

• LPN : Moving towards sustainable growth

The concept of sustainable development and growth was strengthened with “6 Green LPN” strategy which showcased the responsibility towards the impacts on eight groups of stakeholders and ten processes of property development.

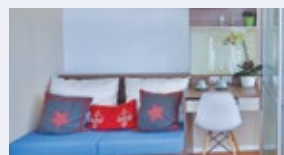
As a result of the commitment in environmental and social responsibility, the Company received five awards for environmental and social responsibility as well as sustainability and good corporate governance of the Company.

The first home was handed over to the members of “Livable Community” in Lumpini Township Rangsit-Klong 1 Phase 1.

“Livable Community” was developed into “Livable Community For All” strategy to respond to the changes in the Thai society. The product value was developed by embracing the universal design for the benefit of residents of all age groups. In terms of service value, activities were organized to enhance the good quality of life of the residents. The Company collaborated with the Health Office of Bangkok Metropolitan Administration and Thai Health Promotion Foundation in developing the standard in promoting well-being of the residents in “Lumpini” projects. More than one hundred communities were connected through health promotion activities. The capacity and skills in healthcare of Community Managers were also developed to support “Livable Community For All” concept.

In collaboration with Department of Alternative Energy Development and Efficiency, Ministry of Energy, the Company designed condominium buildings to be energy efficient in accordance with the Building Energy Code (BEC).

LPN New Design condominium unit was developed. The 35 square meter-two-bedroom unit was widely accepted and perfect for all lifestyles.



The Lumpini 24, the special project developed on the occasion of the 24th anniversary of the Company, was completed. The ownerships were being transferred. It was the first high-end project of the Company and was extremely successful in terms of sales volume.

Lumpini Park Beach Cha-am, the first resort condominium on Cha-am beach, was handed over to the customers. In this “LPN Signature Green Project”, the services provided are of five-star quality and the buildings were designed to be environmental friendly. Original trees of more than a hundred years old were preserved on the project site.

"Township" concept with more than 10,000 condominium units was initiated to respond to the needs to buy the first home. Lumpini Township Rangsit-Klong 1 was developed on the land with the size of around 100 rai.

LUMPINI Township

In collaboration with C.P. All Public Co., Ltd. and Siam Future Development Public Co., Ltd., the Company developed full convenient facilities in the projects.



The Lumpini 24 project on Sukhumvit Road was developed to reach out to the customers in the higher income group.

The Company started using the Building Information Modeling system to develop the project design and construction management system.

The Company withdrew the investment in Grand Unity Development Co., Ltd.



The Company strived to be a "Value Organization" that gave importance to the sustainability in all aspects according to "6 Green LPN" concept.

The "Model Community" concept was initiated to enhance sustainable "Livable Community" under the culture of "Togetherness, Care and Share".

LPN Signature Green Project was developed. The project design was environmental friendly. The first project developed under this concept was Lumpini Park Nawamin-Sriburapa



2013

2014

2017

• Year of Shift

The strategy was established in response to the economic deceleration and to create continuity in business operation. The business of the Company was categorized into two business groups, namely, real estate development business and service business in relation to real estate. The service was also provided not only to projects developed by the Company but also other organizations in order to showcase the capacity and professionalism of the Company to create value and sustainable growth.

The Company acquired Wisdom and Solution Co., Ltd. and changed the company's name to Lumpini Wisdom and Solution Co., Ltd. The company would be responsible for product and service research and development for associated companies.

The Company developed residential condominiums to serve the needs of all target groups and rebranded the organization to be in accordance with the new strategy and target group.

Premium horizontal projects i.e. single house and townhome were developed under the brand "Baan 365" to serve the needs of the new group of customers who live in an extended family as well as the existing group of customers who were planning to extend their family.

The new brand, The Selected Kaset-Ngarmwongworn by L.P.N., was developed as a niche product specifically for students of Kasetsart University. The feedback was so positive that the sale was closed within just two hours.

The Company jointly invested in the establishment of Kamala Senior Living Co., Ltd. with Nye Estate Co., Ltd., CH. Karnchang Public Co., Ltd. and Chewathai Co., Ltd. to develop premium senior lifestyle and living project in Phuket. The target group was retired foreign nationals.

Awards

2017

- The Company was ranked Outstanding (5 stars) in corporate governance from the Thai Institute of Directors.
- The Company was granted Sustainability Report Awards 2017 (Recognition) from Thai Listed Companies Association.
- The Company was listed among the top one hundred companies for outstanding performance in terms of environment, social and governance aspects (ESG100) by ThaiPat Institute for the third consecutive year.
- The Company received Level 4 certification (Certified) from Private Sector Collective Action Coalition Against Corruption (CAC).
- Lumpini Ville Sukhumvit 76 developed by the Company was awarded "Outstanding Real Estate Project" in the category of affordable residential condominium by the Agency for Real Estate Affairs.



2016

- The Company was granted Outstanding Company Performance Awards 2016 from the Stock Exchange of Thailand.
- The Company was ranked Excellent (5 stars) in corporate governance by the Thai Institute of Directors.
- The Company was granted Best Sustainability Awards 2016 amongst the listed companies with market capitalization between 10-30 billion THB.



- The Company was one of the 51 listed companies in Thailand Sustainability Investment (THSI) list of the Stock Exchange of Thailand for the second consecutive year.
- The Company was granted Sustainability Report Awards 2016 from Thai Listed Companies Association.
- The Company was listed among the top one hundred companies for outstanding performance in terms of environment, social and governance aspects (ESG 100) by ThaiPat Institute for the second consecutive year.
- The Company was granted a certificate in recognition for its initiative in preparing the sustainability report based on 17 Sustainable Development Goals (SDGs) or the "Global Goals" of the United Nations from ThaiPat Institute.
- The Company received an award for "Building Energy Code" (BEC) from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.



2015

- The Company was ranked by the Thai Institute of Directors as a Company with Level 5 performance in good corporate governance.
- The Company was awarded SET Social Enterprise Investment Awards from the Stock Exchange of Thailand.
- The Company was one of the nine listed companies with the stocks valuing between 30-100 billion THB selected and considered for SET Sustainable Awards from the Stock Exchange of Thailand.
- The Company was one of the 51 listed companies selected for Thailand Sustainability Investment (THSI) by the Stock Exchange of Thailand.
- The Company was awarded Recognition Award from Sustainability Report Awards 2015 from Thai Listed Companies Association.
- The Company received ESG 100 Certificate (Environment, Social and Governance) from Thaipat Institute as one of a hundred outstanding companies in terms of environment, society and governance.
- The Company received the full score of 100 and was rated "Excellent" for the assessment of the quality of the organization of the Annual General Meeting of Shareholders 2015 from the Thai Investors Association.

2014

- Two aspects of sustainable development of the Company were assessed by Thaipat Institute. The Company achieved Level 3 (Integrated) in the assessment of the corporate environmental and social responsibility and Level 2 (Declared) in the assessment of the anti-corruption action.
- Mr. Tikhamporn Plengsrisk, Chief Executive Director and Chief Executive Officer was nominated for Set Awards 2014 in the category of Best CEO by the Securities and Exchange Commission, the Stock Exchange of Thailand and Thai Institute of Directors.

2013

- The Company was ranked by the Thai Institute of Directors as a Company with Level 5 performance in good corporate governance for the fourth consecutive year.
- The Company was awarded as “The Company with the Highest Growth Rate of Brand Value” in the category of real estate and construction from the Marketing Department, Faculty of Commerce and Accountancy, Chulalongkorn University.
- The Company received “Taxpayer Recognition Award” from the Revenue Department which honors the responsible taxpayers in their contribution to national development and public benefits through tax payment.



ตลาดหลักทรัพย์แห่งประเทศไทย
The Stock Exchange of Thailand
SET High Dividend 30 Index (SET HD)



สมาคมผู้กำกับศิลป์กรุงเทพ
 Bangkok Art Directors' Association



**BANGKOK
 ART DIRECTORS'
 ASSOCIATION**

สมาคมผู้กำกับศิลป์กรุงเทพ



2012

- The Company was ranked by the Thai Institute of Directors as a Company with Level 5 performance in good corporate governance for the third consecutive year.
- The Company was selected as one of the 18 companies to receive the Best Company Performance Award from the Stock Exchange of Thailand.
- Lumpini Ville Chaengwattana-Pakkred project was awarded the Outstanding Real Property Project from the Prime Minister and the Minister of Finance.
- The Company received the certificate from the Public Works Department, Bangkok Metropolitan Administration as the outstanding project manager in terms of safety management of Lumpini Place Ratchayothin and Lumpini Place Rama 9-Ratchada.
- The Company received the full score of 100 which was rated “Excellent” for the assessment of the quality of the organization of the Annual General Meeting of Shareholders 2012 from the Thai Investors Association.

2011

- The Company was ranked by the Thai Institute of Directors as a Company with Level 5 performance in good corporate governance for the second consecutive year.
- The Company was one of the five companies in the Non-Service category that was awarded Thailand's Most Innovative Companies 2011: In Search of Sustainable Innovation organized by the Faculty of Commerce and Accountancy, Chulalongkorn University and Bangkok Business Newspaper.
- LPN was selected from the Stock Exchange of Thailand as one of the 30 companies in SET High Dividend 30 Index (SETHD).
- The result of the quality assessment of the Company was at the excellent level from the Annual General Meeting of Shareholders 2011. The assessment was conducted by the Thai Investors Association.

2010

- The Company was ranked by the Thai Institute of Directors as a Company with Level 5 performance in good corporate governance.
- The Company was awarded the "Real Estate Developer of the Year 2007- 2008" from the Office of the Consumer Protection Board (CPD), the Prime Minister's Office for the second consecutive year.
- Mr. Tikhamporn Plengsrisuk, Chief Executive Officer and Chief Executive Director was nominated for SET Awards 2010 in the category of Best CEO Awards by the Securities Exchange Commission, the Stock Exchange of Thailand and the Thai Institute of Directors.
- "30 Happy Days" and "Happiness of Caring" which were marketing communication campaigns of the Company were awarded a Certificate of Excellence 2010 in the category of Interactive and Digital Media (Website Design) from Bangkok Art Directors Association (BAD Award).

2009

- The Company was ranked by the Thai Institute of Directors (IOD) as a Company with Level 4 performance in the area of corporate governance for the sixth consecutive year.

2008

- The Company was ranked by the Thai Institute of Directors (IOD) as a Company with Level 4 performance for the fifth consecutive year.
- The Company was awarded the "Real Estate Developer of the Year 2007-2008" from the Office of the Consumer Protection Board (CPD), the Prime Minister's Office.
- Forbes Asia magazine had selected the Company to be one of the seven "200 Best Under A Billion" companies in Asia Pacific Region.

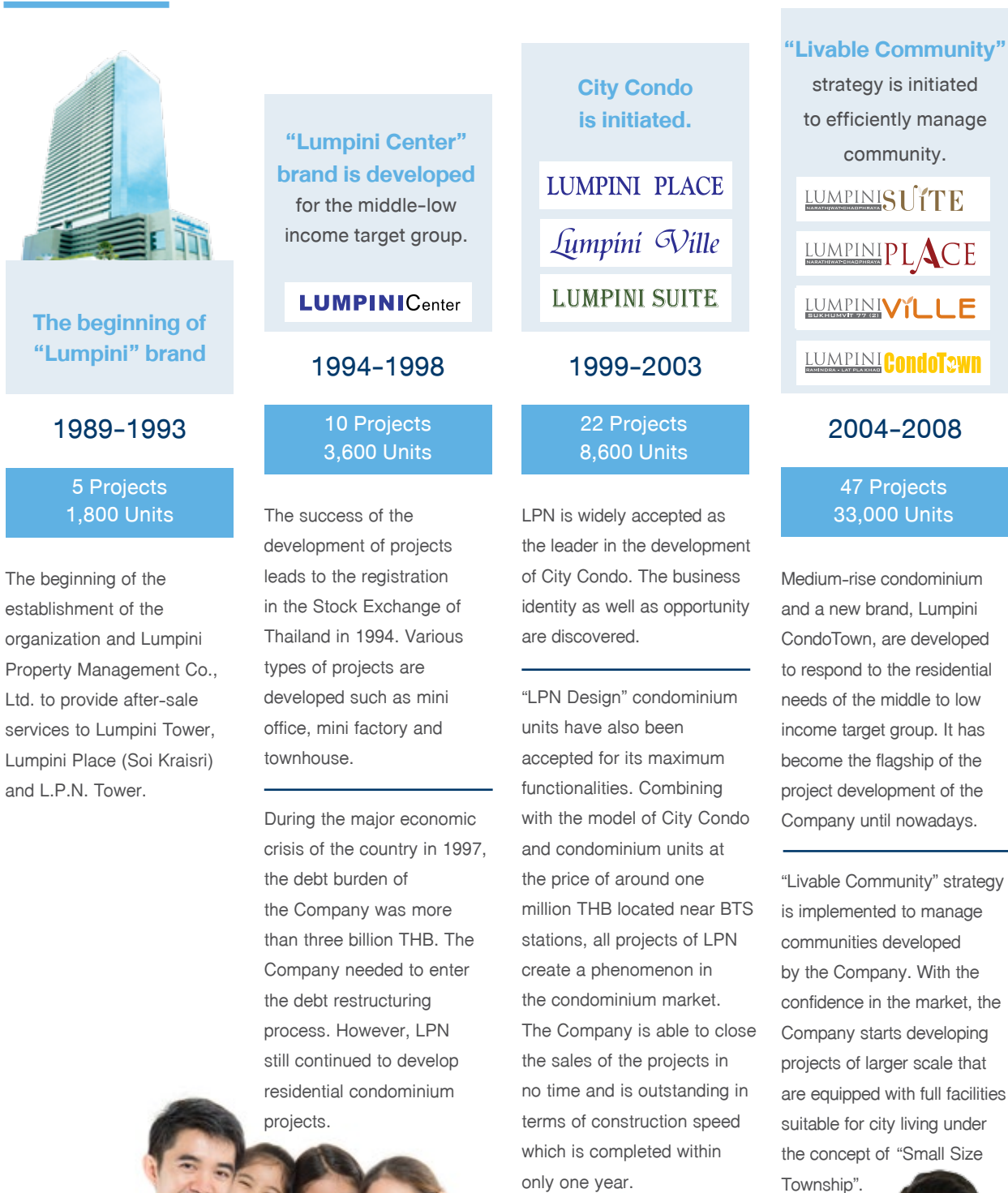
2007

- The Company was ranked by the Thai Institute of Directors (IOD) as a Company with Level 4 performance for the fourth consecutive year.

2006

- The Company was ranked by the Thai Institute of Directors (IOD) as a Company with Level 4 performance for the third consecutive year.
- The Company was one of the three companies nominated for SET Awards 2006 for Best Performance in the Property & Construction category.

Development of Condominium, Brand and “Livable Community”



The identity of “Lumpini” brand – “The Real Pleasure of Living”

is discovered. The brand and “Togetherness, Care and Share” culture are promoted.



2009–2013

94 Project
94,000 Units

The Company is in search of the identity of “Lumpini” brand to establish a strategy and develop the brand to be the household name among city dwellers.

“Suan Ruam Jai” adds value to the product as it is a large garden designed to enhance a good quality of life of urban residents and “Livable Community” concept.

The project development is expanded to other cities such as Chonburi, Udonrtani and Pattaya. “Lumpini Park Beach”, a new brand, is developed as a seaside weekend home. “Lumpini Township” is initiated as the model of the first home in a large city.

“Livable Community” is developed into “Model Community” which is concretely managed by “Livable Community” standard.

6 Green LPN focuses on social and environmental responsibility in order for the Company to become a sustainable “Value Organization”.



LUMPINI SEAVIEW

LUMPINI MIXX

2014–2016

127 Project
120,000 Units

It is the start of the fifth cycle of the vision. The business operation puts emphasis on environmental and social responsibility in all processes along the line of 6 Green LPN concept, paving the way towards being a “Value Organization” and taking responsibility towards all stakeholders for sustainable growth and social development

“Lumpini” brand has continuously been strengthened through delivering product and service values to the customers and initiating “Livable Community For All” for sustainable “Livable Community”.

The knowledge of staff at all levels is developed in an integrated manner via “L.P.N. Academy”.

“Lumpini Township Rangsit-Klong 1” is developed on more than 100 rais of land as a model community and the first home.

The skills and quality of life of underprivileged women are developed, jobs opportunities are created and income are generated through the operation of Lumpini Property Service and Care Co., Ltd., a social enterprise providing cleaning services to the community.

The new brand, Lumpini Mixx, is developed on new location, Teparak- Srinakarin, to match the needs of a wider group of customers.

Community management standard is improved in accordance with “Livable Community” strategy.

ISO 9001 and ISO 14001 are implemented to develop capacity and professional expertise to provide high-quality services to other organizations.



LUMPINI SUITE

BAAN 365

2017

136 Projects
128,000 Units

The Company is rebranded to be consistent with the new strategy and target group.

Two projects are developed under “Lumpini Suite” brand to serve the needs of middle to upper income group. The interior and exterior as well as common area is redesigned to match the lifestyle of the young generation.

“The Selected” is the newest brand developed with a distinct idea. The building and common area are designed to reflect the lifestyle of the target customers in the area. The first project developed is “The Selected Kaset-Ngarmwongworn by L.P.N.”, targeting students of Kasetsart University.

Premium single house and townhome are developed under the brand “Baan 365”. It is a high-quality residential development project that matches the needs of the Company’s existing group of customers who are planning to extend their family and live under the same roof.



2

Corporate Responsibility

Take responsibility for the operational impacts on environment, society and neighboring communities.

LPN Sustainable Strategy

The operation of property development business directly impacts the environment and society especially the development of large-scale projects. It can be seen that low quality properties usually cause serious environmental and social problems. The Company has thus given importance on business operation that is environmentally and socially responsible as well as incorporated the Corporate Environmental and Social Responsibility (CESR) into the business plan in order to pave the way towards sustainability. We do not only focus on CESR In Process along the thinking of “6 GREEN LPN” but also on CESR Out Process by supporting activities that promote “Togetherness, Care And Share” culture. The awareness on responsibility is raised among staff in all departments and cascaded to the residents of “Lumpini” community following the concept of “Corporate Environmental & Social Responsibility to Community Environmental & Social Responsibility”. A budget that is proportional to the sales volume of the Company is set aside to support the activities on this matter.

Moreover, the Company has established organizations, the operation of which is separated from the core business operation of the Company but is partly related to the business processes. The purpose of the organizations is not to seek profits but to support the society. This is considered CESR As Process. The two organizations are L.P.N. Academy, the center for human resources development and knowledge sharing and Lumpini Property Service and Care Co., Ltd., the center for the development of quality of life of underprivileged women.

Components in the Operation of the Corporate Environmental and Social Responsibility of the Company

1. CESR (In Process)

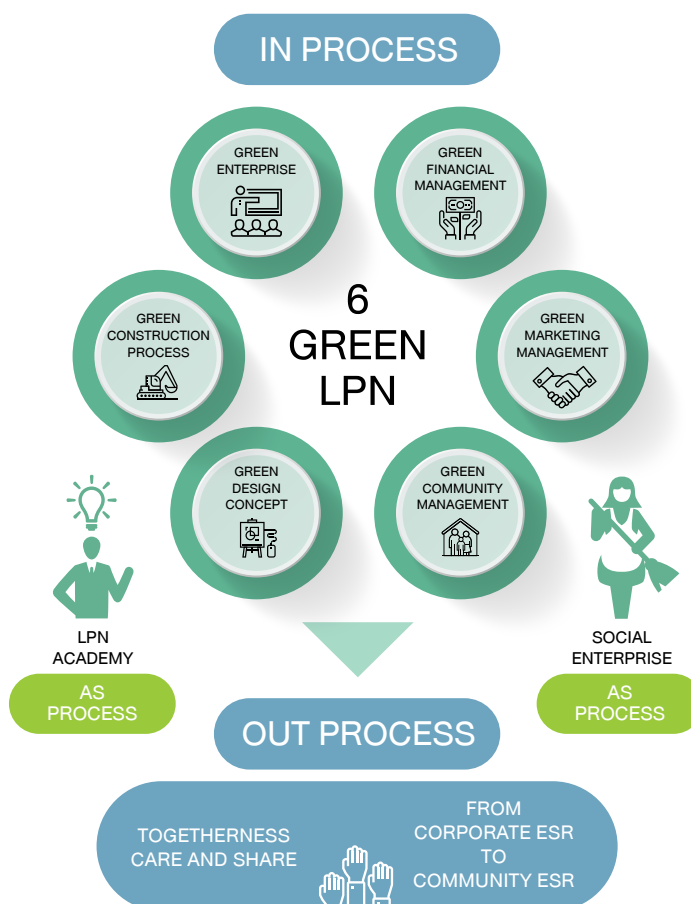
The responsibility towards the impacts of all processes of the business operation of the organization on the stakeholders, environment and society.

2. CESR (Out Process)

The participation in and support for environmental and social activities that are not related to the operation of the organization.

3. CESR (As Process)

The support for and implementation of environmental and social activities that are not involved with the core business of the organization but are partly related to the business process.



In Process



GREEN ENTERPRISE

The Business Strategy that Emphasizes the Management for Sustainability and the Management of Human Capital

Sustainability Management

1. Appropriate Growth and Profit
2. Affordable House
3. Good Quality of Life in Great Culture
4. Balanced Profit for Stakeholders
5. Risk Management and Corporate Governance
6. Anti-Corruption
7. Environmental and Social Awareness and Responsibility
8. Giving Back to the Society

Human Capital Management (G4-56)

1. Corporate Value

The Company puts emphasis on the development of human resources to carry on the success of the Company. LPN Way is developed from the core competency of staff to be the guideline that will promote the sustainability in the management of human resources in an integrated manner, to build the identity of the organization and be the operational standard. LPN Way comprises two milestone values i.e. “continuous development” and “respect for stakeholders”. The seven components of the values are “C-L-A-S-S-I-C” as follows:

2. Livable Organization (6 Factors of Livable Organization)

The concept of the management of human capital of the Company is based on the enhancement of happiness through the six factors at work by continuously developing the quality of staff, promoting exchanges of experiences and knowledge in order to become a learning organization and developing the operation guideline under the culture and values of the organization (LPN Way).

3. Learning and Growth

With the commitment to develop the organization towards sustainability, the Company has established L.P.N. Academy to develop the capacity of staff to be able to support the business expansion and carry on the values and culture of the organization in accordance with the LPN Way via training courses and curriculums. It is also aimed to transfer the knowledge to external organizations in the future.

4. Work-Life Balance

The Company takes care of the quality of life of staff and encourages them not to over work and to spend time with their family. The Company sets appropriate working hours per week and encourages all staff to take annual leave.



GREEN FINANCIAL MANAGEMENT



The Strategy to Achieve Appropriate Return and Organization Growth

Green Financial Management is the management of finance with the objective of achieving sustainable business growth, appropriate and continuous growth of profit and balanced allocation of profit among all stakeholders. The financial ratio and expenses of the Company and subsidiary companies are properly managed to suit the income target and business plan of the organization. It includes the distribution of the dividend at the rate of no less than 50% of net income to shareholders, the appropriate remuneration for executives and staff as well as the establishment of selling price of condominium units to be cheaper than those of the competitors for the benefit of the customers. The Company has also allocated a budget to promote the quality of environment and society during project construction.

Accountability Financial Statement

The Company realizes the importance of the accuracy and transparency of the financial statement and has arranged appropriate and efficient internal control system. Significant information is disclosed in the notes to financial statement along with the explanation and analysis to ensure that the accounting information is accurate and complete for the utmost benefit of the shareholders and investors in using the financial statement. The components of the accountable financial statement are as follows:

1. Transparency

The financial statement of the Company is prepared in a transparent manner in accordance with the good corporate governance principles. The appropriate and efficient internal control system is arranged. The Board of Directors of the Company has appointed an Audit Committee comprising four independent directors, three of whom are knowledgeable in finance and accounting, to review the accounting policy and audit the quality of the financial statement as well as the internal control system. The report of the Audit Committee will be included in Form 56-1 and the Annual Report of the Company.

2. Auditability

The Board of Directors of the Company has appointed the Audit Committee to oversee the operation and review both annual audit plan and long-term audit plan. The items in the financial statement are to be randomly audited and the outcome of the revision will be considered on a quarterly basis. Any issues found will be addressed in a timely manner. The Audit Committee opines that the internal control system of the Company is sufficient and effective and supports the development of the quality of audit work both in terms of personnel and operation to be of international standard.

3. Disclosure without Hidden Agenda

The Company discloses sufficient significant information in the notes to financial statement along with the explanation and analysis to ensure the accuracy and completion of the financial information record for the utmost benefit of the shareholders and investors in using the financial statement, especially the disclosure and report of the prices of all pieces of land bought to the Stock Exchange of Thailand.

4. Measurability

In order to ensure the transparency of the audit standard which will entail the sustainability of the Company, the financial statement of the Company is prepared in accordance with the financial reporting standard as prescribed by the Accounting Profession Act B.E. 2547. The brief items in the financial statement are prepared in compliance with the notification of the Department of Business Development, the Ministry of Commerce in 2011 regarding the requirement for the brief items to be shown in the financial statements, and in compliance with the regulations of the Securities and Exchange Commission regarding the Preparation and Presentation of Financial Statements under the Securities and Exchange Act B.E. 2535.

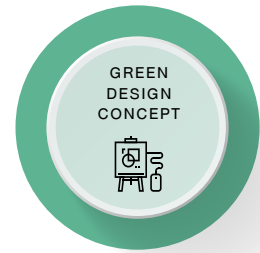
5. Discipline

The discipline and auditability in the financial management of the Company are ensured. The investment is controlled so that the capital of the Company is not invested in the business that is outside the area of expertise or in the activities that have conflict of interest with the Company. It is also made sure that the circulating capital of the Company is sustained to be sufficient for the payment of the remuneration for staff and all stakeholders.

6. Financial Risk Management

Risks are taken into account in the investment or financial operation of the Company. Investments will not be made if the Company has to borrow more than we can afford to repay. Instead, the Company will invest with the existing resources and knowledge. The debt to equity ratio is maintained not to exceed 1:1 and is audited by the Risk Management on a regular basis.

GREEN DESIGN CONCEPT



The Product Design that is Environmentally Responsible

GREEN Design concept is the environmentally responsible design of products. The Company gives importance to the design and development of project from the process of designing the product and the layout of the project in order to minimize environmental impact. The concept is in accordance with the Green Building Standard of LEED (Leadership in Energy and Environmental Design), U.S.A. The components of the Green Design Concept are as follows:

Strategic Location

It is to select strategic locations where there is minimum competition but have development potential. The location must be close to convenient facilities, public transportation system and express ways to reduce environmental impacts from large-scale project development as well as energy usage in transport.

LPN Green Project – LEED (G4-EN27)

It is to design the product and project plan under “LPN Green Project” concept that has been promoted to the public and received positive feedback in terms of sales volume. However, even though “LPN Green Project” is the concept that is derived from the Green Building Standard of the U.S.A (LEED—The Leadership in Energy and Environmental Design), the Company has adjusted some of the criterion to be suitable with the business operation and climate and environment in Thailand. The project is developed with the following concepts:



Sustainable Site Development



Water Efficiency (G4-EN10)



Indoor Environment Quality



Energy Efficiency (G4-EN7)



Innovation in Design (G4-EN7)



Material and Resources (G4-EN1)



Blue Ocean Strategy

It is to avoid developing a project in a highly competitive area with expensive land prices to reduce costs and be able to develop projects that respond to the needs of the customers in the middle to lower-middle income group. The Company enhances the value of the project by arranging a shuttle bus to connect to the main public transportation system, providing full convenient facilities in the project e.g. convenient stores, laundry service and restaurants. The common area is designed to be suitable with the lifestyle of the residents to promote the use of common area and build a great community.

GREEN MARKETING MANAGEMENT



The Fair Marketing Strategy for the Customers and Competitors

GREEN Marketing Management is the marketing activities that are fair to the customers and competitors. The marketing strategy is designed to be in accordance with our determination to build the first high quality home at affordable price for the middle to lower-middle income earners in order to create a great quality of life and society for the residents in a responsible manner both before and after project handover. The marketing policy of the Company is fair, respects consumers' rights and treats the competitors with fairness. The 6Ps Marketing Strategy is as follows:



1. Product Strategy

The Company strives to deliver unique product values both in condominium units and common area to the customers. The product values are developed from knowledge and experiences in project development and "Livable Community For All" community management strategy to accommodate the lifestyle of the residents. The construction standard is strictly controlled and the construction materials are carefully selected in order to build condominium units that are perfect to live in.



2. Pricing Strategy

The selling price is affordable and set to be lower than that of the competitors' projects targeting the same group of customers by managing costs and expenses in all production processes. The profit and terms and conditions of the installment payment for down payment are determined in line with the status of the target group. The Company also provides financial management services to customers to facilitate their loan application and create an opportunity for them to own a home.



3. Place Strategy

The location of the sales office must be on or near project development site so that it would be accessible to the customers. All the details must clearly be stated and easy to understand without any hidden agendas. Show units of some projects developed outside Bangkok may be situated in the inner city area in order to be more accessible for interested customers.



4. Promotion Strategy

Marketing and promotion are done in a transparent manner and must take the Company and customers' benefit into account. The sales terms and conditions must take into consideration the financial capacity of customers. The advertisement should be creative, clear and fair without a hidden agenda. The Company treats business competitors fairly and does not harm the competitors' ability to compete in the market.



5. People Strategy

The Company gives a great deal of importance to customers' satisfaction. The standard of touch points e.g. sales officer, maid and security officer has been established and trainings which are in accordance with LPN Service Culture (S-E-R-V-I-C-E-S) are provided on a regular basis to bring about positive customer experiences and build up sales volume from referral. The net promoter score measuring customer loyalty is the guarantee for after-sale services. There are also various channels for submission of complaints and suggestions for service improvement.



6. Process Strategy

All processes must provide convenience for customers. The reservation making and contract signing processes must be simple and speedy. Various payment channels and methods must be in place. The deposit forfeit and return must be considered carefully and take into account the concerns of customers. Also, the Company makes an attempt to minimize complaints arising from high expectations of customers by highlighting important issues in the reservation agreement and communicating with customers for mutual understanding.

GREEN CONSTRUCTION PROCESS



The Management of Environmental and Social Impacts from Construction Process

Green Construction Process is the management of environmental and social impacts from the construction process which affects the environment and society the most. The Company has continuously developed the construction process by increasing the efficiency of the operation and reducing the environmental and social impacts through new technology and innovation. The Q-C-S-E-S+P strategy is developed as a guideline for construction operation for both the staff of the Company, business alliances who design the project and contractors. The environmental responsibility and safety of workers and related persons are particularly emphasized. The Q-C-S-E-S+P strategy is

Q

Quality of Product

It is the management of project construction by emphasizing the quality of products i.e. common area and condominium units that meet the expectation of the customers. Apart from using high quality and environmental friendly construction materials, the construction site must be tidy and of high standard.



C

Cost Control and Management

The costs are carefully controlled and managed not to exceed the estimated amount. Both direct and indirect costs such as material costs, labor costs and other construction and operation expenses are managed. The efficiency of the operational process is also emphasized.



S

Speed of Delivery

It is to ensure that the construction and operational process are completed in a timely manner prior to the planned timeframe to reduce costs and risks for customers. This can be achieved from the combination of the expertise of the Company and the collaboration from all related parties.



E

Environmental Responsibility

It is the responsibility towards the environment to reduce the impacts both in the construction site and on neighboring communities during the construction process. The measures to reduce the environmental impacts indicated in the Environmental Impact Assessment (EIA) report are to be strictly implemented.



S

Safety of Workers and Participants

The Company ensures the safety of construction workers and related parties during construction by establishing a strict operational standard in terms of safety to prevent any accidents that may occur. Moreover, the safety of construction equipment and buildings has always been monitored. The Company also stresses the importance of occupational health and good quality of life of construction workers.



P

People Management

It is to manage the impacts on the stakeholders. The Company gives importance to the labor rights and quality of life of the construction workers that are normally ignored by other business operators, the responsibility towards neighboring communities of the construction site as well as mutual growth and development with the business alliances or trade partners. The communities and environment surrounding the construction site are also developed.



GREEN COMMUNITY MANAGEMENT

Management of Quality of Life of Residents after Handover



The responsibility of real estate developers should not be ended when the “residence” is handed over to the customers. The building and environment should also be managed and maintained afterwards. However, the Company has realized that there are more to project development and thus developed building management guideline and community management strategy to promote gracious culture and harmony of living together in the society.



During the past 28 years, the Company has created and handed over a “home” to members of more than 122,000 “Lumpini” families and taken care of the environment and quality of life of the residents and neighboring communities via “Livable Community” strategy. The Company does not only ensure the safety and standard of the equipment but also the safety of the community, the happiness of the residents as well as environmental awareness of the residents on a regularly basis in accordance with the F-B-L-E-S+P guideline. It is developed from extensive community management experiences with the aim to deliver a great quality of life, environment and society to the residents. The details are as follows:





F

Facility Management

It is to maintain the efficiency of common properties whether it be architectural structure, convenient facilities and various systems in the building e.g. elevator, electricity generator, electrical system and sanitation system to ensure that all components of the building function normally and are safe to operate.



B

Budgeting Management

It involves the management of budget for condominium juristic person to be in line with the policy approved by the Annual General Meeting of Joint Owners as well as the management of the stability of the fund for the financial stability of the community. A financial report that is easy to understand, transparent and auditable will also be prepared.



L

Life Quality Management

It is the management of the quality of life of the residents and promotion of compliance with the regulations of condominium to entail the harmony of co-existence in the society and "Togetherness, Care and Share" culture. Various activities promoting gracious culture in the society are organized and help build good relationship in the family and between "Lumpini" members.



E

Environment Management

The Company puts very much emphasis on environmental issues. Green Clean Lean concept is promoted and various activities are implemented such as tree planting activity, increase of green space in the community and neighboring community, waste segregation program, waste water treatment, reuse of treated waste water in the project, energy conservation campaign and promotion of renewable energy.



S

Security & Safety Management

The Company has established a strict performance standard in terms of safety from the design of the project layout. The standard of the security officers and safety equipment such as closed-circuit television, alarm system and communication system is ensured. Participation of community members and related government agency is also promoted to enhance the utmost security of the members of the community.



+P

People Management

The Company gives importance to the management of related persons in community management whether it be Community Management Department, Juristic Persons Committee or the residents to ensure their satisfaction. The problems and conflicts between residents that may affect the community are also managed. The focus is on the development of attitude and skills of the Community Management Department and the means of communication to increase knowledge and understanding about community management of Juristic Persons Committee especially the Chairman so that they are on the same page. The management of human resources capacity will play a role in promoting the efficiency of the F-B-L-E-S strategy. The sustainable community will comprise the following people:



Internal staff

i.e. executives, Community Managers and the management team, all of whom play an important role in promoting the sustainability of the community. The Company has developed their capacity through various training programs as well as promoted service culture for the success of the “Livable Community” strategy.

Residents

i.e. the residents in the project inclusive of the joint owners and renters. Different activities are organized by the management to promote the concept of co-existence in the community, reduce environmental impacts, promote a good society and create Livable community.

Juristic Person Committee

i.e. the representatives of the stakeholders in the project. They drive forward the process of implementing the concept of Livable community in the project by building the knowledge and understanding of the Chairman and committee members.

Out Process

Environmental and Social Activities

The Corporate Environmental and Social Responsibility (CESR) Out Process of the Company puts emphasis on awareness that starts from within the organization and communities developed by the Company before being extended to the society at large. The collaboration from all stakeholders such as staff, customers and business alliances are essential, as the saying goes, "Great environment and society must begin with us. When we are ready, we will promote it among communities developed and managed by us and then surrounding communities (Corporate ESR to Community ESR)".

The concept is the origin of community management policy which aims to create "Livable Community" in all projects developed by the Company and to be a leading example for other real estate business operators. The environmental and social activities are core activities implemented annually by the Company and Lumpini Volunteer Clubs.

Environmental and Social Activities of the Company



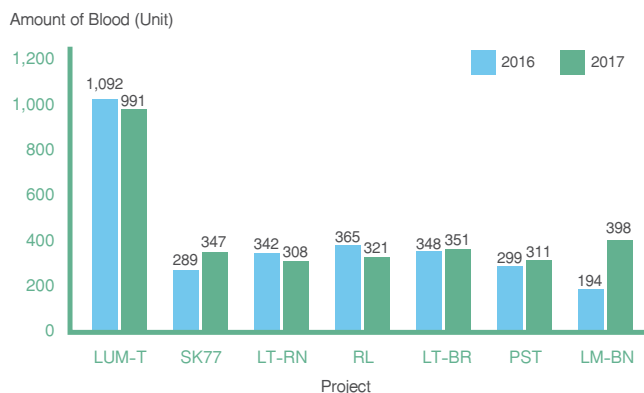
Blood Donation Activities

1. Regular Blood Donation Activities (Daytime)

In 2017, the Company aims to provide the National Blood Center, Thai Red Cross Society with one million cc. of blood by organizing "Lumpini Donates Blood in Dedication to the late King Bhumibol Adulyadej" campaign. Blood donation mobile units are available in seven Lumpini projects as follows:

- 1) Lumpini Tower (Lum-T)
- 2) Lumpini Sukhumvit 77 (SK77)
- 3) Lumpini Condotown Ramindra-Nawamin (LT-RN)
- 4) Lumpini Ramindra-Laksi (RL)
- 5) Lumpini Condotown Bodindecha-Ramkamhaeng (LT-BR)
- 6) P.S.T. City Home (PST)
- 7) Lumpini Megacity Bangna (LM-BN)

• Blood Donation (Daytime Mobile Unit) in 2016 and 2017



2. Special Blood Donation Activities (Nighttime)

In collaboration with the National Blood Center, Thai Red Cross Society, the Company opens blood donation units at nighttime. In 2017, the nighttime units are opened on three occasions in May, August and November from 17.30-20.30h in three following projects: 1) Lumpini Place Rama 9-Ratchada, 2) Lumpini Rama 8, 3) Lumpini Park Pinklao. The total of 510 units of blood or 178,500 cc. are received from the three nighttime mobile units. The combined units of blood received from daytime and nighttime blood donation units are 3,370 units or 1,179,500 cc.

Support for National Blood Center, Thai Red Cross Society

The Company commits to continue supporting the operation of the National Blood Center, Thai Red Cross Society to help encourage the public to donate blood. At present, the Center does not have enough blood reserve to help the patients, especially during Songkran holidays when there is a surge in the demand for blood. In 2017, the Company sponsors the organization of the two following activities:

1. “Summer of Kindness through Blood Donation” Activity

Ms. Somsri Techakraisri, Managing Director of Lumpini Property Management Co., Ltd. is the representative of the Company to donate 200,000 THB to the National Blood Center to sponsor the production of t-shirts to be given out as souvenir to those who donate blood between 10-17 April 2017.



2. “World Blood Donation Day”

Ms. Nittaya Wongtavilarp, Assistant Managing Director in Brand Management of L.P.N. Development Public Co., Ltd. is the representative of the Company to donate 250,000 THB to the National Blood Center to sponsor the production of t-shirts to be given out as souvenir to those who donate blood on World Blood Donation Day (14 June of every year).



Support for Social Activities (G4-EN31)

The Company has been supporting the organization of social activities of communities and government agencies to give back to the society. In 2017, the Company supports the social activities of 16 communities and government agencies.




























Relationship Building with External Organizations (G4-DMA, G4-EN31)

Relationship building is done through the development of communities and government agencies near the projects developed by the Company and the support for environmental conservation activities. The details of the activities are shown in the table below.

Organization	Nearby	Details
1. Bangna District Office	Lumpini Place Bang Na-Km. 3	The area in front of the Registration Department and the meeting room are renovated.
2. Rasburana District Office	Lumpini Ville Rasburana-Riverview 2	The area in front of the Registration Department is renovated.
3. Bang Khae Home Foundation 2	Lumpini Park Petchakasem 98	The pavement at the back of the building is repaired.
4. Bungkum Office of Metropolitan Office	-	The meeting room, reception area, kitchen and restrooms are renovated.

Environmental and Social Activities of Lumpini Volunteer Clubs

In 2017, the Company supports the organization of 13 environmental and social activities of Lumpini Volunteer Clubs as follows:

Activity	Organized by	Details
1 Save Thai Sea, Plant Coral Reefs	Pan Nam Jai Ram-Indra Club	 Activity : Coral planting  Date : 6 May 2017  Participants : 90 persons  Donation Amount : 5,000 THB
2 Giving Love to Children at Khru Boonchoo Home, Taking the Crabs Back to the Sea, Enjoying Thai Fruits	Livable Community Lumpini Sampan Club	 Activity : 1. Musical performance by LPN Ruamjai Band Club 2. Provision of lunch for children at Khru Boonchoo Home 3. Releasing 200 crabs into the sea 4. Dong Tam beach cleaning  Date : 7 May 2017  Participants : 202 persons  Donation Amount : 110,000 THB
3 Following the Buddha's Steps along Ladpoh Canal and in Bangkrachao Community	Club For the Elderly in Lumpini Community	 Activity : Relationship building among the elderly  Date : 14 May 2017  Participants : 48 persons  Donation Amount : 6,000 THB
4 Cleaning Turtle Pond	Khon Arsa Club	 Activity : Turtle pond cleaning  Date : 21 May 2017  Participants : 86 persons  Donation Amount : 5,000 THB
5 Kind People of Lumpini Sharing with Kids, A Trip to Yai Da's Orchard	Ruam Pon Khon Jaidee Lumpini Arsa Club	 Activity : Provision of free lunch and donation of goods  Date : 17 June 2017  Participants : 88 persons  Donation Amount : 15,000 THB
6 Traditional Wooden Funeral Flowers Making	Livable Community Lumpini Sampan Club	 Activity : Traditional wooden funeral flowers making for ceremonies marking the cremation of His Majesty the late King Bhumibol Adulyadej  Date : May - August 2017  No. of Communities Participated : 66 communities  No. of flowers made : 19,492 flowers
7 12 August Half-Marathon	Lumpini Walk-Run For Health Club	 Activity : Walk-Run  Date : 12 August 2017  Participants : 544 persons. The club was granted Queen Sirikit Cup as the club has the highest number of participants.



Activity	Organized by	Details	
8 ATV Save the Forest	Khon Arsa Club	Activity : Planting of 80 agarwood tree Date : 24 September 2017 Participants : 81 persons	
9 Save Thai Sea, Forest Planting, Release Crabs and Fish to Follow His Majesty the late King Bhumibol Adulyadej's Initiatives	Pan Namjai Lumpini Club	Activity : 1. Mangrove forest planting and releasing fish at 6 th Mangrove Forest Station 2. A trip to Laem Pak Bia Environmental Research and Development Project 3. Relationship building activity at Chao Samran beach Date : 7 October 2017 Participants : 68 persons	
10 Save Water, Save Forest, Merit Making for Education	Livable Community Lumpini Sampan Club	Activity : Awarding education scholarships valuing 235,000 THB Date : 8 October 2017 Participants : 117 persons	
11 Discussion on "Happiness"	Club For the Elderly in Lumpini Community	Activity : Discussion about happiness and how to be happy everyday Date : 28 October 2017 Participants : 23 persons	
12 Building a Check Dam at Srinagarind Dam	Ruam Pon Khon Jaidee Lumpini Club	Activity : Building semi-permanent check dam at Srinagarind Dam, Kanchanaburi province Date : 5 November 2017 Participants : 70 persons Donation Amount : 15,000 THB	
13 Music for Children at the Foundation for Children	Club For the Elderly in Lumpini Community and LPN Ruam Jai Band Club	Activity : 1. Musical performance 2. Provision of education scholarships and consumers goods to students of Children Village School, Kanchanaburi province Date : 26 November 2017 Participants : 140 persons Donation Amount : 15,000 THB	

As Process

L.P.N. ACADEMY (G4-LA9, 10, 11)

In 2017, the policy of the Company is to focus on the development of leadership competency of executive staff and coaching skills of managerial staff in order to develop good and decent leaders. The emphasis is also put on capacity development of operational staff to develop their capacity and professional attributes. The information on organizational growth, the recruitment of successors, promotion, position changing, performance evaluation and remuneration consideration is systematically linked with the Human Resources Department. It is to enhance the efficiency of human resources management and development as well as build and maintain the most valuable resource that will take the organization forward as 'value organization'. L.P.N. Academy is founded to systematically and efficiently develop and train staff of the Company and all subsidiary companies.

1. Competency-Based Development

The core mission of LPN Academy is to develop the capacity of staff with their line managers to encourage them to be enthusiastic and eager to develop themselves in terms of knowledge, skills, attributes or attitude to be of the standard expected by the organization. The assessment of capacity is done annually in different forms to assess whether the behavior of each individual reflects each aspect of capacity and how. The objective is to find a gap and prepare individual training and development plan to close that gap. It is also a tool that line managers can use to develop their team.



1. Core Competency or C-L-A-S-S-I-C

refers to the development of knowledge, skills and qualifications that everyone in the organization should have. Such knowledge, skills and qualifications are regularly trained and staff are encouraged to apply what they learn to their everyday work. The assessment has also continuously been done to build the traits that will support the organization to achieve its goal, mission and vision.

2. Functional Competency Development

refers to the development of knowledge, skills and qualifications that staff in each department should have so that they can perform their duties and responsibilities in their line of work to achieve the target.

3. Leadership Competency Development

refers to the development of management knowledge, skills and qualifications that are necessary for staff at executive and managerial level who are responsible for managing a team.



2. Development and Training

Managerial & Leadership Course

The Company has prepared a development and training plan to develop the knowledge and skills. The focus is on the development of knowledge, skills and competency in management of work, team of staff and individual. It is also to build leadership and develop leadership competency to meet the capacity expected by the organization. In the development plan, the training courses can be categorized into two types as follows:

1. Core Course

The course focuses on building a good attitude towards LPN operational standard such as LPN Way, Code of Conduct, LPN Services Culture, LPN Business Practice Platform (3-6-8-10) and social responsibility and participation in organization development towards sustainability.

2. Managerial Course

The course focuses on the development of management knowledge, skills and competency and coaching such as Systematic Planning & Effective Presentation with A3 Report, The Seeds Idea Suggestion, etc. Management trainings are conducted in four levels as follows:

- High-level executive development plan (Level 11-13)
- Middle-level executive development plan (Level 8-10)
- Entry level manager development plan (Level 5-7)
- Operational staff development plan (Level 2-4)

Functional Course

It is the training course that aims to develop knowledge and skills of staff in accordance with the operation of the Company. The emphasis is put on promoting the knowledge, skills and qualifications of staff. The weakness, strength, operational performance in the previous year and professional necessity is analyzed and the training course is designed for each type of work i.e. Sale-Transfer-Brokerage Business, Project Management, Community Management, Maintenance Work, Community Service and Support Function (developing ASK for Community Service Officers following the policy to provide assistance to underprivileged women).

Elective Course

It is the course that builds the knowledge and skills of staff in all departments. The staff are able to choose which topic they would like to learn such as English for Communication, Mind Map, Happiness at Work course, etc.

SOCIAL ENTERPRISE

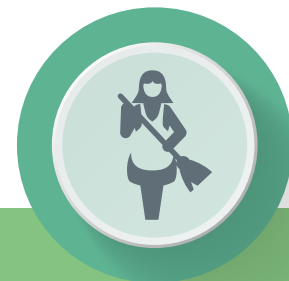


At present, the problem of labor exploitation especially women labor is of grave concern and is urgently needed to be solved by the collaboration of both government and private sector, especially that of underprivileged female workers who are uneducated and illiterate, some of whom are abused by the employers in terms of wages. Moreover, some female workers are abandoned by their husbands and are single mothers taking care of their children so they have no other options but to work in exploitative organizations and are prone to other social problems such as gambling and drug.

The real estate business of the Company involves around various types of services especially cleaning services. The Company has established a unit to provide cleaning services to the communities managed by the Company with the intention to provide an opportunity for underprivileged women in the society to be professionally trained with the focus on cleaning services in “Lumpini” communities. It is also to enhance the quality of life of underprivileged women and their families.

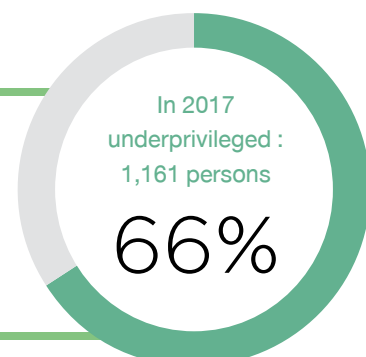
Lumpini Property Service and Care Co., Ltd. or LPC was established in 2011 and has been operating following the social enterprise concept in order to generate income, quality of life, dignity and happiness of staff while also working to benefit the society in return. At present, there are approximately 1,800 underprivileged women working at the company. One of the operational KPIs is the happiness of employees. The result is very satisfactory as evident in the survey of the satisfaction of cleanliness services provided to communities and the uplifted quality of life and happiness of staff.

In 2017, the total of 1,766 Community Service Officers are considered whether they meet the criteria of being underprivileged women. It is found that 1,161 of 66% of Community Service Officers meet the criteria while 605 or 34% of them do not fulfill the criterions specified by the Company. With regards to staff with disability and senior staff, they are allocated community service duties and assistance as appropriate.



Definition of Underprivileged Women

- Having low level of education (illiterate or elementary level).
- Being a single mother.
- Being exploited in terms of wage by former employers.
- Being an elderly person (retired).
- Being a person with disability (holding a disability card).



Education Promotion

Knowledge and skills in different area are the foundation of improved quality of life of Community Service Officers. The Company has thus always promoted learning and education among Community Service Officers as well as sponsored scholarships for their children. The activities organized are as follows:

1. Literacy project

It is to provide basic education and literacy skills to Community Service Officers. The content includes learning about alphabets, vowels, spelling, reading-writing and basic calculation skills. There are the total of 18 participants. The Company aims for all staff to be literate.

2. Non-formal education (two-year curriculum)

The class is conducted every Tuesday at Lumpini Tower (the headquarters). The Company sponsors the transportation cost of the teachers at the amount of 200 THB per person per day. There are the total of 31 students. The details are as follows:

Non-Formal Education Curriculum	2017 (Persons)
- Elementary Level	2
- Lower Secondary Level	11
- Upper Secondary Level	18
Total	31

In 2017, There are 49 participants in the Non-Formal Education Promotion Project, decreasing 11% from 2016 as a number of participants have resigned, been transferred or graduated.

3. Bilateral program for staff's children

It is to support the education of staff's children by enrolling them at Nonthaburi Technical College. The Company sponsors their educational costs (including accommodation) at the amount of 30,000 THB per person. Three children of staff have participated in the program as follows:

- 1) High Vocational Program in Electric: 2 persons
- 2) High Vocational Program in Accountancy: 1 person



In addition, the Company has offered 388 scholarships of 4,000 THB each to the children of staff in 2017, equivalent of **1,552,000 THB**.

Career Promotion

In 2017, the activities are as follows:

Internal Activity: 1 Course

Thai massage training is organized with the participation of 20 staff. The accumulated number of staff trained is 51 persons from six courses. They are able to earn the average extra income of 700 THB per month/person/time.

Internal Activity



Thai massage training

Participants in 2017

20
persons

The accumulated number of staff trained is **51** persons

External Activity: 1 Course

A training course on producing cleaning products is organized for "Ms. Maid Clean Service" by Bangchak Corporate Public Co., Ltd. There are the total of 15 participants who are the residents of eight communities surrounding the refinery.

External Activity



A training course on producing cleaning products is organized for "Ms. Maid Clean Service".

Participants in 2017

15
persons

Promotion of Good Deeds

The Company praises Community Service Officers who do good deeds in the community by collecting and returning lost property to the owners and providing assistance to the residents of Lumpini community. In 2017, the total of 1,237 good deeds are done by Community Service Officers, increasing 75% from those in 2016. Assistance is also provided to four joint owners who are bed-ridden patients.

Voluntary Activities

Community Service Officers are divided into groups to help clean public areas such as temple, community, police station and beach. In 2017, the total of 2,107 social activities are organized, increasing 50% from 2016.



Community Service Officers who do good deeds in the community by collecting and returning lost property

the total of **1,237** good deeds

Community Service Officers are divided into groups to help clean public areas

the total of **2,107** social activities

Promotion of the Happiness of Community Service Officers

The details in 2017 are as follows:

1. Influenza and Hepatitis B vaccination

The total of 1,610 staff are vaccinated against influenza and Hepatitis B (increasing 33% from 2016).

2. Assistance for staff in need

As a result of severe floods in southern and northeastern Thailand, the Company provides assistance to 11 staff who are affected by the floods. Houses of staff are repaired and ready to move back in. Also, the amount of 60,000 THB is provided to staff who are fire victims.



3. Special assistance for physically incapacitated staff

The Company provides special financial assistance to eight staff who are physically incapacitated i.e. staff with disability and staff suffering from illness and needing long-term medical treatment by paying their wage to ease the burden of their family. The overall financial assistance offered is around 500,000 THB per year.

4. Activity to help reduce household expenses

The Company sells consumers product at cheaper price (at cost price) to staff such as rice and sticky rice.

5. Provision of loan

Loan is provided to staff (without interest) so that they do not have to borrow money from loan sharks. The loan amount of two million THB per year is allocated.

EM Water Production

In 2017, the total of 40,852 liters of EM water has been produced for use in cleaning activities of Lumpini communities.

Innovation

Innovation for Sustainability

The Company has always given importance to innovation development and promotes an atmosphere to foster innovation in all operational processes. Lateral thinking is identified as one of the core competencies of the organization that will motivate the executives and staff to create new innovations to add values to the products and services. The innovation of the Company can be categorized into three levels as follows:



1 Strategic Innovation

is the innovation that supports the vision and strategy of the organization e.g. Livable community.



2 Product Innovation

is the innovation that adds value to the product and service of the Company e.g. LPN Design, LPN Green Project, Living Library and Suan Ruam Jai.



3 Process Innovation

is the improvement of the operational process or service in response to the needs of customers. For example, B.I.M. system is applied in the construction process and being developed in the facility management process. Other processes including sales process, ownership transfer process and marketing and brand communication are also improved.



Strategic Innovation

Livable Community For All

“Livable Community For All” strategy is developed from “Livable Community” strategy which is the core strategic innovation that has been implemented for more than 20 years. Since the very beginning, the Company has targeted the customers in the middle to low income group consisting of young people who just start their career and are looking for their own place to live. Such target group is called “D I N K—Double Income No Kids” group. From almost three decades of project development and community management, the Community Management Department has found that the types of residents have been expanded to include older age group and extended families with elderly family members. This finding is in accordance with the fact that Thailand is becoming an aged society. In response to such development, the Company thus decides to further develop the strategy to be inclusive of all age groups. The focus will be on the development of condominium units and common area that are appropriate for the elderly who are still independent so that the “Livable Community For All” will be able to create the real pleasure of living for everyone. **Lumpini community is the community in which the residents of all age groups live happily together with great quality of life, environment and society and in the culture of Togetherness, Care and Share.**



Product Innovation

LPN Design



The product development of the Company focuses on increasing the value that responds to the needs of consumers while maintaining the upper hand over competitors, leading to the trust in “Lumpini” brand. Throughout the years, the Company has been successful in developing products that meet the needs of customers. The heart of the development and design process of the Company is the development of “LPN Design” concept which has been widely accepted, “LPN Green” concept developed under LEED Standard as well as Mixed Target Development which is the development of project to serve the needs of both office workers and retirees.



LPN Design concept starts with the 30 sq.m. studio condominium unit and 60 sq.m. two-bedroom condominium unit which introduce the new standard of condominium living since both are suitable with the Thai ways of living and are easy to maintain. Until now, the main products of the Company have constantly been improved. In spite of its small size, the 26 sq.m. one-bedroom condominium unit is able to respond to the livelihood and needs of the residents. The price range is also affordable and attractive to the target group even though the costs of project development have continuously been increasing. In 2012, the 21 sq.m. condominium unit was launched to answer to the livelihood of the younger generation. This design is firstly introduced in Lumpini Condotown Chonburi-Sukhumvit.



In 2016, the Company has conducted an in-depth survey on consumers' behavior and developed New LPN Design, 35 sq.m. condominium unit with two bedrooms and one bathroom, to answer to the needs of new couples who are building a family together and the needs of extended family. The price is also affordable. The design is firstly introduced at Lumpini Park Petchakasem 98. The architectural design of the project is also modern and environmental friendly.

LPN Green Project and LPN Signature Green Project



The Company pays much attention to the impacts on the environment as a result of project development and thus comes up with “LPN Green Project”. This concept is introduced to the public and receives positive feedback in terms of the sales volume. “LPN Signature Green Project” is also developed as a model of green project that emphasizes the reduction of environmental impacts.

Moreover, in 2015 and 2016, the Company has developed green design and project management standard which is in accordance with “Green Building” standard of LEED. It clearly showcases the corporate environmental and social responsibility of the Company.



Process Innovation

Sale Process

As a consequence of the trust the customers placed in “Lumpini” brand, the products of the Company are in high demand in the market. For some projects, customers have been forming a long queue in front of the project many hours before the sale opening day in order to reserve to buy condominium units. The Marketing and Sale Department has thus come up with tag issuance and draw system so that it would be more convenient for the customers. This is the obvious example of the creation of service value to customers. Furthermore, the Company has embraced mass customization and communicated with customers through online media. As a consequence, the Company is able to significantly increase the sales volume and reduce sale costs.

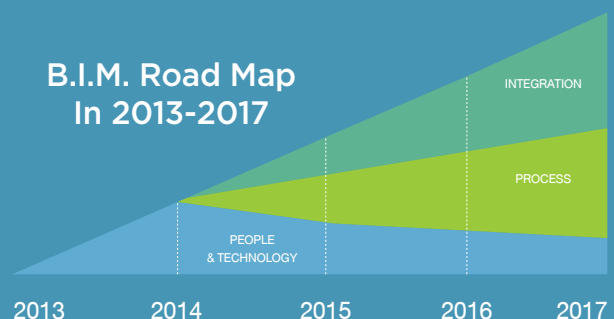
Building Information Modeling (B.I.M.) in Project Management

From 2013, the Company has been applying Building Information Modeling system or B.I.M. to the design and project development process in order to minimize errors in miscalculation of costs resulting from data incompleteness. B.I.M. is the technology that processes three-dimensional building information and links all information together such as building form, shape, size and height and construction materials used. It can also show numerical information as well as calculate building space, amount of construction materials needed and construction costs.

The Company intends to use B.I.M. to support all project management processes. The main objective is to accurately estimate the construction costs before setting the selling price to reduce operational risks. In terms of environmental and social responsibility, B.I.M. can be used to calculate cost efficiency and minimize the use of consumable materials in design which will directly help reduce wasteful use of natural resources and control costs.

For B.I.M. technology to be used efficiently, the operational process and systems must be improved to link up all the information both internally and with trade partners or LPN Team. The operational strategy during the first two years has thus been focused on the provision of trainings to stakeholders through L.P.N. Academy and the development of standard manual for B.I.M. operation so that B.I.M. can be used efficiently in project management by foremen, designers and contractors.

At present, B.I.M. technology is fully implemented in project management. All the projects developed are designed and planned, the construction materials are selected and the construction is managed on B.I.M. The system has also been developed for use in facility management so that the building system and maintenance can be done more conveniently and quickly according to the operational strategy of the Company. It can be said that the application of B.I.M. in construction and facility management process is the initiation of process innovation. It allows the Company to accurately estimate project cost, establish appropriate price strategy and use resources more efficiently to minimize construction waste and environmental impacts. The Company very much hopes that this innovation will play a part in raising the standards of construction and real estate business in Thailand to become more resource efficient, which will promote competitiveness in the market for the benefit of consumers as well as sustainable development in the Thai society.





3

Taking a Steady Step Forward

Create opportunity and generate income
with confidence

Investment

Operation and investment of subsidiary companies

It is the policy of the Company to separate the operation of the companies in the group according to the investments in subsidiary companies as follows:

Subsidiary Companies

The Company invests in four subsidiary companies and through one company. The business operation of each company is as follows:



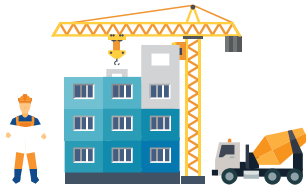
Pornsanti Co., Ltd.

Develops non-residential condominium projects with an aim to distribute investment risks, make a connection with the group of customers of Lumpini community who are expanding their family and upgrade the quality of living following LPN's product and service development model.



Lumpini Property Management Co., Ltd.

Provides comprehensive community management services to projects developed by the Company, subsidiary companies and other condominium juristic persons.



Lumpini Project Management Service Co., Ltd.

Provides comprehensive construction services to projects developed by the Company, subsidiary companies and other organizations.



Lumpini Property Service and Care Co., Ltd.

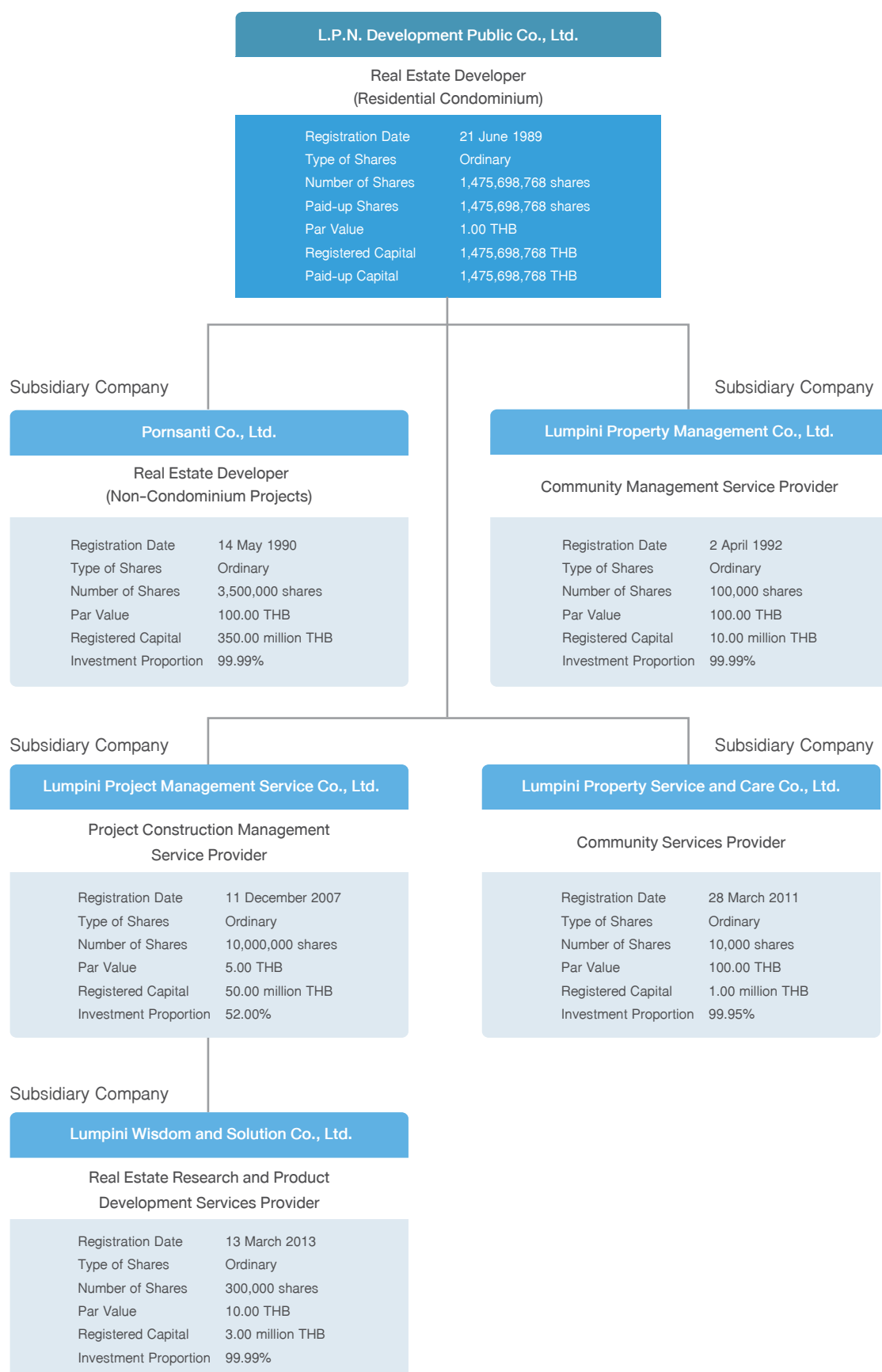
Provides community services with an aim to become a social enterprise to create jobs for underprivileged women as it is regarded as one of the responsibilities for the society and environment.



Lumpini Wisdom and Solution Co., Ltd.

Provide real estate product and service research and development services to subsidiary companies and domestic and international organizations outside LPN Group. It is a subsidiary company of Lumpini Project Management Service Co., Ltd.

As of the end of 2017, the shareholding structure in the subsidiary companies is as follows:



Goal of Subsidiary Companies

Subsidiary Company	Goal
Pornsanti Co., Ltd.	To expand the business to develop non-condominium projects while maintaining the “product and service value” that is in line with LPN’s standard.
Lumpini Property Management Co., Ltd.	To manage and develop “service value” of Lumpini community with exceptional service standard in order to pave the way for “Sustainable Vibrant Community”.
Lumpini Project Management Service Co., Ltd.	To manage projects together with LPN Team to deliver “product value” to customers in an integrated manner.
Lumpini Property Service and Care Co., Ltd.	To develop and train staff to become good Community Service Officers with the happiness index of no less than 90% and to start providing community services to juristic persons of other communities in 2017.
Lumpini Wisdom and Solution Co., Ltd.	To conduct a research and develop knowledge in order to enhance the “product and service value” in accordance with sustainable business operation.

Investment Structure of the Company

Company	Paid-up Capital (Million THB)	Date*	Shareholding (%)	Equity Method (Million THB)	Investment Cost (Million THB)
Subsidiary Companies					
1. Pornsanti Co., Ltd.	350.00	30 Sep 1993	99.99	-	473.0400
2. Lumpini Property Management Co., Ltd.	10.00	25 Mar 1992	99.99	-	9.9999
3. Lumpini Project Management Service Co., Ltd.	50.00	14 Nov 2007	52.00	-	26.0000
4. Lumpini Property Service and Care Co., Ltd.	1.00	28 Mar 2011	99.95	-	0.9995
5. Lumpini Wisdom and Solution Co., Ltd. (shares held indirectly through Lumpini Project Management Service Co., Ltd. at the proportion of 100%)	3.00	22 Sep 2017	52.00	-	3.0000
Associated Company					
1. Kamala Senior Living Co., Ltd.	1.00	12 Jul 2017	25.00	-	0.2500

* Referring to the date when the investment fund is paid.

Investment Policy in Subsidiary Companies and Associated Company

The Company has five subsidiary companies as follows:

1. Pornsanti Co., Ltd.
2. Lumpini Property Management Co., Ltd.
3. Lumpini Project Management Service Co., Ltd.
4. Lumpini Property Service and Care Co., Ltd.
5. Lumpini Wisdom and Solution Co., Ltd.

The Company indirectly holds shares in Lumpini Wisdom and Solution Co., Ltd. through Lumpini Project Management Service Co., Ltd. at the proportion of 100%. Therefore, it is also considered as a subsidiary company of the Company.

The Company has one associated company, namely, Kamala Senior Living Co., Ltd.

The investment of the Company in subsidiary companies is done in supportive of the operation of the Company. It is to promote in-house operation so that the Company is able to control the quality and efficiency of the operation of subsidiary companies. The services provided include construction management, community management, cleaning and community service and development of non-condominium projects.

As of 31 December 2017, the investment in the subsidiary companies accounts for 2.60% of the total assets of the Company.

Securities and Shareholding Information

Registered Capital and Paid-Up Capital

1. The Company is registered in the Stock Exchange of Thailand and the registered capital is 1,475,698,768 THB which is a paid-up capital of 1,475,698,768 THB with ordinary shares value of 1,475,698,768 THB and a par value of 1.- THB (One Baht Only).
2. The Company does not issue any other types of shares apart from ordinary shares.

Shareholders

As of the record date on 24 August 2017 and the compilation of the list in accordance with the book closing method on 25 August 2017 in Section 225 of the Securities and Exchange Act, the shareholders of the Company are categorized as follows:

Top Ten Major Shareholders

No.	Shareholders	No. of Shares (Million Shares)	(%)
1	Chase Nominees Limited	135.44	9.18
2	HSBC (Singapore) Nominees Pte Ltd.	86.59	5.87
3	The Hongkong and Shanghai Banking Corporation Limited	72.32	4.90
4	Thai NVDR Co., Ltd.*	70.26	4.76
5	Mr. Sumet Techakraisri	56.56	3.83
6	Social Security Office	46.10	3.12
7	Registered K Master Pooled Fund	26.50	1.80
8	Mrs. Yupa Techakraisri	26.04	1.77
9	State Street Bank Europe Limited	25.24	1.71
10	ABLTF	23.02	1.56
Total		568.07	38.50

- Note:
1. Thai NVDR Co., Ltd. is a subsidiary company of the Stock Exchange of Thailand that operates the business by issuing Non-Voting Depository Receipt (NVDR) bond. It is a listed security in the Stock Exchange of Thailand in order to be sold to investors. The money gained from the sale of NVDR will be invested in the Stock Exchange of Thailand. The investors holding NVDR will receive a dividend as other shareholders of listed companies but do not have the right to vote in the Annual General Meeting of Shareholders. For more information on the investment of Thai NVDR Co., Ltd., please visit www.set.or.th.
 2. The Company does not have shareholding agreement with major shareholders or other shareholders in the issue that affects the management of the Company.

Top Ten Minor Shareholders

No.	Shareholders	No. of Shares (Million Shares)	(%)
1	Mr. Sumeth Techakraisri	56.56	3.83
2	Mrs. Yupa Techakraisri	26.04	1.77
3	Mr. Kumpee Chongthurakit	18.61	1.26
4	Mr. Supachai Suttipongchai	16.00	1.08
5	Mr. Satit Wittayakorn	15.54	1.05
6	Mr. Tongma Vichitpongpan	12.75	0.86
7	Roman Catholic Mission	12.00	0.81
8	Mr. Sirichai Charoensakwattana	10.00	0.68
9	Mr. Ornupa Suttipongchai	9.55	0.65
10	Mr. Supat Wongsirojkul	9.05	0.61
Total		186.10	12.60

The shareholding of institutional investors of the Company is more than 5% of all shareholders. The top ten shareholders are as follows:

Top Ten Thai Institutional Shareholders

No.	Shareholders	No. of Shares (Million Shares)	(%)
1	Social Security Office	46.10	3.12
2	Registered K Master Pooled Fund	26.50	1.80
3	ABLTF	23.02	1.56
4	Aberdeen Growth	22.27	1.51
5	Aberdeen Smallcap	18.01	1.22
6	BBASICDLTF	16.87	1.14
7	ABSC-RMF	10.40	0.70
8	BBASICRMF	8.99	0.61
9	Government Pension Fund	5.32	0.36
10	BBASIC	4.72	0.32
Total		182.20	12.34

Top Five Foreign Shareholders

No.	Shareholders	No. of Shares (Million Shares)	(%)
1	HSBC	229.69	15.56
2	Standard Chartered	177.92	12.06
3	CITI	53.72	3.64
4	Mr. Kenneth Rudy Kamon	17.57	1.19
5	Others	4.22	0.29
Total		483.12	32.74

Foreign Shareholding Limit

The foreign shareholding limit of the Company is 39% of all the shares of the Company. This is in accordance with No. 5 of the Article of Association of the Company. As of the book closing date on 25 August 2017 for interim dividend payment, the foreign shareholding of the Company is 32.74% of all shares of the Company.

Cross Shareholding

The Company does not have cross shareholding or pyramid shareholding structure in the company group and does not have cross shareholding with major shareholders or other shareholders. Therefore, there is no conflict of interest or business takeover process.

Minor Shareholders (Free Float)

As of 24 February 2017 which is the book closing date for Annual General Meeting of Shareholders 2017, the total number of shareholders of the Company is 17,278 shareholders. Of all the shareholders, 16,712 are minor shareholders (free float), holding 81.17% of all shares.

Treasury Stock

During the past year, the Company does not have a policy related to treasury stock.

Issuance of other securities

Private Placement Debentures

The Annual General Meeting of Shareholders 2010 of L.P.N. Development Public Co., Ltd. on 8 April 2010 resolved to approve the issuance of and offer for sale of private placement debentures at the amount of not exceeding two billion THB. During 2015-2017, as of 31 December 2017, the Company has issued private placement debentures at the total of ten times. The details are as follows:

No.	Issue Date	Tenor (year)	Interest Rate (per year)	Maturity Date	Value as of the Issue Date
1/2015	23 Jul 2015	2 years	4.00%	24 Jul 2017	600,000,000 THB
2/2015	25 Sep 2015	2 years 11 months 18 days	4.10%	12 Sep 2018	250,000,000 THB
3/2016	17 Feb 2016	3 years 4 days	3.70%	21 Feb 2019	210,000,000 THB
4/2016	28 Mar 2016	3 years 6 days	3.65%	3 Apr 2019	200,000,000 THB
5/2016	27 Jul 2016	2 years	3.30%	27 Jul 2018	140,000,000 THB
6/2016	24 Aug 2016	3 years	3.25%	24 Aug 2019	100,000,000 THB
7/2016	5 Oct 2016	3 years	3.25%	5 Oct 2019	100,000,000 THB
8/2017	20 Jan 2017	4 years	3.75%	20 Jan 2021	400,000,000 THB
9/2017	27 Jul 2017	4 years	3.75%	20 Jul 2021	300,000,000 THB
10/2017	15 Dec 2017	4 years	3.75%	15 Dec 2021	300,000,000 THB
Balance for the Next Issuance					0 THB

Dividend Payment Policy

Dividend Payment Policy of the Company

The Board of Director's Meeting Ref. 6/2011 on 15 December 2011 resolved to approve the dividend payment to shareholder at the rate of no less than 50% of the net profit from the consolidated financial statements.

In 2017, the net profit of the Company in the consolidated financial statements is 1,062,318,346.76 THB (One Billion Sixty Two Million Three Hundred Eighteen Thousand Three Hundred Forty Six Baht and Seventy Six Satang) and the net profit per share is 0.72 THB (Seventy Two Satang). The Board of Directors' Meeting Ref. 2/2018 on 14 February 2018 resolved to propose to the Annual General Meeting of Shareholders 2018 to be held on 30 March 2018 to approve the dividend payment at the rate of 0.50 THB. The Company has paid the interim dividend for the performance during the period of six months at the end of Q2/2017 at the rate of 0.15 THB (Fifteen Satang) per share. The payment was made on 7 September 2017. The details of the dividend payment of the Company from 1994 to 2017 are as follows:

Year	Net Profit per Share (THB)	Dividend Paid		Interim Dividend Paid
		(THB/Share)	Rate (%)	
1994	4.98	2.50	50.20	-
1995	5.14	2.75	53.50	-
1996	3.81	1.00	26.25	-
1997	-	-	-	-
1998	-	-	-	-
1999	-	-	-	-
2000	-	-	-	-
2001	-	-	-	-
2002	2.01	1.00	49.75	-
2003	0.50	0.25	50.00	-
2004	0.41	0.20	48.78	-
2005	0.43	0.22	51.16	-
2006	0.52	0.26	50.00	0.08
2007	0.62	0.32	51.61	0.10
2008	0.80	0.41	51.44	0.14
2009	0.95	0.50	52.63	0.16
2010	1.11	0.56	50.45	0.18
2011	1.30	0.65	50.00	0.21
2012	1.50	0.76	50.67	0.23
2013	1.58	0.84	53.16	0.26
2014	1.37	0.80	58.39	0.26
2015	1.64	0.90	55.03	0.30
2016	1.47	0.90	61.03	0.30
2017*	0.72	0.50	69.46	0.15

- Note:
- The dividend payment policy of the Company is as follows:
 - Year 1994-2006: The dividend was paid from the net profit from consolidated financial statements.
 - Year 2007-2010: The dividend was paid from the net profit from separate financial statements.
 - From 2011 onwards: The dividend was paid from the net profit from consolidated financial statements.
 - The Annual General Meeting of Shareholders in 2004 on 7 April 2004 approved the change in the par value from 10.- THB to 1.- THB per share. Therefore, the dividend for the performance in the year 2003 was paid at the par value of 1 THB per share accordingly.
 - Pending approval from the Annual General Meeting of Shareholders 2018.

Dividend Payment Policy of Subsidiary Companies

The dividend payment policy of subsidiary companies is to be in accordance with the performance of the operation and financial structure and status of the Company in each year. The profits will not be transferred from the subsidiary companies to the Company. The policy of the Company and subsidiary companies is to disclose the information in an accurate and transparent manner as according to the corporate governance principles.

In 2017, the interim dividend paid to the Company from subsidiary companies is as follows:

Subsidiary Company	Retained Earning (THB) as of 31 May 2017)	Interim Dividend (THB/Share)	Total (THB)
Lumpini Property Management Co., Ltd.	64,407,113.78	900	9,000,000

Investment in Land for New Projects Development

In 2017, the Company purchases seven pieces of land to develop new projects with the total size of 19,312.53 square wa at the combined value of 4.713 billion THB as follows:

Summary of Land Purchased for New Project Development in 2017

Type	Project	Ownership Transfer Date	Size (sq.wa)	Price (THB/sq.wa)	Total Value (Million THB)	Appraised Price (Million THB)
1	The Selected Kaset-Ngamwongwarn by LPN	25 Jan 17	1,146.00	270,000	309.42	343.80
2	Lumpini Park Pahol 32	29 Mar 17	1,615.00	480,000	775.20	807.50
3	Horizontal project and condominium on Rama 3 Road	Jun-Aug 17	10,275.53	162,760	1,672.45	-
4	Lumpini Place Ratchada-Sathu	6 Nov 17	1,041.00	380,000	395.58	-
5	Plot of land in Vibhavadi Soi 3	15 Nov 17	3,594.00	330,000	1,186.02	-
6	Lumpini Ville Suksawasdi-Rama 2	-	886.00	125,000	110.75	-
7	Lumpini Selected Suttisarn-Saphankwai	-	755.00	350,000	264.25	-
Total			19,312.53		4,713.67	

The Company has a policy to reduce risks from relevant laws and regulations. Prior to purchasing the land, a department of the Company will be assigned to conduct a feasibility study in terms of marketing, construction, design, legal regulations as well as finance. The Company will buy the land after it is considered to be suitable and feasible for the development of new projects following the strategies of the Company. The Company refrains from buying and collecting lands for long-term project development opportunities.

Moreover, it is a common practice of the Company to hire an independent appraiser to appraise the price of every piece of land the Company is going to buy to ensure transparency and appropriateness of the price of the land. The Company will also report all information regarding the purchase of all lands to the Stock Exchange of Thailand in compliance with the good corporate governance principles. All lands purchased by the Company are in line with the strategy in terms of size, price and location.

Asset Valuation

The asset valuation of the Company and subsidiary companies including assets for investment, office equipment, assets for sale and assets for development in 2017 is done by property appraisers in the capital market that are recognized and approved by the Securities and Exchange Commission and the Stock Exchange of Thailand, namely, Sims Property Consultant Co., Ltd.

Business Revenue

Revenue Classified by Core Business of the Company and Subsidiary Companies

Revenue Categorized by Products	2017 Revenue		2016 Revenue		2015 Revenue	
	Million THB	%	Million THB	%	Million THB	%
Real Estate Development for Sale						
Residential Condominiums	8,719.77	90.31	13,855.41	94.57	15,981.26	95.85
Total Revenue from Sale	8,719.77	90.31	13,855.41	94.57	15,981.26	95.85
Growth Rate		(37.07)		(13.30)		29.71
Real Estate Development for Rent						
Office Buildings	7.31	0.08	7.39	0.05	7.50	0.04
Residential Condominiums	101.14	1.05	65.86	0.45	60.24	0.36
Total Revenue from Rental	108.45	1.12	73.25	0.50	67.74	0.41
Growth Rate		48.05		8.13		32.25
Revenue from Management	784.64	8.13	672.87	4.59	578.18	3.47
Growth Rate		16.61		16.38		16.86
Equity gain from investment in associated companies*	-	-	-	-	-	-
Other Revenues **	42.29	0.44	49.12	0.34	46.46	0.28
Total Revenue	9,655.14	100.00	14,650.64	100.00	16,673.64	100.00
Growth Rate		(34.10)		(12.13)		28.66

* Consolidated financial statements commenced in 1993.

** Other revenues include ownership transfer fee, confiscated contract deposits, contract amendment fee, interest received, commission, etc.

Revenue Classified by Core Business of the Company

Revenue Categorized by Products	2017 Revenue		2016 Revenue		2015 Revenue	
	Million THB	%	Million THB	%	Million THB	%
Real Estate Development for Sale						
Residential Condominiums	7,685.09	97.47	13,009.71	98.96	15,511.29	97.29
Total Revenue from Sale	7,685.09	97.47	13,009.71	98.96	15,511.29	97.29
Growth Rate		(40.93)		(16.13)		32.27
Real Estate Development for Rent						
Office Buildings	12.23	0.16	12.56	0.10	12.51	0.08
Residential Condominiums	99.39	1.26	64.02	0.49	58.60	0.37
Total Revenue from Rental	111.63	1.42	76.58	0.58	71.11	0.45
Growth Rate		45.77		7.69		29.24
Dividend Received	-	-	-	-	319.64	2.00
Other Revenues **	87.69	1.11	59.55	0.45	40.75	0.26
Total Revenue	7,884.41	100.00	13,145.84	100.00	15,942.79	100.00
Growth Rate		(40.02)		(17.54)		34.33

** Other revenues include ownership transfer fee, confiscated contract deposits, contract amendment fee, interest received, commission, etc.

Revenue Structure

Revenue Structure of the Business in which the Company Holds at least 20% of Shares
(as of 31 December 2017, 2016 and 2015).

Unit : Million THB

Operated by	Type of Business	% Shareholding of the Company	Revenue 2017		Revenue 2016		Revenue 2015	
			Million THB	%	Million THB	%	Million THB	%
L.P.N. Development Public Co., Ltd.	Residential Condominium Developer	-	7,827.85	81.07	13,125.09	89.59	15,610.06	93.62
Pornsanti Co., Ltd.	Non-Condominium Residential Project Developer	99.99	1,039.90	10.77	850.80	5.81	477.67	2.86
Lumpini Property Management Co., Ltd.	Community Management Service Provider	99.99	479.49	4.97	410.74	2.80	359.06	2.15
Lumpini Project Management Service Co., Ltd. (an indirect shareholder of Lumpini Wisdom and Solution Co., Ltd. at the proportion of 100%)	Construction Management Service Provider	52.00	7.63	0.08	0.43	-	1.50	0.01
Lumpini Property Service and Care Co., Ltd.	Community Services Provider	99.95	300.27	3.11	263.58	1.80	225.35	1.36
Kamala Senior Living Co., Ltd.	Developer of Real Estate Projects for the Elderly	25.00	-	-	-	-	-	-
* Note : Information from consolidated financial statements classified by company			9,655.14	100.00	14,650.64	100.00	16,673.64	100.00

Accumulated Unpaid Debts

Accumulated Unpaid Debts as of 31 December 2017

Debtor	Accumulated Unpaid Debts	
	No.	Million THB
Lumpini Ville Pattanakarn-New Petchaburi	2	0.128
Lumpini CondoTown Chonburi-Sukhumvit	3	0.061
Lumpini Park Petchakasem 98 (A,B)	2	0.187
Lumpini Place Boromrajchonnane-Pinklao	1	0.040
Total	8	0.416

Summary of Real Estate Business Situation in 2017

In 2017, the overall situation of residential condominium development business remains unchanged. The residential condominium market in 2015, 2016 and 2017 has been slowing down from 2013 and 2014 when the number of new condominium units launched was phenomenally high i.e. 85,000 and 78,000 units respectively. The average number of new condominium units launched in 2015, 2016 and 2017 is 60,000 units. The main contributing factor of the slowdown in real estate market is the low rate of economic growth in spite of the signs of recovery in 2017. At the same time, the problems of uneven income distribution which directly reduces the purchasing power and confidence of consumers and increasing household debts have severely impacted the real estate sector. The latter problem of household debts had been growing exponentially since 2011 and peaked in 2015 when the household debt per GDP ratio was as high as 81% before having subsided in 2016 and 2017. As a result of this problem, the loan approval criteria of financial institutions has become more stringent, especially among middle to lower-middle income earners who are the main target group of customers of the Company. Loan rejection rate has continually been increasing. It was record-breaking high in 2016 and continued to be so in 2017. The above situation directly affects real estate developers, in particular those developing residential projects for middle to lower-middle income earners who have real demand and are major target customers of the residential market. As loan applications of target customers are rejected by financial institutions, the level of inventory is high because the products cannot be handed over to the buyers. Without cautious operation, the development of real estate project could be at risk.

In response to the difficult situations, the Company has established the policy to delay the launch of new projects since 2015 and focused on liquidating the inventory and restoring it to a normal level as quickly as possible. Consequently, the inventory level has been reducing. It is expected that at the end of 2018, the inventory will be restored to a normal level.

Besides the aforementioned issues, business operators are facing the problem of increasing land price, especially the plots of land in central business district or along mass transit network. The projects developed in such prime locations are in high demand as they are conveniently located and surrounded by convenient facilities. The majority of business operators thus have to adjust the direction of their project development to target not only middle income earners but also high income earners and foreigners who are looking for a home in Thailand. This trend is reflected in the value of new projects launched which has increased from 200 billion THB from 132 projects in 2014 to 245 billion THB from 126 projects in 2017. Moreover, the proportion of new residential condominiums launched is lowered while that of single house and townhouse projects with higher value per unit is increased. The core strategy of the development of middle-upper end residential condominium projects is the selection of project location. It has to be conveniently located, accessible to public transportation system and surrounded by convenient facilities. Luxurious decorating materials are used in both condominium units and common area. The height of the ceiling is higher. The unit design is distinctive and stands out from the competition. Different technologies are employed to build condominium units that are comfortable and different from others in the market.

The design of the project is improved to be suitable for the target customers while the product value and the concept of “Livable Community For All” are maintained. Many real estate developers develop their projects in a joint venture with foreign companies as another way to showcase the design and construction technology from abroad as the selling points. The projects are advertised among foreigners who are interested in buying real estate in Thailand for investment. New condominium projects launched in 2017 are developed by major real estate developers. It can be said that 2017 is the year of major real estate developers listed in the Stock Exchange of Thailand as they have the upper hand over other developers in terms of funding, reputation and credibility. Listed companies command as high as 80% of market share of new residential condominium projects launched which is unprecedented.

In 2017, the number of new condominium projects launched has increased 22%. The launch that was planned in Q4/2016 was postponed to Q 1/2017 because of the death of King Bhumibol

Adulyadej. There are the total of 71,000 new condominium units launched from 126 projects in 2017 with the combined value of 245 billion THB. The top five locations with the highest number of projects launched are Ladprao-Ratchayothin-Kaset Nawamin (10,000 units from 23 projects with average selling price of 98,000 THB per sq.m.), Asoke-Prompong-Ekkamai (9,000 units from 22 projects with average selling price of 160,000 THB per sq.m.), Onnut-Bangna-Bearing (7,400 units from 10 projects), Rama 9-Ratchadapisek and Petchakasem-Bangkhuae-Buddhamonthon 4. In comparison with 2016, the average sales volume in the market is slightly lower in all price levels, except for the residential condominium project with the selling price of 3-5 million THB which enjoys a 2% increase in sales volume. It is worth noting that there is no residential project with the selling price of lower than one million THB launched in 2017. As for the Company, the total of ten projects are launched with the combined value of 14 billion THB. The Company commands approximately 8% of the market share of new condominium projects launched in 2017.

Real Estate Situation and Competition

Residential real estate development business can be categorized into two major segments, namely, horizontal properties (single house, twin house and townhouse) and condominium projects. The development of real estate projects coincides with the expansion of the city and increasing land price. At the beginning of residential development period, most of the projects developed are horizontal. It starts with selling vacant land. Later, housing projects are developed. At present, real estate developers aim to collect cheap plots of land in potential location to achieve cost advantage. The development and expansion of the city in the beginning was not done in an orderly fashion. The population in Bangkok has been growing exponentially along with traffic congestion problems. Public transportation systems are built and operated. The changes in the society bring about the changes in consumers' behavior and smaller family size. The residential needs are shifted from single house and townhouse to high-rise condominiums, most of which are developed along mass transit route. Currently, residential condominiums commands more than 50% of residential market share. In 2017, the combined value of new residential projects launched is 245 billion THB.

In 2017, around 70,000 new condominium units from 126 projects are launched, increasing 20% from those in 2016. It is because of the delay in the launch of new projects in Q4/2016 as a result of the death of King Bhumibol Adulyadej. The majority of business operators still focuses on developing condominium projects to serve the needs of middle to upper-middle income group as they did in 2015 and 2016. No condominium project with the selling price of lower than one million THB is launched in the previous year. The market share of condominium projects and horizontal projects is 62% and 38% respectively.

Comparison of New Projects Launched Between 2012-2017

Type	2012	2013	2014	2015	2016	2017
High-rise Condominiums	60%	67%	68%	60%	65%	62%
Horizontal Projects	40%	33%	32%	40%	35%	38%

Source: Research Office, L.P.N. Development Public Co., Ltd. and Agency for Real Estate Affairs

The top three locations with the highest number of new projects launched are Ladprao-Ratchayothin-Kasetnawamin (10,000 units), Asoke-Prompong-Ekkamai (9,000 units) and Onnut-Bangna-Bearing (7,000 units).

The selling price of new condominium projects launched in 2017 can be categorized into three ranges i.e. lower than one million THB, 1-3 million THB, 3-5 million THB and more than five million THB. The condominium projects with the selling price of 1-3 million THB still commands the highest market share of 63%, increasing 9% from 2016. The market share of condominium projects with the selling price of more than three million THB and five million THB has slightly increased by 3% and 1% respectively. It is worth noting that the supply of condominium projects with the selling price of lower than one million THB has significantly decreased. The information shows that the development of residential condominium in 2017 has been done to match the needs of the upper-middle income group to avoid the problem of loan rejection and household debt.

Comparison of New Residential Condominium Projects Launched from 2012-2017

Average price per unit	2012	2013	2014	2015	2016	2017
Over 5 million THB	6%	8%	9%	15%	14%	15%
3-5 million THB	12%	10%	16%	15%	17%	21%
1-3 million THB	76%	70%	62%	57%	54%	63%
Below 1 million THB	6%	12%	13%	13%	15%	1%

Source: Research Office, L.P.N. Development Public Co., Ltd. and Agency for Real Estate Affairs

Approximate Number of Competitors

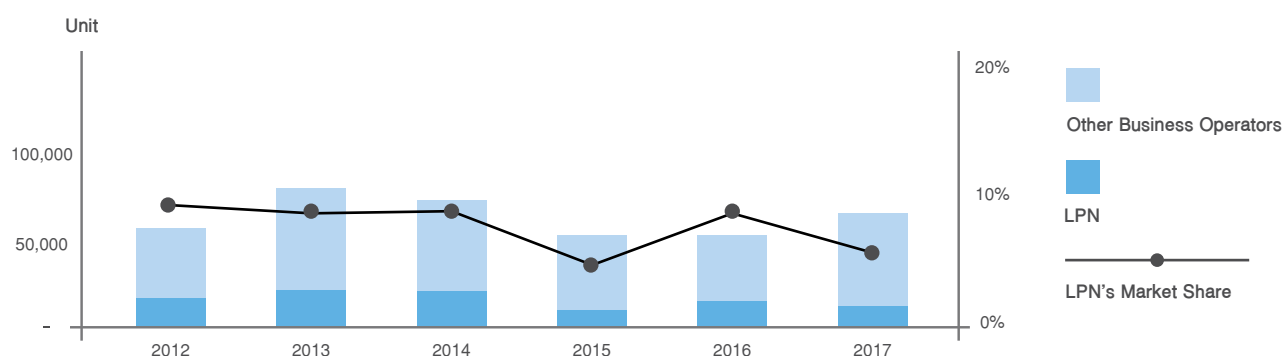
In 2017, the residential condominium market is still dominated by major business operators. The combined market share of listed companies in the Stock Exchange of Thailand is more than 80% of 126 new projects launched. The market share of 50% is commanded by the top five business operators. Of all 70,000 condominium units launched in the market in 2017, the Company commands around 8% of the market share and is one of the top five business operators that command the highest share in the market.

Market Share of Residential Condominium Projects from 2012-2017

Number of Units Launched	2012	2013	2014	2015	2016	2017
Other Business Operators	62,860	83,558	78,894	60,017	57,699	70,553
LPN	9,068	10,753	10,386	4,480	7,628	5,460
LPN's Market Share	15%	13%	13%	7%	13%	8%

Source: Research Office, L.P.N. Development Public Co., Ltd. and Agency for Real Estate Affairs

Residential Condominium Units Launched from 2012-2017



Source: Research Office, L.P.N. Development Public Co., Ltd. and Agency for Real Estate Affairs

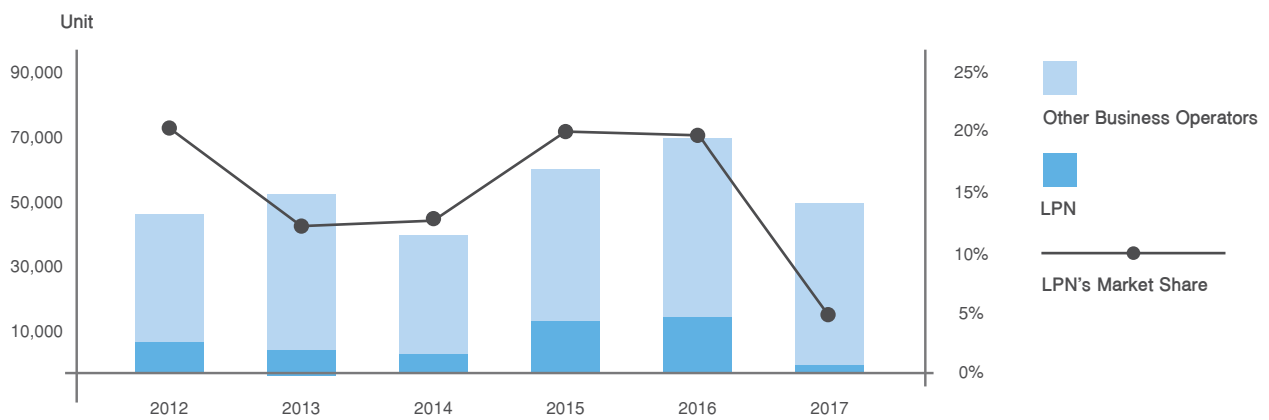
Approximately 48,000 condominium units are completed and registered in 2017, decreasing 30% from 2016. The Company commands the market share of 5%, decreasing from 20% in 2015 and 19% in 2016 or equivalent of around 10,000 units each year. It is as a result of the delay in the launch of new projects as there are concerns over the overall economic situation in 2017. The condominium projects completed and registered with the average selling price of 1-3 million THB continue to command the highest market share of 64%. The condominium projects completed and registered with the average selling price of 3-5 million THB, more than five million THB and lower than one million THB gain the market share of 25%, 8% and 3% respectively.

Condominiums Completed and Registered from 2012-2017

Number of Units Launched	2012	2013	2014	2015	2016	2017
Other Business Operators	44,157	52,280	45,210	60,242	70,126	47,914
LPN	9,613	6,976	6,107	12,236	12,994	2,599
LPN's Market Share	22%	13%	14%	20%	19%	5%

Source: Research Office, L.P.N. Development Public Co., Ltd. and Agency for Real Estate Affairs

Number of Condominium Units Completed and Registered from 2012-2017



Source: Research Office, L.P.N. Development Public Co., Ltd. and Agency for Real Estate Affairs





4

Upholding Operational Transparency

Ensure transparency of internal control system
and auditability of all operational processes

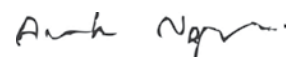
Report on Responsibility of the Board of Directors on Financial Reports

The Board of Directors is responsible for the consolidated financial statements of L.P.N. Development Public Co., Ltd. and subsidiary companies as well as financial information appearing in Form 56-1 and the Annual Report. The said financial statements have been prepared in accordance with generally accepted accounting standards by applying appropriate accounting policy which has been practiced regularly and with careful discretion and best estimation. Important information is also adequately disclosed in the notes to the financial statements.

The Board of Directors is aware of the accuracy and transparency of the financial statements. There are appropriate and efficient internal control systems, adequate disclosure of important information in the notes to financial statements as well as explanations and analysis so as to ensure the accuracy and completion of the record of the accounting information for the highest benefit of the shareholders and investors in using the financial statements.

With regard to this matter, the Board of Directors has appointed an Audit Committee which comprises Independent Directors as of 31 December 2017, three Audit Committee, Mr. Vudhiphol Suriyabhivadh Mr. Weerasak Wahawisal and Mr. Khantachai Vichakkhana, by Mr. Vudhiphol Suriyabhivadh Mr. Weerasak Wahawisal, whom have the knowledge and experiences in accounting and finance, to review the accounting policy and the quality of the financial report and the internal control system. The comments of the Audit Committee on this matter appear in the Audit Committee's report which is shown in Form 56-1 and in the Annual Report 2017.

The Board of Directors opines that the overall internal control system of the company is at the satisfactory level and able to reasonably build confidence on the reliability of the financial statements of the company and subsidiary companies as of 31 December 2017.



(Amornsuk Noparumpa)
Chairman of the Board of Directors

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

To the Shareholders of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES (the Group) and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED as at December 31, 2017, and 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Key Audit Matters included Auditing Procedures are as follows:

1. Presentation of finished goods valuation (consolidated and separate financial statements)

As stated in notes 3.6 and 7 to financial statements, the Company and subsidiaries have finished goods as at December 31, 2017 in the amount of Baht 5,495.63 million (Separate : Baht 5,035.09 million) of which this amount is material in the financial statements, and were presented at the lower of cost or net realizable value. The certain project of the Company is a mega-project with the various units of condominium that have been effected from the current economic condition and the financial institution has strictly provided in personal loans (the buyer) in which required to acquire real estate especially in condominium. As a result, the Management has made substantively judgment and estimations for measuring finished goods at the lower of cost or net realizable value. The significant judgment comprise the determination of contingent selling price, provided discount and sales promotion estimates in order to stimulate sales volume in the future. The assumption for those matters used by the Management will have the impact on the presentation of finished goods and expenses incurred from allowance for devaluation of finished goods in the statements of comprehensive income (if applicable).

I have obtained an assurance in respect of the presentation of finished goods valuation, by included;

- Obtained an understanding of the sale plan and selling price determination policy of the Management and sale promotion policy in order to stimulate sale volume to meet a target as expected by the Management.
- Assessed the significant judgment of the Management related to expected salable price in the future.

- Compared the selling price of the Company and the competitor in the same or nearby area and it is believed that such nearby area has resulted in making decision of the buyer.
- Checked the previous actual selling price of such project to compare with the current selling price.
- Checked the subsequent selling price of units sold after the reporting date including related sale promotion.

2. Valuation of land and costs of project held for development presentation (consolidated and separate financial statements)

As stated in notes 3.9 and 6.2 to financial statements, the Company and subsidiaries have land and costs of project held for development as at December 31, 2017 in the amount of Baht 932.58 million (separate: Baht 898.17 million) of which this amount is material in the financial statements, some projects is held for development in a long-time, presented carrying value by the cost less provision for impairment (if applicable). Management assesses, whether there are events indicating potential impairment of assets in assumption could cause the carrying amount exceed its recoverable amount. Management led to measure fair value on which the calculation by using key assumptions, market price comparative and the judgement of the Management and the independent appraiser.

I have obtained an assurance in respect of the valuation of land and costs of project held for development, by included;

- Considered the events indicating of potential impairment of land held for development in each project.
- Evaluated the appropriateness of valuation guidance of the Management.
- Evaluated the competence, knowledge and independent of the independent appraiser.
- Evaluated the methodology used in assets valuation of the independent appraiser that are appropriated for the nature of assets.
- Evaluated the assumptions used in assets valuation of the Management and the independent appraiser.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report of the Group, but does not include the consolidated and separate 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 consolidated and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above 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 Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, 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 Consolidated and Separate Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Co., Ltd.



(Mr. Nopparoek Pissanuwig)
C.P.A. (Thailand)
Registration No. 7764
February 14, 2018

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

To the Shareholders of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated and separate financial statements of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES (the Group) and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED as at December 31, 2016, and 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Key Audit Matters included Auditing Procedures are as follows:

Presentation of finished goods valuation (consolidated and separate financial statements)

As stated in notes 3.6 and 6 to financial statements, the Company and subsidiaries have finished goods as at December 31, 2016 in the amount of Bhat 8,510.52 million of which this amount is material in the financial statements, and were presented at the lower of cost or net realizable value. The certain project of the Company is a mega-project with the various units of condominium that have been effected from the current economic condition and the financial institution has strictly provided in personal loans (the buyer) in which required to acquire real estate especially in condominium. As a result, the Management has made substantively judgment and estimations for measuring finished goods at the lower of cost or net realizable value. The significant judgment comprise the determination of contingent selling price, provided discount and sales promotion estimates in order to stimulate sales volume in the future. The assumption for those matters used by the Management will have the impact on the presentation of finished goods and expenses incurred from allowance for devaluation of finished goods in the financial statements (if applicable).

I have obtained an assurance in respect of the presentation of finished goods valuation, included;

- Obtained an understanding of the sale plan and selling price determination policy of the Management and sale promotion policy in order to stimulate sale volume to meet a target as expected by the Management.
- Assessed the significant judgment of the Management related to expected salable price in the future.
- Compared the selling price of the Company and the competitor in the same or nearby area and it is believed that such nearby area has resulted in making decision of the buyer.
- Checked the previous actual selling price of such project to compare with the current selling price.
- Checked the subsequent selling price of units sold after the reporting date including related sale promotion.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report of the Group. The annual report of the Group is expected to be made available to me after that date.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above 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 Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, 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 Consolidated and Separate Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 consolidated and separate 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 Group 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

D I A International Audit Company Limited



(Mrs. Suvimol Chrityakierne)

C.P.A. Thailand

Registration No. 2982

February 9, 2017

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

To The Shareholders of

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at December 31, 2015, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with standards on auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED as at December 31, 2015, and the consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the financial reporting standards.

D I A International Audit Co., Ltd.



(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

February 11, 2016

STATEMENTS OF FINANCIAL POSITION

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

		Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	Note	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
ASSETS					
Current assets					
Cash and cash equivalents	3.2	356,459,691.49	591,211,392.54	210,417,385.39	438,857,724.63
Current investment	3.3	109,537,049.70	30,264,866.57	-	-
Trade and other current receivables	3.4, 5	443,607,209.83	225,580,791.55	367,590,507.30	168,262,411.22
Short-term loans to related parties	8.2	85,988,250.09	-	540,000,000.00	482,000,000.00
Land and costs of project under construction	3.5, 6.1	11,469,208,470.72	6,645,325,759.63	10,206,523,805.41	5,268,756,814.21
Inventories - finished goods	3.6, 7	5,495,630,391.23	8,510,523,146.16	5,035,089,411.19	7,948,171,149.24
Total current assets		17,960,431,063.06	16,002,905,956.45	16,359,621,109.29	14,306,048,099.30
Non-current assets					
Investments in subsidiaries and associates	3.7, 8.3	-	-	510,285,537.15	476,034,837.15
Other long-term investments	3.8, 9	28,430,000.00	22,951,000.00	28,430,000.00	22,951,000.00
Land and costs of project held for development	3.9, 6.2	932,575,827.88	498,356,603.51	898,170,736.51	463,951,512.14
Investment properties	3.11, 10	1,254,645,242.22	1,226,862,775.25	1,317,175,641.80	1,278,602,374.93
Property, plant and equipment	3.12, 11	252,384,309.52	254,785,707.75	115,663,138.62	128,657,241.10
Goodwill	3.13, 8.3	32,763,266.27	-	-	-
Other intangible assets	3.14, 12	19,780,503.31	24,742,567.63	15,791,945.39	20,370,531.34
Leasehold rights	3.10, 13	191,419,901.99	198,284,323.61	191,419,901.99	198,284,323.61
Deferred tax assets	3.17, 14	135,941,553.79	148,787,241.72	100,356,917.56	116,760,194.78
Other non-current assets					
Income tax deducted at source		39,880,075.21	42,575,197.78	-	-
Others		158,474,774.10	137,665,560.01	101,969,040.33	121,757,772.20
Total non-current assets		3,046,295,454.29	2,555,010,977.26	3,279,262,859.35	2,827,369,787.25
TOTAL ASSETS		21,006,726,517.35	18,557,916,933.71	19,638,883,968.64	17,133,417,886.55
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Bank overdrafts and short-term borrowings from financial institutions	15	4,073,959,488.11	2,575,925,902.63	3,603,102,988.11	1,896,635,689.63
Trade and other current payables	16	1,780,375,620.56	1,257,909,262.05	1,606,232,700.15	1,129,046,893.36
Current portion of long-term borrowings and financial lease liabilities	17	395,308,009.60	607,327,025.84	394,694,410.10	607,142,273.09
Current income tax payable		90,250,156.87	98,372,281.73	79,653,084.07	89,289,247.40
Total current liabilities		6,339,893,275.14	4,539,534,472.25	5,683,683,182.43	3,722,114,103.48

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (Cont'd) AS AT DECEMBER 31, 2017

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)					
Non-current liabilities					
Unearned rental income	18	285,506,740.48	196,038,887.68	285,506,740.48	196,038,887.68
Financial lease liabilities	3.16, 19	8,858,689.70	12,728,552.59	8,015,947.93	12,389,189.10
Long-term borrowings	20	34,658,040.00	112,781,000.00	-	
Debentures	21	1,610,000,000.00	1,000,000,000.00	1,610,000,000.00	1,000,000,000.00
Non-current provisions for employee benefit	3.21.2, 22	252,443,034.00	231,618,264.00	81,276,633.00	76,466,355.00
Other non-current liabilities					
Rental and service deposit		25,753,825.84	19,223,060.11	25,431,421.84	18,890,929.27
Others		35,804,188.24	35,358,035.40	26,345,072.26	25,322,674.87
Total non-current liabilities		2,253,024,518.26	1,607,747,799.78	2,036,575,815.51	1,329,108,035.92
Total liabilities		8,592,917,793.40	6,147,282,272.03	7,720,258,997.94	5,051,222,139.40
Shareholders' equity					
Share capital					
Authorized share capital					
1,475,698,768 ordinary shares at Baht 1.00 each		1,475,698,768.00	1,475,698,768.00	1,475,698,768.00	1,475,698,768.00
Issued and fully paid-up share capital					
1,475,698,768 ordinary shares at Baht 1.00 each		1,475,698,768.00	1,475,698,768.00	1,475,698,768.00	1,475,698,768.00
Share premium		441,807,166.00	441,807,166.00	441,807,166.00	441,807,166.00
Share premium on treasury shares		39,061,748.24	39,061,748.24	39,061,748.24	39,061,748.24
Gains (losses) on changes in shareholding proportion in subsidiaries	8.3	15,461,429.47	-	-	-
Retained earnings					
Appropriated					
Legal reserve	26	148,000,000.00	148,000,000.00	148,000,000.00	148,000,000.00
Unappropriated		10,259,182,960.68	10,303,606,004.92	9,807,313,288.46	9,975,267,264.91
Other components of shareholders' equity					
Gains (losses) on remeasuring investments held as available-for-sale		6,744,000.00	2,360,800.00	6,744,000.00	2,360,800.00
Total owners of the Company		12,385,956,072.39	12,410,534,487.16	11,918,624,970.70	12,082,195,747.15
Non-controlling interests		27,852,651.56	100,174.52	-	-
Total shareholders' equity		12,413,808,723.95	12,410,634,661.68	11,918,624,970.70	12,082,195,747.15
Total liabilities and shareholders' equity		21,006,726,517.35	18,557,916,933.71	19,638,883,968.64	17,133,417,886.55

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2017	2016	2017	2016
Revenues from sales and services					
Sales		8,719,766,495.35	13,855,405,630.98	7,685,090,618.39	13,009,705,979.70
Rental and service business income		108,448,289.65	73,246,615.14	111,626,953.63	76,583,395.00
Management business income		784,637,288.13	672,868,604.92	-	-
Total revenues from sales and services		9,612,852,073.13	14,601,520,851.04	7,796,717,572.02	13,086,289,374.70
Cost of sales and services					
Cost of sales		(6,238,948,669.05)	(9,519,401,490.98)	(5,603,659,528.27)	(9,051,281,101.04)
Cost of rental and service business		(75,629,407.95)	(50,292,797.41)	(92,624,603.00)	(57,303,536.24)
Cost of management business		(520,869,975.45)	(471,334,677.48)	-	-
Total cost of sales and services		(6,835,448,052.45)	(10,041,028,965.87)	(5,696,284,131.27)	(9,108,584,637.28)
Gross profit		2,777,404,020.68	4,560,491,885.17	2,100,433,440.75	3,977,704,737.42
Other income					
Interest income		7,398,988.69	6,927,704.80	21,848,970.82	17,562,080.21
Dividend received		-	-	8,989,200.00	-
Contract changing income		28,018,439.41	24,512,186.83	27,751,073.41	24,320,498.83
Fines income from breach of land trading agreement		-	14,855,478.60	-	14,855,478.60
Gain on sales of investments		-	-	22,450,000.00	-
Others		6,869,405.74	2,819,177.55	6,655,005.24	2,814,288.60
Total other income		42,286,833.84	49,114,547.78	87,694,249.47	59,552,346.24
Selling expenses		(571,121,224.81)	(842,173,081.66)	(497,155,749.70)	(894,739,884.23)
Administrative expenses		(790,311,833.46)	(929,003,162.85)	(428,193,596.39)	(527,933,399.27)
Management benefit expenses		(80,139,033.15)	(79,297,574.18)	(43,996,292.56)	(46,969,612.49)
Directors' remuneration		(16,007,347.00)	(16,532,347.00)	(16,007,347.00)	(16,532,347.00)
Finance costs		(2,734,866.75)	(5,731,096.25)	(927,207.85)	(1,940,183.39)
Share of profit (loss) of associates		(261,749.91)	-	-	-
Profit before income tax expense		1,359,114,799.44	2,736,869,171.01	1,201,847,496.72	2,549,141,657.28
Tax expense	3.17, 14	(300,021,046.17)	(560,573,985.84)	(263,060,082.17)	(524,956,225.23)
Profit for the year		1,059,093,753.27	2,176,295,185.17	938,787,414.55	2,024,185,432.05

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (Cont'd)
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2017	2016	2017	2016
Other comprehensive income					
Components of other comprehensive income that will be reclassified to profit or loss					
Gains (losses) on remeasuring investments held as available-for-sale		4,383,200.00	3,061,000.00	4,383,200.00	3,061,000.00
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains (loss) on remeasurements of defined benefit plans		-	(21,889,501.60)	-	(4,144,644.00)
Other comprehensive income (expense) for the year, net of tax		1,063,476,953.27	2,157,466,683.57	943,170,614.55	2,023,101,788.05
Total comprehensive income for the year		1,063,476,953.27	2,157,466,683.57	943,170,614.55	2,023,101,788.05
Attributable to					
Owners of the Company		1,062,318,346.76	2,176,226,055.70	938,787,414.55	2,024,185,432.05
Non-controlling interests		(3,224,593.49)	69,129.47	-	-
		1,059,093,753.27	2,176,295,185.17	938,787,414.55	2,024,185,432.05
Total comprehensive income attributable to					
Owners of the Company		1,066,701,546.76	2,157,416,715.32	943,170,614.55	2,023,101,788.05
Non-controlling interests		(3,224,593.49)	49,968.25	-	-
		1,063,476,953.27	2,157,466,683.57	943,170,614.55	2,023,101,788.05
Earnings per share					
Basic earnings per share	3.20	0.72	1.47	0.64	1.37
Weighted average number of ordinary shares (share)		1,475,698,768	1,475,698,768	1,475,698,768	1,475,698,768

(Please see notes to the financial statements which formed an integral part of these statements.)

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax	1,359,114,799.44	2,736,869,171.01	1,201,847,496.72	2,549,141,657.28
Adjustment to reconcile net profit to net cash receipt (disbursement) from operating activities				
Bad debt and (reversed) doubtful accounts	(510,677.61)	13,646,829.62	(510,677.61)	13,646,829.62
Depreciation of operating and investing assets, amortization of other intangible assets and leasehold rights	64,894,418.90	51,197,689.05	59,171,485.39	46,118,047.32
(Reversal) allowance for devaluation of inventory	-	(4,690,858.96)	-	-
Loss (Gain) on sales of assets	(4,315,091.71)	(2,386,633.84)	(4,315,091.71)	(2,410,329.24)
Loss on write off assets lost/donation	807,901.42	263,396.25	463,456.30	204,324.89
Non-current provisions for employee benefit	30,898,522.00	35,053,274.00	8,876,647.00	11,689,062.00
Interest expenses	2,734,866.75	5,731,096.25	927,207.85	1,940,183.39
Dividend received	-	-	(8,989,200.00)	-
Loss (Gain) on sales of investments	-	-	(22,450,000.00)	-
Share of other comprehensive income of associates	261,749.91	-	-	-
Profit from operation before changes in operating assets and liabilities	1,453,886,489.10	2,835,683,963.38	1,235,021,323.94	2,620,329,775.26
Operating assets (increase) decrease				
Trade and other current receivables	(214,304,128.33)	(92,425,439.46)	(198,092,585.97)	(86,845,081.98)
Trade and other current receivables-related parties	(724,931.50)	-	(724,832.50)	(653.00)
Land and costs of project under construction	(5,052,093,030.47)	4,286,410,835.02	(5,194,550,993.85)	4,557,251,487.70
Inventories	2,938,345,664.85	(2,992,471,102.18)	2,836,534,647.97	(2,685,006,779.15)
Deposits at bank with obligations	(34,666,537.52)	429,336.00	-	-
Other non-current assets	17,203,928.87	32,450,433.20	18,193,070.87	32,163,758.20
Operating assets (increase) decrease	(2,346,239,034.10)	1,234,394,062.58	(2,538,640,693.48)	1,817,562,731.77
Operating liabilities increase (decrease)				
Trade and other current payables	504,503,607.00	(1,115,328,091.27)	463,874,037.13	(1,109,691,566.34)
Trade and other current payables-related parties	-	-	735,760.84	1,587,853.35
Unearned rental income	92,905,638.03	202,800,765.78	92,905,638.03	202,800,765.78
Employee benefits paid	(10,073,752.00)	(9,437,621.00)	(4,066,369.00)	(2,366,726.00)
Other non-current liabilities	6,976,918.57	130,871.27	7,562,889.96	503,427.90
Operating liabilities increase (decrease)	594,312,411.60	(921,834,075.22)	561,011,956.96	(907,166,245.31)
Cash generated (paid) from operation	(298,040,133.40)	3,148,243,950.74	(742,607,412.58)	3,530,726,261.72
Interest paid	(198,071,567.46)	(143,096,426.95)	(167,628,544.98)	(114,633,525.56)
Income tax returned	18,579,425.68	-	-	-
Income tax paid	(310,409,388.07)	(795,172,004.67)	(257,388,768.28)	(752,759,999.39)
Net cash provided by (used in) operating activities	(787,941,663.25)	2,209,975,519.12	(1,167,624,725.84)	2,663,332,736.77

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (Cont'd) FOR THE YEAR ENDED DECEMBER 31, 2017

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Cash flows from investing activities				
Investment in bills of exchange	(336,559,596.29)	(167,493,176.85)	-	-
Proceeds from matured promissory notes and bills of exchange	257,287,413.16	137,228,310.28	-	-
Short-term loans to related parties, (increase) decrease	(86,000,000.00)	-	(58,000,000.00)	(432,000,000.00)
Investments in subsidiaries and associates	(250,000.00)	-	(55,750,700.00)	-
Proceeds from sales of investment	-	-	43,950,000.00	-
Dividend received	-	-	8,989,200.00	-
Leasehold rights	-	(168,858,833.98)	-	(168,858,833.98)
Payments for acquire of investment in subsidiaries	(38,234,103.88)	-	-	-
Acquire of investment properties	(6,232,503.55)	(5,594,315.86)	(6,232,503.55)	(5,594,315.86)
Acquire of fixed assets	(5,031,009.52)	(6,516,461.25)	(3,010,661.41)	(4,978,835.01)
Acquire of other intangible assets	(1,854,011.82)	(5,066,709.83)	(1,685,711.82)	(4,593,709.83)
Proceeds from sales of fixed assets	1,183,728.00	2,449,492.37	1,183,728.00	2,432,034.28
Proceeds from sales of investment properties	18,964,201.76	2,200,000.00	18,964,201.76	2,200,000.00
Net cash provided by (used in) investing activities	(196,725,882.14)	(211,651,695.12)	(51,592,447.02)	(611,393,660.40)
Cash flows from financing activities				
Proceeds from sales of investments	43,950,000.00	-	-	-
Proceeds from (Payments for) bank overdrafts	7,237,298.48	(22,740,595.24)	7,237,298.48	(22,740,595.24)
Proceeds from short-term borrowings from financial institutions	8,568,539,775.00	5,955,280,000.00	8,410,230,000.00	5,548,280,000.00
Repayments for short-term borrowings to financial institutions	(7,077,743,488.00)	(6,238,206,267.00)	(6,711,000,000.00)	(5,937,270,000.00)
Proceeds from long-term borrowings	368,369,842.00	673,924,000.00	217,000,000.00	362,470,000.00
Repayments for long-term borrowings	(446,492,802.00)	(1,947,802,200.00)	(217,000,000.00)	(1,612,470,000.00)
Proceeds from disposal of debentures	1,000,000,000.00	750,000,000.00	1,000,000,000.00	750,000,000.00
Repayments from disposal of debentures	(600,000,000.00)	-	(600,000,000.00)	-
Payments for financial lease liabilities	(9,691,890.14)	(7,725,282.82)	(8,949,073.86)	(7,537,245.60)
Share capital increase	2,499,300.00	-	-	-
Dividend paid	(1,106,752,191.00)	(1,328,080,231.20)	(1,106,741,391.00)	(1,328,080,231.20)
Net cash provided by (used in) financing activities	749,915,844.34	(2,165,350,576.26)	990,776,833.62	(2,247,348,072.04)
Net increase (decrease) in cash and cash equivalents	(234,751,701.05)	(167,026,752.26)	(228,440,339.24)	(195,408,995.67)
Cash and cash equivalents as at January 1	591,211,392.54	758,238,144.80	438,857,724.63	634,266,720.30
Cash and cash equivalents as at December 31	356,459,691.49	591,211,392.54	210,417,385.39	438,857,724.63

Supplemental disclosures of cash flows information see notes 28 to financial statements.

(Please see notes to the financial statements which formed an integral part of these statements.)



L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Consolidated financial statements

Owners of the Company					
	Note	Share capital	Share premium on ordinary shares	Share premium on treasury shares	Gains (losses) on changes in shareholding proportion in subsidiaries
Beginning balance as at January 1, 2016		1,475,698,768.00	441,807,166.00	39,061,748.24	-
Interim dividend paid	25.3	-	-	-	-
Dividend paid	25.4	-	-	-	-
Profit (loss) for the year		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Beginning balance as at December 31, 2016		1,475,698,768.00	441,807,166.00	39,061,748.24	-
Investment increase		-	-	-	-
Sales of investments in subsidiaries that do not result in losing control	8.3	-	-	-	15,461,429.47
Interim dividend paid	25.1	-	-	-	-
Dividend paid	25.2	-	-	-	-
Profit (loss) for the year		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Balance as at December 31, 2017		1,475,698,768.00	441,807,166.00	39,061,748.24	15,461,429.47

Separate financial statements

	Note	Share capital	Share premium on ordinary shares	Share premium on treasury shares
Beginning balance as at January 1, 2016		1,475,698,768.00	441,807,166.00	39,061,748.24
Interim dividend paid	25.3	-	-	-
Dividend paid	25.4	-	-	-
Profit (loss) for the year		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	-	-
Beginning balance as at December 31, 2016		1,475,698,768.00	441,807,166.00	39,061,748.24
Interim dividend paid	25.1	-	-	-
Dividend paid	25.2	-	-	-
Profit (loss) for the year		-	-	-
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	-	-
Balance as at December 31, 2017		1,475,698,768.00	441,807,166.00	39,061,748.24

(Please see notes to the financial statements which formed an integral part of these statements.)

(Baht)

Legal reserve	Unappropriated	Gains (losses) on remeasuring investments held as available-for-sale	Total	Non-controlling interests	Total
148,000,000.00	9,477,330,520.80	(700,200.00)	11,581,198,003.04	50,206.27	11,581,248,209.31
-	(442,690,310.40)	-	(442,690,310.40)	-	(442,690,310.40)
-	(885,389,920.80)	-	(885,389,920.80)	-	(885,389,920.80)
-	2,176,226,055.70	-	2,176,226,055.70	69,129.47	2,176,295,185.17
-	(21,870,340.38)	3,061,000.00	(18,809,340.38)	(19,161.22)	(18,828,501.60)
-	2,154,355,715.32	3,061,000.00	2,157,416,715.32	49,968.25	2,157,466,683.57
148,000,000.00	10,303,606,004.92	2,360,800.00	12,410,534,487.16	100,174.52	12,410,634,661.68
-	-	-	-	30,987,870.53	30,987,870.53
-	-	-	15,461,429.47	(10,800.00)	15,450,629.47
-	(221,348,830.20)	-	(221,348,830.20)	-	(221,348,830.20)
-	(885,392,560.80)	-	(885,392,560.80)	-	(885,392,560.80)
-	1,062,318,346.76	-	1,062,318,346.76	(3,224,593.49)	1,059,093,753.27
-	-	4,383,200.00	4,383,200.00	-	4,383,200.00
-	1,062,318,346.76	4,383,200.00	1,066,701,546.76	(3,224,593.49)	1,063,476,953.27
148,000,000.00	10,259,182,960.68	6,744,000.00	12,385,956,072.39	27,852,651.56	12,413,808,723.95

(Baht)

Legal reserve	Unappropriated	Gains (losses) on remeasuring investments held as available-for-sale	Total
148,000,000.00	9,283,306,708.06	(700,200.00)	11,387,174,190.30
-	(442,690,310.40)	-	(442,690,310.40)
-	(885,389,920.80)	-	(885,389,920.80)
-	2,024,185,432.05	-	2,024,185,432.05
-	(4,144,644.00)	3,061,000.00	(1,083,644.00)
-	2,020,040,788.05	3,061,000.00	2,023,101,788.05
148,000,000.00	9,975,267,264.91	2,360,800.00	12,082,195,747.15
-	(221,348,830.20)	-	(221,348,830.20)
-	(885,392,560.80)	-	(885,392,560.80)
-	938,787,414.55	-	938,787,414.55
-	-	4,383,200.00	4,383,200.00
-	938,787,414.55	4,383,200.00	943,170,614.55
148,000,000.00	9,807,313,288.46	6,744,000.00	11,918,624,970.70

NOTES TO FINANCIAL STATEMENTS

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

1. Company's operation

L.P.N. Development Public Company Limited has been listed in the Stock Exchange of Thailand since on June 21, 1994. Type of business is Real Estate. The Company's location is 1168/109, 36th Floor, Lumpini Tower, Rama IV Rd., Tungmahamek, Sathorn, Bangkok.

2. Basis of preparation and presentation of the financial statements

2.1 Financial statements preparation basis

The Group's financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP) and the regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001 regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding the condensed form should be included in the financial statements (No.2) B.E. 2559 dated October 11, 2016. The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 The consolidated financial statements for the year ended December 31, 2017 and 2016 consist of the financial statements of L.P.N. Development Public Company Limited and its subsidiaries. The Company held in its subsidiaries shares capital as follows:-

	Percentage		Type of	Relationship
	2107	2016	business	
Subsidiaries				
Pornsanti Co., Ltd.	99.99	99.99	Real Estate	Subsidiary, Shareholding/Command by director
Lumpini Property Management Co., Ltd.	99.99	99.88	Service	Subsidiary, Shareholding/Command by director
Lumpini Project Management Services Co., Ltd.	52.00	99.93	Service	Subsidiary, Shareholding/Command by director
Lumpini Property Service & Care Co., Ltd.	99.95	99.95	Service	Subsidiary, Shareholding/Command by director
Lumpini Wisdom and Solution Co., Ltd.	52.00	-	Service	Subsidiary (held by Lumpini Project Management Services Co., Ltd. at 100%)
Associate				
Kamala Senior Living Co., Ltd.	25.00	-	Service	Associate

Business combinations

The Company applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fairvalue of any contingent consideration.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. Changes in the Company's ownership interests in subsidiaries that do not result the Company losing control over the subsidiaries are accounted for as equity transactions.

Interests in equity-accounted investees

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Loss on control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.3 Transaction with related companies

Inter-company transactions have been eliminated in the consolidated financial statements.

2.4 The consolidated financial statements have been presented the consolidated financial position and results of operations of L.P.N. Development Public Company Limited and its subsidiaries. The usefulness of transaction of consolidated financial statements for other purposes may be limited due to the difference business of those consolidated companies.

2.5 Measurement of fair values

A number of the Company and subsidiaries' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company and subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuation should be classified.

Significant valuation issues are reported to the Company and subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Company and subsidiaries use market observable data as fair as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows :

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company and subsidiaries recognized transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes :

- Notes to financial statements No. 3.8 and 9 Available-for-sale investments
- Notes to financial statements No. 10 Investment Property
- Notes to financial statements No. 27 Financial instruments

2.6 Issued and revised financial reporting standards adoption during the 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 January 1, 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.

2.7 Financial reporting standards in issue and revise which are effective in the future

The Company has not adopted the following new and revised financial reporting standards that have been issued as at the reporting date but are not yet effective. The new and revised financial reporting standards are expected to become effective for annual financial statements period beginning on or after January 1, 2018 as following :

Thai Accounting Standards

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events After the Reporting Period
TAS 11 (Revised 2017)	Construction Contracts
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Venture
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property
TAS 41 (Revised 2017)	Agriculture

Thai Financial Reporting Standards

TFRS 2	(Revised 2017)	Share-Based Payments
TFRS 3	(Revised 2017)	Business Combinations
TFRS 4	(Revised 2017)	Insurance Contracts
TFRS 5	(Revised 2017)	Non-Current Assets Held for Sale and Discontinued Operations
TFRS 6	(Revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8	(Revised 2017)	Operating Segments
TFRS 10	(Revised 2017)	Consolidated Financial Statements
TFRS 11	(Revised 2017)	Joint Arrangements
TFRS 12	(Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13	(Revised 2017)	Fair Value Measurement

Thai Standing Interpretations Committee

TSIC 10	(Revised 2017)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15	(Revised 2017)	Operating Leases-Incentives
TSIC 25	(Revised 2017)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27	(Revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	(Revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31	(Revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32	(Revised 2017)	Intangible Assets-Web Site Costs

Thai Financial Reporting Interpretations Committee

TFRIC 1	(Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	(Revised 2017)	Determining Whether an Arrangement Contains a Lease
TFRIC 5	(Revised 2017)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	(Revised 2017)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10	(Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12	(Revised 2017)	Service Concession Arrangements
TFRIC 13	(Revised 2017)	Customer Loyalty Programmers
TFRIC 14	(Revised 2017)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 (Revised 2015) Employee Benefits
TFRIC 15	(Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17	(Revised 2017)	Distributions of Non-Cash Assets to Owners
TFRIC 18	(Revised 2017)	Transfers of Assets from Customers
TFRIC 20	(Revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	(Revised 2017)	Levies

The Company has no plan to adopt those financial reporting standards earlier than application date and expects that they will have no material impacts on the financial statements in the period of initial application.

3. Summary of Significant Accounting Policies

3.1 Income and expenses recognition

- Revenues from sales of inventory (condominium and land and house) are recognized as income when the significant risk and rewards of ownership have been transferred to the buyer that the Company retains neither continuing managerial involvement nor effective control over the inventory sold. The recognized amount and cost incurred in respect of the transaction can be measured reliably.
- Revenues from sub-lease of operating lease are recognized as income on over the lease term.
- Rental and services income relating to investment properties are recognized on an accrual basis.
- Revenue from services are recognized as income when the services are rendered.
- Other income and expenses are recognized on an accrual basis.
- Cost of sales of land and house, and condominium residence are calculated on area and selling price basis.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, and investment in bills of exchange which the maturity is less than 3 months and are not subject to restriction on withdrawal.

3.3 Current investment

Investments in bills of exchange issued by the financial institution which the remaining period over 3 months but less than 1 year or held to maturity within 3 months but intended to held in the original type, are stated at cost.

3.4 Trade and other current receivables

Trade and other current receivables are stated at the invoice amount less allowance for doubtful accounts.

The Company provides the allowance for doubtful accounts equal to the estimated uncollectibility receivables based on the historical collection experience.

3.5 Land and costs of project under construction

Land and cost of project under development are shown by the lower of specific method or net realizable value. The project cost consists of cost of land, development cost, construction cost, directly related expenses of the project and interest expenses. Interest expenses will be stopped to recognize as cost whenever the construction project have been completed or ceased.

3.6 Inventories

Inventories consist of completed condominium, land and house which have not been transferred to the buyer are valued at the lower of cost by using specific method or net realizable value.

3.7 Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements are stated at cost less provision for impairment (if any) and investments in associates in the consolidated financial statements are stated by equity method.

3.8 Other long-term investments

Long-term investments are investments in Equity Mutual Fund which the Company held as available-for-sale securities, are stated at fair value. Difference of cost and fair value as at the financial statements date is presented as gain or loss on investment recognition in statements of other comprehensive income.

3.9 Land and cost of project held for development is land and cost of project held for future development, is stated at cost less provision for impairment (if any). Cost consist of land and other related expenses for acquisition of land and cost of project including borrowing cost incurred from development and is derecognized when the development is ceased.

3.10 Leasehold rights

Leasehold rights is amortized on a straight-line basis over the period of the lease for 30 years.

3.11 Investment properties/depreciation

Investment properties are properties held to earn rental or for capital appreciation or both, is measured at cost less accumulated depreciation and provision for impairment (if any).

Cost is included the estimated costs of dismantlement, removal the item and restoration the site on which it is located, the obligations for which the Company incurs. The residual value and the useful life of an asset is required to review at least at the financial year-end. Depreciation is calculated on a straight-line basis at the rate as follows:

Number of years	
Condominium (Office building and residence) and car parking	40
Office decoration and equipment	5-10

3.12 Property, plants and equipment/depreciation

- Lands are valued at cost.
- Building and equipment are stated at cost less accumulated depreciation and provision for impairment (if any).
- Cost is included the estimated costs of dismantlement, removal the item and restoration the site on which it is located, the obligations for which the Company incurs. The residual value and the useful life of an asset is required to review at least at the financial year-end.
- Depreciation is calculated on a straight-line basis at the rate as follows:

Number of years	
Condominium and office building	40
Office decoration and equipment	10
Computer	5
Vehicles	5

3.13 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognized as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

3.14 Other intangible assets

Intangible assets are carried at cost less accumulated amortization and provision for accumulated impairment of such assets (if any). The Company and subsidiaries amortized intangible assets with finite useful lives, over which economic useful lives of those assets and will determine whether there is any indication that those assets have suffered an impairment. The estimated useful lives and amortization method are reviewed at the end of each reporting period. Amortization is recognized as expenses in part of profit or loss. Intangible assets are measured at cost and amortized on a straight-line basis over their estimated useful lives as follows :

Number of years	
Computer software	5

3.15 Impairment of assets

The Company has assessed the impairment of investment properties, investing capital, land and cost of undevelopment projects and intangible assets whenever events or changes indicate that the carrying amount of assets exceeds its recoverable value. The impairment loss will be recognized in statements of comprehensive income. The Company will reverse the impairment loss whenever there is no longer impairment or reduction in impairment.

Recoverable value of asset is either the net selling price or value from utilization of that asset, whichever is higher. The impairment will be estimated from each item of assets or each asset unit generating cash flow, whichever is practical.

3.16 Financial lease liabilities

The Company records assets under financial lease as assets and liabilities in the statements of financial position in an amount equal to the fair value of the lease assets at the inception of the agreement. Interest expenses are recorded to each period over the term of agreement based on the outstanding balance of the financial lease liabilities during each period.

3.17 Income tax expenses

Income tax expenses for the accounting period comprises current tax and deferred tax.

- Current tax

The Company and subsidiaries recorded income tax to be paid in each period as expenses in that period and calculated income tax in conditions as prescribed by the Revenue Code.

- Deferred tax

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 utilized. Deferred tax is recognized directly to shareholders' equity, except to the extent that it relates to items recognized directly in equity.

3.18 Accounting estimates

Preparation of financial statements in conformity with Thai Financial Reporting Standards require the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

The estimates and assumptions may have a risk of causing an adjustment to the assets in the next financial year related to provisions for employee benefits which is estimated by the actuary based on actuarial method and certified by the management at the statement of financial position date. It is probable that the estimates may have uncertain since the project's nature is to be long-term (note 3.21.2). Other estimates are further described in the corresponding disclosures.

3.19 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

3.20 Earnings per share

Earnings per share as presented in the statements of comprehensive income is the basic earnings per share which is determined by dividing net profit (loss) for the period by the weighted average number of ordinary shares held by shareholders during the year.

3.21 Provident fund and employee benefits

- Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

- Employee benefits

The Company and subsidiaries provide for post employment benefits, payable to employees under the Thai Labor Law. The present value of employee benefit liabilities recognized in the statements of financial position is estimated on an actuarial basis using Projected Unit Credit Method. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary increment, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Company and subsidiaries determine the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Company and subsidiaries consider the market yield based on Thai government bonds with currency and term similar to the estimated term of benefit obligation.

4. 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 in the financial statements and disclosures in notes to financial statements; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

4.1 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

4.2 Investment properties/property, plant and equipment/depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

4.3 Post-employment benefits under defined benefit plans

The obligations under the defined benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5. Trade and other current receivables

As at December 31, 2017 and 2016 comprise

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
5.1 Trade accounts receivable-related parties (see note 8.1)				
Trade accounts receivable-related parties	724,931.50	-	10,315,375.50	9,590,543.00
Trade accounts receivable-related parties-net	724,931.50	-	10,315,375.50	9,590,543.00
5.2 Other current receivables				
Deposit of goods	72,850,000.00	92,826,000.00	72,850,000.00	92,826,000.00
Advance payment to contractor	4,882,176.16	-	520,012.50	-
Accrued income	73,286,284.74	58,813,613.24	133,809.58	5,602.50
Advance payment	22,630,792.08	11,733,281.86	20,479,725.58	9,545,669.33
Prepaid expenses	250,873,410.55	44,350,532.17	250,261,904.97	43,342,528.71
Leasehold right due within 1 year (note 14)	6,843,734.31	6,843,734.31	6,843,734.31	6,843,734.31
Others	11,741,650.49	12,764,750.32	6,185,944.86	7,633,683.72
Total other receivables	443,108,048.33	227,331,911.90	357,275,131.80	160,197,218.57
(Less) Allowance for doubtful accounts	(225,770.00)	(1,751,120.35)	-	(1,525,350.35)
Other receivables - net	442,882,278.33	225,580,791.55	357,275,131.80	158,671,868.22
Total trade and other receivables - net	443,607,209.83	225,580,791.55	367,590,507.30	168,262,411.22

6. Land and cost of project under construction, and land and cost of project held for development

6.1 Land and cost of project under construction as at December 31, 2017 and 2016 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Land	7,531,119,342.46	4,488,949,965.92	6,594,208,882.47	3,326,619,671.24
Cost of construction and design	3,499,110,217.88	1,897,380,868.44	3,250,174,331.51	1,745,790,548.83
Other expenses	146,270,433.47	91,746,118.37	135,534,400.02	83,271,623.07
Interest expenses	292,708,476.92	167,248,806.89	226,606,191.41	113,074,971.07
Total	11,469,208,470.72	6,645,325,759.63	10,206,523,805.41	5,268,756,814.21

- As at December 31, 2017 and 2016, the remaining project in progress are twenty-one projects (Separate : fifteen projects) and twenty-three projects (Separate : thirteen projects) respectively.
- As at December 31, 2017 and 2016, part of land and cost of project under construction amounted to Baht 6,740.67 million (Separate : Baht 5,477.99 million) and Baht 3,708.38 million (Separate : Baht 2,893.42 million) respectively were mortgaged as collateral as stated in notes to financial statements No. 23.
- As at December 31, 2017 and 2016, interests were capitalized as cost of project for the amount of Baht 206.21 million (Separate : Baht 175.84 million) and Baht 166.04 million (Separate : Baht 128.73 million) respectively.
- As at December 31, 2016, the Company has transferred land held for development amount of Baht 103.69 million to develop as condominium building residence.
- As at December 31, 2017, the Company has transferred land and cost of project under construction amount of Baht 434.22 million to land 'held for development.

6.2 Land and cost of project held for development as at December 31, 2017 and 2016 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Land	1,180,082,873.19	797,210,618.93	1,159,332,641.23	776,460,386.97
Cost of construction and design	118,940,892.63	90,595,352.32	107,597,417.89	79,251,877.58
Other expenses	8,626,502.64	1,419,706.50	7,279,646.14	72,850.00
Interest expenses	16,759,161.83	964,528.17	15,794,633.66	-
Total	1,324,409,430.29	890,190,205.92	1,290,004,338.92	855,785,114.55
Less Provision for impairment of assets	(391,833,602.41)	(391,833,602.41)	(391,833,602.41)	(391,833,602.41)
Cost of project held for development-net	932,575,827.88	498,356,603.51	898,170,736.51	463,951,512.14

- As at December 31, 2017 and 2016, the Company has mortgaged parts of land held for development amount of Baht 309.89 million (Separate : Baht 275.48 million) and Baht 204.90 million (Separate : Baht 170.49 million) respectively as collateral as stated in notes to financial statements No. 23.
- As at December 31, 2016, the Company has transferred land held for development amount of Baht 103.69 million to develop as condominium building residence.
- As at December 31, 2017, the Company has transferred land and cost of project under construction amount of Baht 434.22 million to land 'held for development.

7. Inventories – finished goods

As at December 31, 2017 and 2016 comprise :-

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Condominium residence	5,035,089,411.19	7,948,171,149.24	5,035,089,411.19	7,948,171,149.24
Townhome	462,036,911.58	563,847,928.46	-	-
Total inventories	5,497,126,322.77	8,512,019,077.70	5,035,089,411.19	7,948,171,149.24
(Less) Allowance for devaluation	(1,495,931.54)	(1,495,931.54)	-	-
Total inventories – net	5,495,630,391.23	8,510,523,146.16	5,035,089,411.19	7,948,171,149.24

- In the year of 2017 and in 2016, the Company has transferred inventories-finished goods amount of Baht 76.55 million and Baht 76.02 million respectively to be investment properties as stated in notes to financial statements No. 10.
- As at December 31, 2017 and 2016, inventories-finished goods amount of Baht 918.91 million (Separate : Baht 875.24 million) and Baht 1,216.27 million (Separate : Baht 1,162.01 million) respectively were entered into agreement to buy and to sell for which the ownership were not transferred.
- As at December 31, 2017 and 2016, inventories-finished goods amount of Baht 327.81 million and Baht 875.89 million (Separate : Baht 419.48 million) respectively were mortgaged as collateral as stated in notes to financial statements No. 23.

8. Transaction with related companies

Company	Relationship	Description	Pricing policy
1. Pornsanti Co., Ltd.	A	<ul style="list-style-type: none"> - Lease of office building provided by subsidiary (shown as administrative expenses) - Lease of office building provided to subsidiary (shown as rent and service business income) - Loan providing to subsidiary (shown as short-term loans to related party) - Assets for rent system management services rendered by subsidiary (shown as cost of rent and services business) 	<ul style="list-style-type: none"> At the price in agreement on the market price basis At the price in agreement on the market price basis Promissory notes due at call, interest rate of 3.52 - 3.60% per annum Collect service fee indicated in agreement on the market price basis
2. Lumpini Property Management Co., Ltd.	A	<ul style="list-style-type: none"> - Lease of office building provided to subsidiary (shown as rent and service business income) - Assets for rent system management services, system design -condominium management provided by subsidiary (shown as cost of real estate development and cost of rent and services business) 	<ul style="list-style-type: none"> At the price in agreement on the market price basis Collect service fee indicated in agreement on the market price basis
3. Lumpini Project Management Services Co., Ltd.	A	<ul style="list-style-type: none"> - Lease of office building provided to subsidiary (shown as rent and service business income) - Construction management services provided by subsidiary (shown as cost of real estate development) 	<ul style="list-style-type: none"> At the price in agreement on the market price basis Collect service fee indicated in agreement on the market price basis

A = Subsidiary of the Company

Company	Relationship	Description	Pricing policy
4. Lumpini Property Service & Care Co., Ltd.	A	<ul style="list-style-type: none"> - Lease of office building provided to subsidiary (shown as rent and service business income) - Provide cleaning services, receptionist services and securities services provided by subsidiary (shown as cost of real estate development expenses, cost of rent and service business and administrative expenses) - Provide financial supporting for the use in social operating to subsidiary (shown as administrative expenses) 	<ul style="list-style-type: none"> At the price in agreement on the market price basis Collect service fee indicated in agreement on the market price basis Financial supporting for the use in social operating based on necessary requirement
5. Lumpini Wisdom And Solution Co., Ltd.	A	<ul style="list-style-type: none"> - Provide advisory services and management for project development (shown as cost of real estate development) 	At the price in agreement on the market price basis
6 Kamala Senior Living Co., Ltd.	B	<ul style="list-style-type: none"> - Loan providing to subsidiary (shown as short-term loans to related party) 	Promissory notes due at call, interest rate of 5% per annum

A = Subsidiary of the Company

B = Associate of the Company

8.1 Related party receivables

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Pornsanti Co., Ltd.	-	-	29.00	-
Lumpini Property Management Co., Ltd.	-	-	8,214,846.00	8,214,846.00
Lumpini Project Management Services Co., Ltd.	-	-	1,375,569.00	1,375,697.00
Kamala Senior Living Co., Ltd.	724,931.50	-	724,931.50	-
Total	724,931.50	-	10,315,375.50	9,590,543.00

8.2 Short-term loans to related parties

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Pornsanti Co., Ltd.	-	-	454,000,000.00	482,000,000.00
Kamala Senior Living Co., Ltd.	86,000,000.00	-	86,000,000.00	-
Less Share of profit(loss) associates	(11,749.91)	-	-	-
Total	85,988,250.09	-	540,000,000.00	482,000,000.00

8.3 Investment in subsidiaries and associate

	Consolidated financial statements (Baht)				Share of profit (loss) 2017 and 2016
	Percentage of shareholding		Cost method		
	2017	2016	2017	2016	
Associate					
Kamala Senior Living Co., Ltd.	25	-	-	-	(261,749.91)
Total			-	-	(261,749.91)

	Separate financial statements (Baht)				Dividend 2017 and 2016
	Percentage of shareholding		Cost method		
	2017	2016	2017	2016	
Subsidiaries					
Pornsanti Co., Ltd.	99.99	99.99	473,037,237.15	473,037,237.15	-
Lumpini Property Management Co., Ltd.	99.99	99.88	9,998,800.00	998,800.00	8,989,200.00
Lumpini Project Management Services Co., Ltd. (and shareholder indirectly in subsidiary, Lumpini Wisdom and Solution Co., Ltd. at 100%)	52.00	99.93	26,000,000.00	999,300.00	-
Lumpini Property Service & Care Co., Ltd.	99.95	99.95	999,500.00	999,500.00	-
Associate					
Kamala Senior Living Co., Ltd.	25.00	-	250,000.00	-	-
Total			510,285,537.15	476,034,837.15	8,989,200.00

On March 7, 2017, a subsidiary has increased share capital in the amount of Baht 49 million from Baht 1 million to Baht 50 million. The Company has additionally acquired such investment amount of Baht 46.50 million in the proportion of 95% of the share capital. Subsequent on May 30, 2017, the Company has sold investment in such subsidiary amount of Baht 21.50 million, remaining investment amount of Baht 26.00 million. As a result, the new investment proportion is 52% that do not result in losing control of the Company as detailed following:

	Consolidated financial statement		Separate financial statements	
	2017	2016	2017	2016
Proceeds from sales of investments in subsidiaries	43,950,000.00	-	43,950,000.00	-
Less : Cost of investments in subsidiaries	-	-	(21,500,000.00)	-
Proceeds from sales of investments in subsidiaries / gain on sales of investments in subsidiaries	43,950,000.00	-	22,450,000.00	-
Less : Non-controlling interests of subsidiaries	(28,488,570.53)	-	-	-
Gains (losses) on changes on shareholding proportion in subsidiaries / gain on sales of investments in subsidiaries	15,461,429.47	-	22,450,000.00	-

On June 14, 2017, the Company has additional investment in Lumpini Property Management Co., Ltd., a subsidiary for another Baht 9 million from Baht 0.99 million to Baht 9.99 million, as a result, the percentage of investment increased to 99.99% from 99.88%.

On July 12, 2017, the Company has established a Joint-Stock Company in the name Kamala Senior Living Co., Ltd., an associate of the Company with the initial registered capital in the amount of Baht 1 million comprise 100,000 ordinary shares of Baht 10 each. The Company has shareholding proportion in 25% of its registered share capital. The objective of this company is to develop and manage residential project for senior citizen. As at December 31, 2017, the Company recorded such investment by using equity method in consolidated financial statements amount of Baht (0.01) million.

On September 22, 2017, Lumpini Project Management Service Co., Ltd., a subsidiary of the Company to acquire the business of Lumpini Wisdom and Solution Co., Ltd. in proportion of 100%. Such company engaged in business of construction consulting and management. Thus, the objective of acquisition is to expand business base. Lumpini Project Management Service Co., Ltd. has made payment for business acquisition amount of Baht 40 million which had the acquisition price exceed than fair value of assets at the acquisition date amount of Baht 32.76 million, presented as goodwill in consolidated financial statements.

8.4 Related party payables

	Separate financial statements (Baht)	
	2017	2016
Pornsanti Co., Ltd.	1,043,786.80	3,186,991.84
Lumpini Property Management Co., Ltd.	10,906,906.39	9,606,380.28
Lumpini Project Management Services Co., Ltd.	56,062.06	33,906.54
Lumpini Property Service & Care Co., Ltd.	2,245,495.61	1,866,211.36
Lumpini Wisdom And Sololution Co.,Ltd.	1,177,000.00	-
Total	15,429,250.86	14,693,490.02

8.5 Transaction with related parties

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Revenues from rental and service business				
Pornsanti Co., Ltd.	-	-	18,000.00	18,000.00
Lumpini Property Management Co., Ltd.	-	-	3,406,691.40	3,570,132.00
Lumpini Project Management Services Co., Ltd.	-	-	1,279,421.89	1,362,046.70
Lumpini Property Service & Care Co., Ltd.	-	-	220,680.00	220,680.00
Total	-	-	4,924,793.29	5,170,858.70
Revenues from interest income				
Pornsanti Co., Ltd.	-	-	17,171,967.60	12,512,883.91
Lumpini Property Service & Care Co., Ltd.	-	-	-	38,756.28
Total	-	-	17,171,967.60	12,551,640.19
Cost of real estate development				
Lumpini Property Management Co., Ltd.	-	-	12,003,627.10	16,414,078.50
Lumpini Project Management Services Co., Ltd.	-	-	111,962,082.45	125,140,321.73
Lumpini Property Service & Care Co., Ltd.	-	-	7,439,459.36	15,630,113.61
Lumpini Wisdom And Sololution Co.,Ltd.	-	-	3,300,000.00	-
Total	-	-	134,705,168.91	157,184,513.84
Cost of rental and service business				
Pornsanti Co., Ltd.	-	-	11,261,607.74	5,573,715.00
Lumpini Property Management Co., Ltd.	-	-	7,268,287.31	4,103,541.09
Lumpini Property Service & Care Co., Ltd.	-	-	4,370,768.03	3,712,042.94
Total	-	-	22,900,663.08	13,389,299.03
Selling Expenses				
Lumpini Property Management Co., Ltd.lumpini	-	-	5,294,776.60	103,680,000.00
Property Service & Care Co., Ltd.	-	-	-	5,500.00
Total	-	-	5,294,776.60	103,685,500.00
Administrative expenses				
Pornsanti Co., Ltd.	-	-	4,440,000.00	4,440,000.00
Lumpini Property Management Co., Ltd.	-	-	-	10,737,870.08
Lumpini Property Service & Care Co., Ltd.	-	-	24,096,632.82	32,287,301.22
Total	-	-	28,536,632.82	47,465,171.30

9. Other long-term investments

	Consolidated and Separate financial statements (Baht)			
	2017		2016	
	Cost	Fair value	Cost	Fair value
Equity Mutual Fund	20,000,000.00	28,430,000.00	20,000,000.00	22,951,000.00
	20,000,000.00	28,430,000.00	20,000,000.00	22,951,000.00

Equity Mutual Fund is Tisco ESG Investment Fund for Society of which the Company must hold unit trust of this fund not less than five calendar years.

10. Investment properties

As at December 31, 2017 and 2016 are as follows :

	Consolidated financial statements (Baht)			
	Building in progress	Condominium building	Office decoration and equipment	Total
Cost:				
As at January 1, 2016	-	1,247,502,523.02	22,416,305.47	1,269,918,828.49
Acquisition	-	-	5,689,883.86	5,689,883.86
Disposal/write off	-	(2,015,498.00)	(2,426,582.31)	(4,442,080.31)
Others	-	70,039,101.87	4,531,172.31	74,570,274.18
As at December 31, 2016	-	1,315,526,126.89	30,210,779.33	1,345,736,906.22
Acquisition	1,580,415.80	-	1,813,083.46	3,393,499.26
Disposal/write off	-	(14,072,626.95)	(355,698.26)	(14,428,325.21)
Others	(1,580,415.80)	64,398,259.65	1,367,753.30	64,185,597.15
As at December 31, 2017	-	1,365,851,759.59	33,035,917.83	1,398,887,677.42
Accumulated depreciation:				
As at January 1, 2016	-	89,776,849.36	10,429,102.27	100,205,951.63
Depreciation for the year	-	18,963,480.12	2,430,031.82	21,393,511.94
Depreciation of disposal/write off	-	(298,777.41)	(2,426,555.19)	(2,725,332.60)
As at December 31, 2016	-	108,441,552.07	10,432,578.90	118,874,130.97
Depreciation for the year	-	23,244,249.88	2,738,617.31	25,982,867.19
Depreciation of disposal/write off	-	(576,198.49)	(38,364.47)	(614,562.96)
As at December 31, 2017	-	131,109,603.46	13,132,831.74	144,242,435.20
Net book value				
As at December 31, 2017	-	1,234,742,156.13	19,903,086.09	1,254,645,242.22
As at December 31, 2016	-	1,207,084,574.82	19,778,200.43	1,226,862,775.25
Depreciation for the year ended December 31, 2017				25,982,867.19
Depreciation for the year ended December 31, 2016				21,393,511.94

	Separate financial statements (Baht)			
	Building in progress	Condominium building	Office decoration and equipment	Total
Cost:				
As at January 1, 2016	-	1,300,247,657.12	27,572,630.85	1,327,820,287.97
Acquisition	-	-	5,854,753.86	5,854,753.86
Disposal/write off	-	(2,015,498.00)	-	(2,015,498.00)
Others	-	70,039,101.87	4,531,172.31	74,570,274.18
As at December 31, 2016	-	1,368,271,260.99	37,958,557.02	1,406,229,818.01
Acquisition	1,580,415.80	-	4,652,087.76	6,232,503.56
Disposal/write off	-	(14,072,626.96)	(355,698.26)	(14,428,325.22)
Others	(1,580,415.80)	76,547,090.08	1,367,753.30	76,334,427.58
As at December 31, 2017	-	1,430,745,724.11	43,622,699.82	1,474,368,423.93
Accumulated depreciation:				
As at January 1, 2016	-	93,218,490.94	11,216,242.57	104,434,733.51
Depreciation for the year	-	20,241,630.01	3,249,856.97	23,491,486.98
Depreciation of disposal/write off	-	(298,777.41)	-	(298,777.41)
As at December 31, 2016	-	113,161,343.54	14,466,099.54	127,627,443.08
Depreciation for the year	-	26,557,455.05	3,622,446.96	30,179,902.01
Depreciation of disposal/write off	-	(576,198.49)	(38,364.47)	(614,562.96)
As at December 31, 2017	-	139,142,600.10	18,050,182.03	157,192,782.13
Net book value				
As at December 31, 2017	-	1,291,603,124.01	25,572,517.79	1,317,175,641.80
As at December 31, 2016	-	1,255,109,917.45	23,492,457.48	1,278,602,374.93
Depreciation for the year ended December 31, 2017				30,179,902.01
Depreciation for the year ended December 31, 2016				23,491,486.98

In the year of 2017 and in 2016, the Company has transferred inventories amount of Baht 76.55 million and Baht 76.02 million respectively to be investment properties as stated in notes to financial statements No. 7.

In the year of 2016, the Company has transferred investment properties amount of Baht 5.98 million to be used as sub-branch of the Company as stated in notes to financial statements No. 11.

As at December 31, 2017 and 2016, investment properties amount of Baht 420.71 million (Separate : Baht 412.16 million) and Baht 229.56 million (Separate : Baht 220.66 million) respectively, were mortgaged as collateral as stated in notes to financial statements No. 23.

As at December 31, 2017 and 2016, the Company has investment properties which were fully depreciated, but still in use at the cost value amounting to Baht 6.19 million (Separate : Baht 6.19 million) and Baht 6.04 million (Separate : Baht 6.04 million) respectively.

As at December 31, 2017 and 2016, investment properties at the carrying value amount of Baht 1,254.41 million (Separate : Baht 1,317.18 million) and Baht 1,226.86 million (Separate : Baht 1,278.60 million) respectively, had the fair value amount of Baht 1,996.20 million (Separate : Baht 2,083.01 million) and Baht 1,824.64 million (Separate : Baht 1,911.45 million) respectively.



11. Property, plant and equipment

As at December 31, 2017 and 2016 are as follows :

Consolidated financial statements (Baht)				
	Condominium building	Computer	Furniture and fixture	Office equipment
Cost:				
As at January 1, 2016	256,361,984.38	47,050,468.66	37,103,762.96	29,790,584.47
Acquisition	-	2,982,745.65	306,217.00	1,765,994.24
Disposal/write off	-	(5,590.00)	(1,801,971.85)	(4,432,119.26)
Others	5,982,051.58	-	-	-
As at December 31, 2016	262,344,035.96	50,027,624.31	35,608,008.11	27,124,459.45
Acquisition	-	2,556,405.38	3,199,655.40	2,751,951.35
Increase from business acquisition	-	1,734,244.86	-	2,086,131.88
Disposal/write off	-	(2,385,564.73)	(1,603.85)	(2,058,846.13)
Others	12,148,830.42	212,662.50	-	-
As at December 31, 2017	274,492,866.38	52,145,372.32	38,806,059.66	29,903,696.55
Accumulated depreciation:				
As at January 1, 2016	57,702,810.11	39,216,656.07	23,569,549.75	18,291,422.03
Depreciation for the year	4,731,922.99	3,017,675.07	2,835,798.11	2,401,262.62
Depreciation of disposal/write off	-	(2,156.64)	(1,754,829.36)	(3,673,195.04)
As at December 31, 2016	62,434,733.10	42,232,174.50	24,650,518.50	17,019,489.61
Depreciation for the year	7,934,888.12	2,817,761.48	2,469,685.32	2,550,539.79
Increase from business acquisition	-	496,038.08	-	1,111,574.76
Depreciation of disposal/write off	-	(2,383,125.62)	(1,155.25)	(1,235,182.87)
As at December 31, 2017	70,369,621.22	43,162,848.44	27,119,048.57	19,446,421.29
Net book value				
As at December 31, 2017	204,123,245.16	8,982,523.88	11,687,011.09	10,457,275.26
As at December 31, 2016	199,909,302.86	7,795,449.81	10,957,489.61	10,104,969.84

Depreciation for the year ended December 31, 2017

Depreciation for the year ended December 31, 2016

Separate financial statements (Baht)				
	Condominium building	Computer	Furniture and fixture	Office equipment
Cost:				
As at January 1, 2016	89,540,435.98	23,604,455.29	26,707,234.83	18,671,901.84
Acquisition	-	2,915,749.65	141,347.00	1,221,513.91
Disposal/write off	-	-	(194,803.19)	(2,322,231.28)
Others	5,982,051.58	-	-	-
As at December 31, 2016	95,522,487.56	26,520,204.94	26,653,778.64	17,571,184.47
Acquisition	-	1,892,256.38	360,651.10	1,326,723.63
Disposal/write off	-	(766,970.65)	(1,603.85)	(1,327,932.27)
Others	-	212,662.50	-	-
As at December 31, 2017	95,522,487.56	27,858,153.17	27,012,825.89	17,569,975.83
Accumulated depreciation:				
As at January 1, 2016	11,001,079.10	18,123,010.10	17,545,600.74	9,821,761.23
Depreciation for the year	879,055.02	2,367,930.67	2,015,112.98	1,559,339.61
Depreciation of disposal/write off	-	-	(147,667.58)	(1,660,064.55)
As at December 31, 2016	11,880,134.12	20,490,940.77	19,413,046.14	9,721,036.29
Depreciation for the year	2,046,965.00	2,096,332.06	1,584,995.70	1,574,441.55
Depreciation of disposal/write off	-	(764,609.54)	(1,155.25)	(848,636.13)
As at December 31, 2017	13,927,099.12	21,822,663.29	20,996,886.59	10,446,841.71
Net book value				
As at December 31, 2017	81,595,388.44	6,035,489.88	6,015,939.30	7,123,134.12
As at December 31, 2016	83,642,353.44	6,029,264.17	7,240,732.50	7,850,148.18

Depreciation for the year ended December 31, 2017

Depreciation for the year ended December 31, 2016

Vehicles	Work under decoration	Tools and supplies	Total
57,647,238.68	6,542,056.08	6,870,270.73	441,366,365.96
3,977,900.00	-	926,149.91	9,959,006.80
(15,068,000.00)	-	-	(21,307,681.11)
-	(6,542,056.08)	-	(560,004.50)
46,557,138.68	-	7,796,420.64	429,457,687.15
1,559,000.00	-	887,721.70	10,954,733.83
-	-	-	3,820,376.74
(6,651,000.00)	-	-	(11,097,014.71)
-	-	-	12,361,492.92
41,465,138.68	-	8,684,142.34	445,497,275.93
28,359,492.63	-	4,969,791.71	172,109,722.30
9,370,896.24	-	702,876.11	23,060,431.14
(15,067,993.00)	-	-	(20,498,174.04)
22,662,395.87	-	5,672,667.82	174,671,979.40
8,560,129.68	-	770,407.27	25,103,411.66
-	-	-	1,607,612.84
(4,650,573.75)	-	-	(8,270,037.49)
26,571,951.80	-	6,443,075.09	193,112,966.41
14,893,186.88	-	2,241,067.25	252,384,309.52
23,894,742.81	-	2,123,752.82	254,785,707.75

25,103,411.66
23,060,431.14

Vehicles	Work in decoration	Total
57,647,238.68	6,542,056.08	222,713,322.70
3,977,900.00	-	8,256,510.56
(15,068,000.00)	-	(17,585,034.47)
-	(6,542,056.08)	(560,004.50)
46,557,138.68	-	212,824,794.29
1,559,000.00	-	5,138,631.11
(6,651,000.00)	-	(8,747,506.77)
-	-	212,662.50
41,465,138.68	-	209,428,581.13
28,359,492.63	-	84,850,943.80
9,370,896.24	-	16,192,334.52
(15,067,993.00)	-	(16,875,725.13)
22,662,395.87	-	84,167,553.19
8,560,129.68	-	15,862,863.99
(4,650,573.75)	-	(6,264,974.67)
26,571,951.80	-	93,765,442.51
14,893,186.88	-	115,663,138.62
23,894,742.81	-	128,657,241.10

15,862,863.99
16,192,334.52

As at December 31, 2017 and 2016, land and building amount of Baht 78.22 million and Baht 27.49 million were mortgaged as collateral as stated in notes to financial statements No. 23.

As at December 31, 2017 and 2016, the Company has fixed assets at cost of Baht 105.96 million (Separate: Baht 70.78 million) and Baht 88.46 million (Separate : Baht 53.35 million) respectively, which were fully depreciated but are still in use.

In 2016, the Company has transferred part of office building development for rent in the amount of Baht 5.98 million to be used as sub-branch of the Company as sated in notes to financial statements No.10.

12. Other intangible assets

As at December 31, 2017 and 2016, comprise

	Consolidated financial statements (Baht)			Separate financial statements (Baht)		
	Computer software	Software under development	Total	Computer software	Software under development	Total
Cost :						
As at January 1, 2016	59,472,766.01	6,454,168.80	65,926,934.81	54,455,498.55	2,562,045.38	57,017,543.93
Acquisition	1,812,859.49	3,253,850.34	5,066,709.83	1,756,859.49	2,836,850.34	4,593,709.83
Disposal/write off	-	-	-	-	-	-
Others	2,780,000.00	(2,780,000.00)	-	-	-	-
As at December 31, 2016	64,065,625.50	6,928,019.14	70,993,644.64	56,212,358.04	5,398,895.72	61,611,253.76
Acquisition	1,733,395.42	120,616.40	1,854,011.82	1,615,495.42	70,216.40	1,685,711.82
Increase from business acquisition	289,400.00	-	289,400.00	-	-	-
Disposal/write off	-	-	-	-	-	-
Others	3,585,252.00	(3,585,252.00)	-	3,534,852.00	(3,534,852.00)	-
As at December 31, 2017	69,673,672.92	3,463,383.54	73,137,056.46	61,362,705.46	1,934,260.12	63,296,965.58
Accumulated depreciation :						
As at January 1, 2016	39,691,302.39	-	39,691,302.39	34,990,467.95	-	34,990,467.95
Amortization for the year	6,559,774.62	-	6,559,774.62	6,250,254.47	-	6,250,254.47
As at December 31, 2016	46,251,077.01	-	46,251,077.01	41,240,722.42	-	41,240,722.42
Amortization for the year	6,943,718.43	-	6,943,718.43	6,264,297.77	-	6,264,297.77
Increase from business acquisition	161,757.71	-	161,757.71	-	-	-
As at December 31, 2017	53,356,553.15	-	53,356,553.15	47,505,020.19	-	47,505,020.19
Net book value :						
As at December 31, 2017	16,317,119.77	3,463,383.54	19,780,503.31	13,857,685.27	1,934,260.12	15,791,945.39
As at December 31, 2016	17,814,548.49	6,928,019.14	24,742,567.63	14,971,635.62	5,398,895.72	20,370,531.34
Amortization for the year ended December 31, 2017			6,943,718.43			6,264,297.77
Amortization for the year ended December 31, 2016			6,559,774.62			6,250,254.47

13. Leasehold right

	Consolidated and Separate financial statements (Baht)	
	2017	2016
Leasehold right	198,263,636.30	205,128,057.92
Less Prepaid leasehold right due within 1 year	(6,843,734.31)	(6,843,734.31)
Leasehold right - net	191,419,901.99	198,284,323.61

Amortization for the year ended December 31, 2017 amounted to Baht 6.86 million.

In 2015, the Company entered into lease agreement of land with The Crown Property Bureau (lessor) in order to provide the residence for the time limit of 30 years from the date construction of building and its construction is completed or not exceed 2 years whichever is earlier. The lessor assigned such land to the Company on March 1, 2015. The Company can be extended the period of the lease for two intervals of 30 years each by informing the intension to extend the lease agreement in written to the lessor within the year 25th and 55th including the signing in extended agreement or new agreement in the year 28th and 58th where both parties have to hire each itself independent appraiser to appraise the leased assets by market value and the properly appropriated rental. The Company has made rental in full on the agreement date already, which is deemed as leasehold right deposit in full. When the period is over without any extension of agreement, the property on the aforementioned land will become the property of the lessor and the Company is responsible for all relevant to transferring of ownership expenses.

In 2016, the Company has constructed residential building for lease and sub-lease for a period of 30 years that the sub-lease will be terminated on December 22, 2046.

14. Income tax expenses/deferred tax

Income tax expenses for the year ended December 31, 2017 and 2016 are summarized as follows:

	Statements of comprehensive income			
	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Current tax :				
Income tax for the year	289,668,620.19	558,504,627.07	249,431,385.35	518,740,347.28
Adjustment in respect of income tax expenses of previous year	(1,397,461.95)	(5,893,689.90)	(1,678,780.40)	(4,865,022.69)
Deferred tax :				
Deferred tax derived from temporary differences and reversal of temporary differences	11,749,887.93	7,963,048.67	15,307,477.22	11,080,900.64
Income tax expenses presented in statements of comprehensive income	300,021,046.17	560,573,985.84	263,060,082.17	524,956,225.23

Tax amounts related to each component part of other comprehensive income for the year ended December 31, 2017 and 2016 are summarized as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Deferred tax relating to				
Gain (loss) on remeasuring investments held as available-for-sale	1,686,000.00	455,480.00	1,686,000.00	455,480.00
Losses on remeasurements of defined benefit plans	-	(5,472,375.40)	-	(1,036,161.00)

Reconciliation between income tax expenses and multiplication of accounting profit and tax rate used for the year ended December 31, 2017 and 2016 can be presented as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Accounting profit before income tax	1,359,114,799.44	2,736,869,171.01	1,201,847,496.72	2,549,141,657.28
Income tax rate	20%	20%	20%	20%
Accounting profit before income tax multiply by tax rate	271,779,859.19	547,373,834.20	240,369,499.34	509,828,331.46
Adjustment in respect of income tax expenses of previous year	(1,397,461.95)	(5,893,689.90)	(1,678,780.40)	(4,865,022.69)
Taxable effects for :				
Other expenses for which accounting base differ from tax base	(2,126,753.96)	(2,335,661.11)	(366,019.59)	(1,262,994.24)
Other income for which accounting base differ from tax base	2,453,575.24	(1,461,731.78)	634,763.21	(311,958.05)
Additional realized income	18,537,664.30	10,969,579.93	18,370,744.30	10,786,559.93
Non-deductible expenses	6,300,514.25	11,291,584.68	5,749,252.68	10,794,943.22
Effects of deferred tax from share of profit on investments in subsidiaries	52,349.97	-	-	-
Others	4,421,299.13	630,069.83	(19,377.37)	(13,634.40)
Total	29,638,648.93	19,093,841.54	24,369,363.23	19,992,916.46
Income tax expenses presented in statements of comprehensive income	300,021,046.17	560,573,985.84	263,060,082.17	524,956,225.23
Effective income tax rate	22.07%	20.48%	21.89%	20.59%

Deferred tax assets and liabilities components comprise the following transaction:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Deferred tax assets				
Rent and services deposits, customers	-	2,550,552.47	-	2,529,580.42
Provision for devaluation of assets	76,979,906.78	78,328,544.05	76,680,720.48	78,029,357.74
Reserve for long-term employee benefits	50,469,912.00	46,323,652.80	16,255,326.60	15,293,271.00
Expenses provisions	8,315,148.32	21,827,462.64	6,593,855.75	19,975,255.75
Financial lease	845,019.21	932,729.87	827,014.73	932,729.87
Others	(668,432.52)	(1,175,700.11)	-	-
	135,941,553.79	148,787,241.72	100,356,917.56	116,760,194.78

15. Bank overdrafts and short-term borrowings from financial institutions

As at December 31, 2017 and December 31, 2016 comprise :-

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Bank overdrafts	23,872,988.11	16,635,689.63	23,872,988.11	16,635,689.63
Short-term borrowings from financial institutions	4,050,086,500.00	2,559,290,213.00	3,579,230,000.00	1,880,000,000.00
Total	4,073,959,488.11	2,575,925,902.63	3,603,102,988.11	1,896,635,689.63

Bank overdrafts and short-term borrowings are guaranteed by the Company's securities as stated in notes to financial statements No. 23.

16. Trade and other current payables

As at December 31, 2017 and 2016 are as follows :-

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
16.1 Trade accounts payable				
Trade accounts payable	529,718,512.67	545,359,681.08	439,043,751.28	526,529,982.23
Total trade accounts payable-net	529,718,512.67	545,359,681.08	439,043,751.28	526,529,982.23
16.2 Trade accounts payable-related parties (see note 8.4)				
Trade accounts payable-related parties	-	-	15,429,250.86	14,693,490.02
Trade accounts payable-related parties-net	-	-	15,429,250.86	14,693,490.02
16.3 Other current payables				
Cash received in advance	857,134,138.35	231,437,996.76	851,835,138.35	228,441,797.76
Retentions	107,510,995.99	145,036,505.11	94,250,250.74	126,929,879.60
Others	286,011,973.55	336,075,079.10	205,674,308.92	232,451,743.75
Total other current payables	1,250,657,107.89	712,549,580.97	1,151,759,698.01	587,823,421.11
Total trade and other current payables- net	1,780,375,620.56	1,257,909,262.05	1,606,232,700.15	1,129,046,893.36

17. Current portion of long-term borrowings and liabilities

As at December 31, 2017 and 2016 are as follows :-

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2017	2016	2017	2016
Current portion of financial lease liabilities	19	5,308,009.60	7,327,025.84	4,694,410.10	7,142,273.09
Current portion of long-term loans	21	390,000,000.00	600,000,000.00	390,000,000.00	600,000,000.00
Total		395,308,009.60	607,327,025.84	394,694,410.10	607,142,273.09

Current portion of long-term loans is guaranteed by the Company's securities as stated in notes to financial statements No. 23.

18. Unearned rental income

As at December 31, 2017 and 2016 are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Unearned rental income	305,352,935.78	202,979,330.00	305,352,935.78	202,979,330.00
Less Recognized as rental income during the period	(9,646,531.97)	(178,564.22)	(9,646,531.97)	(178,564.22)
Less Current portion of unearned rental income	(10,199,663.33)	(6,761,878.10)	(10,199,663.33)	(6,761,878.10)
Net	285,506,740.48	196,038,887.68	285,506,740.48	196,038,887.68

In 2016, the Company has constructed residential building on which entered into lease of land agreement with the Crown Property Bureau, the construction is already completed to be sub-leased for the period of 30 years. The sub-lease agreement will be terminated on December 22, 2046.

As at December 31, 2017 and 2016, the Company has unearned rental to be recognized as income in the future under operating lease with the details as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Within 1 year	10,199,663.33	6,761,878.10	10,199,663.33	6,761,878.10
Over 1 year but not over than 5 years	40,826,597.62	27,066,038.07	40,826,597.62	27,066,038.07
Over 5 years	244,680,142.86	168,972,849.61	244,680,142.86	168,972,849.61

19. Financial lease liabilities

Details of leased assets under financial lease are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Vehicles	40,702,150.00	45,794,150.00	40,702,150.00	45,794,150.00
Photocopier	2,472,325.17	2,567,924.27	1,515,574.86	1,600,425.41
Computer	1,485,900.00	-	-	-
Total	44,660,375.17	48,362,074.27	42,217,724.86	47,394,575.41
Less Accumulated depreciation	(27,310,276.22)	(23,925,723.14)	(26,661,160.13)	(23,401,881.21)
Net book value	17,350,098.95	24,436,351.13	15,556,564.73	23,992,694.20

The minimum amounts to be paid under financial lease are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Within 1 year	4,818,634.20	7,083,585.47	4,116,220.80	6,857,873.25
Over 1 year less than 3 years	6,244,851.40	8,239,600.57	5,645,169.60	7,918,900.17
Over 3 years less than 5 years	4,512,723.60	6,772,900.40	4,179,247.40	6,717,441.23
	15,576,209.20	22,096,086.44	13,940,637.80	21,494,214.65
Less Future interest of financial lease	(1,409,509.90)	(2,040,508.01)	(1,230,279.77)	(1,962,752.46)
Present value of financial lease liabilities	14,166,699.30	20,055,578.43	12,710,358.03	19,531,462.19

Financial lease liabilities excluding future interest are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Financial lease liabilities	14,166,699.30	20,055,578.43	12,710,358.03	19,531,462.19
Less Current portion of financial lease liabilities	(5,308,009.60)	(7,327,025.84)	(4,694,410.10)	(7,142,273.09)
Financial lease liabilities - net	8,858,689.70	12,728,552.59	8,015,947.93	12,389,189.10

20. Long-term borrowings

As at December 31, 2017 and 2016 comprise :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Borrowings from financial institutions	34,658,040.00	112,781,000.00	-	-
Less Current portion of long-term borrowings	-	-	-	-
Net	34,658,040.00	112,781,000.00	-	-

As at December 31, 2017 and 2016, the Company has borrowings from financial institution, bear interest at Market Rate and due payment when the project is completed. Long-term borrowings are guaranteed by the Company's securities as stated in notes to financial statements No. 23.

21. Debentures

As at December 31, 2017 and 2016, comprise

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Debentures	2,000,000,000.00	1,600,000,000.00	2,000,000,000.00	1,600,000,000.00
Less Current portion of debentures	(390,000,000.00)	(600,000,000.00)	(390,000,000.00)	(600,000,000.00)
Net	1,610,000,000.00	1,000,000,000.00	1,610,000,000.00	1,000,000,000.00

On December 15, 2017, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 300 million with the maturity period of 4 years, at the interest rate of 3.75% per annum. The interest will be paid every six months. The debentures will be matured on December 15, 2021.

On July 27, 2017, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 300 million with the maturity period of 4 years, at the interest rate of 3.75% per annum. The interest will be paid every six months. The debentures will be matured on July 27, 2021.

On January 20, 2017, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 400 million with the maturity period of 4 years, at the interest rate of 3.75% per annum. The interest will be paid every six months. The debentures will be matured on January 20, 2021.

On October 5, 2016, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 100 million with the maturity period of 3 years, at the interest rate of 3.25% per annum. The interest will be paid every six months. The debentures will be matured on October 5, 2019.

On August 24, 2016, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 100 million with the maturity period of 3 years, at the interest rate of 3.25% per annum. The interest will be paid every three months. The debentures will be matured on August 24, 2019.

On July 27, 2016, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 140 million with the maturity period of 2 years, at the interest rate of 3.30% per annum. The interest will be paid every six months. The debentures will be matured on July 27, 2018.

On March 28, 2016, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 200 million with the maturity period of 3 years, at the interest rate of 3.65% per annum. The interest will be paid every six months. The debentures will be matured on March 3, 2019.

On February 17, 2016, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 210 million with the maturity period of 3 years, at the interest rate of 3.70% per annum. The interest will be paid every six months. The debentures will be matured on February 21, 2019.

On September 25, 2015, the Company has issued the unsubordinated and unsecured without holders' representative debentures total amount of Baht 250 million with the maturity period of 3 years, at the interest rate of 4.10% per annum. The interest will be paid every three months. The debentures will be matured on September 12, 2018.

22. Non-current provisions for employee benefit

Changes in employee benefit obligations are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Beginning balance as at January 1	231,618,264.00	178,640,734.00	76,466,355.00	61,963,214.00
Current cost of service	24,156,751.00	23,477,223.00	6,551,035.00	6,405,974.00
Interest cost	6,741,771.00	6,282,235.00	2,325,612.00	2,102,091.00
Losses on remeasurements of defined employee benefit plans				
- Post-employment benefits	-	27,361,877.00	-	5,180,805.00
- Other long-term benefits	-	5,293,816.00	-	3,180,997.00
Employee benefit paid	(10,073,752.00)	(9,437,621.00)	(4,066,369.00)	(2,366,726.00)
Ending balance	252,443,034.00	231,618,264.00	81,276,633.00	76,466,355.00

Expenses recognized in profit or loss

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Administrative expenses	30,898,522.00	35,053,274.00	8,876,647.00	11,689,062.00
Total	30,898,522.00	35,053,274.00	8,876,647.00	11,689,062.00

Losses on remeasurements of defined employee benefit plans recognized in other comprehensive income arising from :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Financial assumptions	-	22,612,642.00	-	7,632,701.00
Demographic assumptions	-	(17,275,644.00)	-	(3,603,000.00)
Experience adjustment	-	22,024,879.00	-	1,151,104.00
Total	-	27,361,877.00	-	5,180,805.00

The principal actuarial assumptions used were as follow :

Consolidated and Separate financial statements 2017 and 2016	
Discount rate	3.0 per annum
Mortality	According to TMO 2008 male and female tables
Employee turnover	Age-related scale and kind of employees and daily staff
Salary increase rate	Separate by group of employees and results of work at the rate of 3 - 6.75% of basic salaries

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Discount rate				
- Increase rate (1% movement)	(24,252,669.00)	(23,045,670.00)	(7,846,633.00)	(7,613,331.00)
- Decrease rate (1% movement)	28,197,184.00	26,895,144.00	9,068,275.00	8,834,990.00
Salary increase rates				
- Increase rate (1% movement)	30,954,902.00	27,095,007.00	10,133,650.00	8,984,626.00
- Decrease rate (1% movement)	(26,825,225.00)	(23,550,559.00)	(8,838,312.00)	(7,854,134.00)
Turnover rates				
- Increase rate (20% movement)	(18,422,810.00)	(15,473,860.00)	(4,815,371.00)	(4,116,907.00)
- Decrease rate (20% movement)	22,263,970.00	18,571,533.00	5,688,339.00	4,836,096.00

23. Pledged securities

	Note	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
		2017	2016	2017	2016
Part of land and cost of project under construction and part of land held for development	6.1, 6.2	7,050,558,919.15	3,913,282,834.87	5,753,469,162.47	3,063,914,027.24
Inventories	7	327,812,407.60	875,894,705.13	-	419,482,559.15
Investment property - land and building for lease	10	420,708,476.29	229,564,370.97	412,160,354.25	220,662,754.86
Land and office building	11	78,215,784.82	27,488,104.87	78,215,784.82	27,488,104.87
Total		7,877,295,587.86	5,046,230,015.84	6,243,845,301.54	3,731,547,446.12

As at December 31, 2017 and 2016, the Company has mortgaged securities as guarantee against borrowings from commercial bank and financial institution for credit line of Baht 11,772.35 million (Separate : Baht 10,385.40 million) and Baht 6,925.67 million (Separate : Baht 5,566.81 million) respectively as stated in notes to financial statements No. 15, 17 and 20.

24. Contingent liabilities and obligations

- 24.1 As at December 31, 2017 and 2016, the Company and subsidiaries have contingent liabilities from letter of guarantee issued by bank to government agency and state enterprise amounting to Baht 239.76 million (Separate : Baht 11.79 million) and Baht 112.20 million (Separate : Baht 14.26 million) respectively.
- 24.2 As at December 31, 2017 and 2016, the Company had the obligation under the agreement with the contractor which has to complete the construction work for approximately Baht 2,251.72 million (Separate : Baht 2,021.01 million) and Baht 2,206.44 million (Separate : Baht 2,118.56 million) respectively.
- 24.3 As at December 31, 2017 and 2016, the Company has commitment on payment for land under covenants and agreement for the remaining amount of Baht 302.15 million and Baht 216.59 million respectively.
- 24.4 As at December 31, 2017, the Company is liable on payment commission under agent appointment contract if the ownership was transferred amount of Baht 52.38 million.

25. Dividend paid

For the year 2017

- 25.1 According to the minutes of the Board of directors' meeting No. 6/2017 held on August 10, 2017, passed the resolution to pay interim dividend to the shareholders from the 2017 of six-months results of operation and/or retained earnings at Baht 0.15 per share for 1,475.70 million shares amounting to Baht 221.36 million deducting shares without right to received interim dividend total 0.03 million shares at Baht 0.15 per share amounting to Baht 0.01 million. The remaining dividend should be actually paid amount of Baht 221.35 million which was paid on September 7, 2017.
- 25.2 According to the shareholders' general meeting No. 1/2017 held on March 30, 2017, passed the resolution to pay dividend to the shareholders from the results of the Company' s operation for the year 2016 at Baht 0.90 per share for the total 1,475.70 million shares amounting to Baht 1,328.13 million by deducting shares without right to received annual dividend total 0.05 million shares at Baht 0.60 each, amounting to Baht 0.03 million which remains dividend to be actually paid amount of Baht 1,328.10 million by deducting the interim dividend paid amount of Baht 442.71 million. The remaining dividend should be paid amount of Baht 885.39 million which was paid on April 11, 2017.

For the year 2016

- 25.3 According to the Board of directors' meeting No. 6/2016 held on August 4, 2016, passed to pay interim dividend for the first six-months of 2016 results of operation and/or retained earnings at Baht 0.30 per share for 1,475.70 million shares amounting to Baht 442.71 million deducting shares without right to received interim dividend total 0.07 million shares at Baht 0.30 per share amounting to Baht 0.02 million. The remaining dividend should be paid amount of Baht 442.69 million which was paid on September 1, 2016.
- 25.4 According to the shareholders' general meeting No. 1/2016 held on March 31, 2016, passed the resolution to pay dividend to the shareholders from the results of the Company' s operation for the year 2015 at Baht 0.90 per share for the total 1,475.70 million shares amounting to Baht 1,328.13 million by deducting shares without right to received annual dividend total 0.05 million shares at Baht 0.60 each, amounting to Baht 0.03 million which remains dividend to be actually paid amount of Baht 1,328.10 million by deducting the interim dividend paid amount of Baht 442.71 million. The remaining dividend should be paid amount of Baht 885.39 million which was paid on April 11, 2016.

26. Retained earnings

Legal reserve - fully

According to the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of annual net profit after deducting deficit brought forward (if any) until the legal reserve reach 10% of authorized share capital. Such legal reserve is not available for dividend distribution.

27. Financial instruments

Financial risk management and policies

The Company and subsidiaries are exposed to risk from changes in market interest rates and from non-performance of contractual obligations by counterparties. The Company and subsidiaries do not hold or issue derivative instruments for speculative or trading purposes.

Interest rate risk

The interest rate risk is a result of future fluctuation in market interest rates that will affect the results of the Company and subsidiaries' operation and their cash flows. However, caused by the Company's borrowings mostly charged interest at the fixed rate, therefore, the Company is not exposed to the risk from fluctuation of such interest rate.

Credit risk

The Company and subsidiaries are exposed to credit risk in respect of receivable. However, since the Company and subsidiaries have not transferred the ownership of sold assets to the buyer until the payment under agreement is fully made. Then, the Company has expected not to incur materially damages from debt collection.

Fair value of financial instruments

The Company and subsidiaries used the following methods and assumptions in estimating fair value of financial instruments as disclosed herein :

- Cash and cash at banks and current investments are stated at fair value based on the amount in statements of financial position.
- Trade accounts and notes receivable with their maturities less than 90 days from the end of the period and defaulted receivable are stated at fair value based on the amount in statements of financial position.
- Loan to, is stated at fair value based on the amount in statements of financial position.
- Bank overdraft, trade accounts and notes payable due less than 90 days are presented at fair value based on the amount in the statements of financial position.
- Accrued interest payable is stated at fair value based on the amount in statements of financial position.
- Part of long-term loan with floating rate and some part with fixed interest rate had the rate close to interest rate in the current money market. The carrying value of loan equal to its fair value.

28. Additional disclosure of cash flows information

28.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks in the statements of financial position as follows:

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Cash	1,342,138.02	1,168,428.21	723,218.48	769,035.46
Current accounts	32,253,929.20	28,386,356.31	15,160,964.16	26,672,961.18
Savings deposit	302,388,196.01	491,869,752.13	194,141,961.63	411,415,727.99
Cheque in transit	406,697.85	4,475,764.46	391,241.12	-
Bills of exchange	20,068,730.41	65,311,091.43	-	-
	356,459,691.49	591,211,392.54	210,417,385.39	438,857,724.63

28.2 Investment properties

In the year of 2017 and 2016, the Company has transferred inventories-condominium units to be investment properties in the amount of Baht 76.55 million and Baht 76.02 million respectively.

28.3 Non-current provisions for employee benefit

In the year of 2017 and 2016, the Company has recorded non-current provisions for employee benefit amount of Baht 30.90 million and Baht 35.05 million (Separate: Baht 8.88 million and Baht 11.69 million) respectively.

28.4 Financial lease assets

In the year of 2017 and 2016, the Company has made hire purchase assets in the amount of Baht 4.07 million (Separate : Baht 2.84 million) and Baht 4.27 million (Separate : Baht 4.27 million) respectively by making payment total amount of Baht 0.92 million (Separate: Baht 0.76 million) and Baht 0.36 million (Separate: Baht 0.36 million) respectively, the remaining amount is recorded as financial lease liabilities in full.

28.5 Investments in ordinary shares of subsidiary

On September 2, 2017, the Company has additionally invested in ordinary shares of subsidiary in the proportion of 100%, the Company taken assets and liabilities of such subsidiary to consolidate in the consolidated financial statements at carrying value as at the investment date. Difference of acquisition price and carrying value of assets and liabilities are presented as the excess of cost over carrying value from investment in subsidiary as stated in notes to financial statements No. 3.7. The details of cash outflow for net acquisition are as follows :

	Consolidated financial statements (Baht) 2017
Cash and cash equivalents	1,765,896.12
Trade and other current receivables	2,406,313.84
Equipment	2,212,763.90
Other intangible assets	127,642.29
Other non-current assets	1,967,871.30
Trade and other current payables	(605,829.72)
Current portion of long-term liabilities	(414,807.00)
Long-term loans	(223,117.00)
Book value of net assets before non-controlling interests	7,236,733.73
Non-controlling interests	-
Book value of net assets acquired	7,236,733.73
Goodwill	32,763,266.27
Less Cash and cash equivalents existed in subsidiary as at acquisition date	(1,765,896.12)
Payments for subsidiary acquisition net of cash existed in subsidiary	38,234,103.88

29. Operating segment information

As at December 31, 2017, comprise

(Baht : Million)

Business type	Parent Company				Subsidiaries						
	Real estate	Rent & Service	Others	Total	Real estate	Rent & Service	Service & Management	Others	Total	Eliminate	Total
Net sales	7,685.09	111.63	-	7,796.72	1,037.70	17.45	981.65	-	9,833.52	(220.66)	9,612.85
Cost of sales	(5,603.66)	(92.62)	-	(5,696.28)	(803.24)	(6.18)	(520.87)	-	(7,026.58)	191.13	(6,835.45)
Gross profit	2,081.43	19.00	-	2,100.43	234.46	11.27	460.78	-	2,806.94	(29.54)	2,777.40
Other income	-	-	87.69	87.69	-	-	-	3.20	90.90	(48.61)	42.29
Selling expenses	-	-	(497.16)	(497.16)	-	-	-	(79.26)	(576.42)	5.29	(571.12)
Administrative expenses	-	-	(428.19)	(428.19)	-	-	-	(398.77)	(826.97)	36.66	(790.31)
Management benefit expenses	-	-	(44.00)	(44.00)	-	-	-	(36.14)	(80.14)	-	(80.14)
Directors' remuneration	-	-	(16.01)	(16.01)	-	-	-	-	(16.01)	-	(16.01)
Finance costs	-	-	(0.93)	(0.93)	-	-	-	(3.54)	(4.47)	1.73	(2.73)
Share of profit (loss) of associates	-	-	-	-	-	-	-	-	-	(0.26)	(0.26)
Profit (loss) before income tax expense	2,081.43	19.00	(898.59)	1,201.85	234.46	11.27	460.78	(514.51)	1,393.84	(34.73)	1,359.11
Tax expense	-	-	(263.06)	(263.06)	-	-	-	(37.58)	(300.65)	0.62	(300.02)
Total comprehensive income (expense) for the year	2,081.43	19.00	(1,161.65)	938.79	234.46	11.27	460.78	(552.10)	1,093.20	(34.10)	1,059.09
Attributable to:											
Owners of the Company											1,062.32
Non-controlling interests											(3.22)
											1,059.09
Fixed assets as at December 31, 2017	1,317.18	131.46	1,448.63	-	65.67	-	12.51	1,526.81	-	-	1,526.81

Inter-company transactions are income from service, rental and interest income, such transaction are in the normal course of business.

As at December 31, 2016, comprise

(Baht : Million)

Business type	Parent Company				Subsidiaries						
	Real estate	Rent & Service	Others	Total	Real estate	Rent & Service	Service & Management	Others	Total	Eliminate	Total
Net sales	13,009.71	76.58	-	13,086.29	848.73	11.85	998.42	-	14,945.29	(343.77)	14,601.52
Cost of sales	(9,051.28)	(57.30)	-	(9,108.58)	(648.36)	(6.64)	(471.33)	-	(10,234.92)	193.90	(10,041.03)
Gross profit	3,958.42	19.28	-	3,977.70	200.37	5.21	527.09	-	4,710.37	(149.88)	4,560.49
Other income	-	-	59.55	59.55	-	-	-	2.11	61.67	(12.55)	49.11
Selling expenses	-	-	(894.74)	(894.74)	-	-	-	(51.12)	(945.86)	103.69	(842.17)
Administrative expenses	-	-	(527.93)	(527.93)	-	-	-	(456.74)	(984.68)	55.67	(929.00)
Management benefit expenses	-	-	(46.97)	(46.97)	-	-	-	(32.33)	(79.30)	-	(79.30)
Directors' remuneration	-	-	(16.53)	(16.53)	-	-	-	-	(16.53)	-	(16.53)
Finance costs	-	-	(1.94)	(1.94)	-	-	-	(3.83)	(5.77)	0.04	(5.73)
Profit (loss) before income tax expense	3,958.42	19.28	(1,428.56)	2,549.14	200.37	5.21	527.09	(541.90)	2,739.90	(3.03)	2,736.87
Tax expense	-	-	(524.96)	(524.96)	-	-	-	(36.44)	(561.40)	0.82	(560.57)
Total comprehensive income (expense) for the year	3,958.42	19.28	(1,953.52)	2,024.19	200.37	5.21	527.09	(578.34)	2,178.50	(2.21)	2,176.30

Attributable to:

Owners of the Company	2,176.23
Non-controlling interests	0.07
	2,176.30

Fixed assets as at December 31, 2016	1,278.60	149.03	1,427.63	-	68.24	-	10.52	1,506.39	-	1,506.39
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Inter-company transactions are income from service, rental and interest income, such transaction are in the normal course of business.

30. Expenses analyzed by nature

Significant expenses analyzed by nature are as follows :

	Consolidated financial statements (Baht)		Separate financial statements (Baht)	
	2017	2016	2017	2016
Acquire of land and payment for construction during the year	8,048,886,718.84	8,426,864,573.59	7,628,344,781.42	7,332,008,980.26
Changes in inventories	(1,809,938,049.79)	1,092,536,917.39	(2,024,685,253.15)	1,719,272,120.78
Salaries, wages and other employees benefit expenses	1,065,565,183.73	1,125,604,140.35	208,896,358.13	249,856,811.99
Management benefit expenses	80,139,033.15	79,297,574.18	43,996,292.56	46,969,612.49
Specific Business Tax and transference fee	364,638,728.68	511,590,712.25	325,554,663.68	481,012,372.25
Depreciation	58,029,997.28	51,013,717.70	52,307,063.77	45,934,075.97
Amortization of leasehold right	6,864,421.62	183,971.35	6,864,421.62	183,971.35
Bad debt and (reverse) doubtful accounts	(510,677.61)	13,646,829.62	(510,677.61)	13,646,829.62
Loss (gain) on sales of assets	(4,315,091.71)	(2,386,633.84)	(4,315,091.71)	(2,410,329.24)
Loss (gain) on sales of investments	-	-	(22,450,000.00)	-

31. Provident fund

The fund consists of voluntary contributions by employees based on monthly salary at the rate of 2-15%, the Company's contribution of an additional 3-7% of the employee's basic salary which was paid into the provident fund. The Company and subsidiaries paid the contribution to provident fund as follows :

	Consolidated financial statements (Million Baht)		Separate financial statements (Million Baht)	
	2017	2016	2017	2016
Contribution to provident fund	20.55	20.33	6.12	6.24

32. Directors' remuneration payment policy

According to the shareholders' general meeting for the year 2017 held on March 30, 2017 and the year 2016 held on March 31, 2016 passed to pay remuneration to the directors who worked strenuously, not exceed Baht 16.01 million and Baht 16.73 million per annum respectively, such directors' remuneration excluded remuneration or welfare pay to directors who is employee or staff of the Company. The allocation of such remuneration is the responsibility of the Board of directors which will be effective further in every year until the resolution is changed. This transaction was recorded in expenses account.

33. Management benefit expenses

Management benefit expenses are benefits paid to the directors and management includes a chief executive officer, the next four executive levels immediately below and persons in positions comparable to executive levels which consist of advisory fee, bonus, meeting allowance, oil expenses and telephone charge. The Company has management benefit expenses for the period of one year ended December 31, 2017 and 2016 amount of Baht 80.14 million (Separate : Baht 44.00 million) and Baht 79.30 million (Separate : Baht 46.97 million) respectively.

34. Capital Management

The objective of capital management of the Company and subsidiaries is to prepare the financial structure to be properly appropriated and preserve the ability to continue their operations as a going concern. As at December 31, 2017 and 2016 the Company and subsidiaries have debt to equity ratio as summarized below :

	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Debt to equity ratio	0.69	0.50	0.65	0.42

35. Events after the reporting period

On February 14, 2018, at the Board of directors' meeting passed the resolution to submit to the general meeting of the shareholders for approval dividend payment for the year 2017 at Baht 0.50 per share amounting to Baht 737.85 million. Thus, such approval depends upon the shareholders' meeting on March 30, 2018.

36. Approval of financial statements

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 14, 2018.

Analysis and Explanation of the Management

Operational Performance

Overview

L.P.N. Development Public Co., Ltd. is the developer of urban residential condominiums with affordable price. The main target group is the middle to lower-middle income earners. Condominium projects are designed and developed following LPN Design concept which focuses on delivering product value to the customers. The Company develops large-scale projects in order to achieve cost advantage and economy of scale. At the same time, the emphasis is put on achieving economy of speed from upstream to downstream stages in project development process. In terms of service value, the uniqueness of the Company lies in the "Livable Community" strategy. It makes a great impression and create bond with customers and residents of "Lumpini" community who are willing to make referral to others about "Lumpini" brand. The above direction of business operation has continuously generated income growth for the Company. Anyhow, there have been significant changes during the past few years. Increasing household debt problems resulting in stringent loan approval criteria of financial institutions and economic slowdown have affected the purchase power and confidence of consumers. Consequently, the income growth target has been unmet and the inventory is overinflated.

In 2017, the strategy of the Company is designed to tackle the challenges of the "business downturn". The business operation direction has been changed by expanding the target group of customers to not only include middle to lower-middle income earners but also lower-middle to upper ones. At the same time, the project location was changed from high-density residential area in the suburb to high-potential area in the city center. The projects were also downsized to be consistent with the adjusted target group of customers. As a result of the above adjustments in 2017, the sales volume of the Company is 16 billion THB, increasing 88% from 2016. Apart from adjusting the direction of project development, the Company also expands the income base by generating extra income from service business. Three subsidiary companies which previously provided services only to internal organizations are starting to provide real estate development and community management services to other entrepreneurs, juristic persons or organizations. In 2017, the services were provided to many other real estate developers, therefore, the income from service business has increased more than 11%.

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Gross income	16,673.64	28.7	14,650.64	(12.1)	9,655.14	(34.1)
Net profit of the year	2,413.48	3.6	2,176.30	(9.8)	1,059.09	(51.3)
Net profit-of the parent company	2,413.40	3.6	2,176.23	(9.8)	1,062.32	(51.2)

In 2015, 2016 and 2017, the gross income of the Company and subsidiary companies increased 28.7%, (12.2)% and (34.1)% respectively. The main income was generated from real estate sold, accounting for 95.8%, 94.6% and 90.3% of the gross income in 2015, 2016 and 2017 respectively.

In 2017, the Company handed over four projects to the customers, three of which were developed in Bangkok and peripheral area and one was developed outside Bangkok. The combined value of the four projects, namely, Lumpini Ville Sukhumvit 76-Bearing Station, Lumpini Ville Ratchapruet-Bangwaek, Lumpini Place Bangna and Lumpini Seaview Cha-am (Building B) were four billion THB. Moreover, four projects of a subsidiary company were completed with the combined value of one billion THB. Around 72% of income was the income recognition from the sales of projects completed at the end of 2016.

The net profit of the Company in 2017 was 1.062 billion THB or 11% of the gross income, decreasing 1.113 billion THB or 51.2% from 2016. The key factor was the decrease of income from real estate sold because the main target customers of the Company were middle to lower-middle income earners who encountered the problem of household debt, stringent loan approval criteria of financial institutions and loan rejection.

Item	as of 31 December of the year					
	2015	%	2016	%	2017	%
Condominium	15,505.36	93.0	13,006.68	88.8	7,682.07	79.6
Single home and townhouse	475.90	2.9	848.73	5.8	1,037.70	10.7
Total income from real estate sold	15,981.26	95.8	13,855.41	94.6	8,719.77	90.3
Income from rental and service business	67.74	0.4	73.25	0.5	108.45	1.1
Income from management business	578.18	3.5	672.87	4.6	784.63	8.1
Total main income	16,627.18	99.7	14,601.53	99.7	9,612.85	99.6
Other income	46.46	0.3	49.12	0.3	42.29	0.4
Total gross income	16,673.64	100.0	14,650.64	100.0	9,655.14	100.0

Note: Other income includes interest received, income from fees of ownership transfer, changes of details or breach of contract, profit from asset sale and miscellaneous income.

In 2015, the gross income of the Company and subsidiary companies was 16.673 billion THB, 95.8% of which was the income from sale. Categorizing the income by product type, the income from residential condominiums was 15.505 billion THB from seven projects completed in 2015 and ready-made projects. The income from single home and townhouse was 475.90 million THB from two projects completed in 2015.

As for rental and service business, the income in 2015 was 67.74 million THB, increasing 16.52 million THB or 32.3% from 2014. The additional income was from the rental fee of Market Place Rangsit. There was a long-term lease agreement with Siam Future Development Public Co., Ltd. and the income from rental fee of 13.35 million THB was recognized in 2015. The remaining income was recognized from the rental fee in projects completed in 2015.

In addition, the income from management business was 578.18 million THB, increasing 83.40 million THB or 16.9% from management services provided to juristic persons of new condominium projects completed in each year as well as juristic persons of existing projects.

In 2017, the gross income of the Company and subsidiary companies was 14.650 billion THB, 94.6% of which was the income from sales. Categorizing by type of projects, the income from residential condominium was 13.006 billion THB from eight projects completed in 2016 valuing 9.366 billion THB and from single homes and townhouse projects of a subsidiary company valuing 848.73 million THB. It was the income recognized from five projects completed in 2016, valuing 693.12 million THB.

As for 2016, the gross income of the Company and subsidiary companies decreased 2.023 billion THB or 12.1% from 2015. It was because there were three large-scale projects completed and handed over in 2015, namely, Lumpini Park Rattana Thibet, Lumpini Park Rama 9 and Lumpini Place Srinakarin-Huamark. The combined value of the three projects was more than 9.6 billion THB and all of the three projects were well-received by the customers both in terms of sales volume and ownership transfer. The income in 2016 was decreased as a result of household debt problem and economic slowdown in the region.

The income from rental and service business in 2016 was 73.25 million THB, increasing 5.51 million THB or 8.1% from 2015. It was from the rental fee of Minimall, rental fee of condominium units in Lumpini Residence that were renovated in 2015 and available for rent in 2016 and increased rental fee of other condominium units. Moreover, the income from long-term lease agreement with the Crown Property Bureau was also recognized as an income from rental business.

The income from management business was 672.87 million THB, increasing 94.69 million THB or 16.4% from management services provided to juristic persons of new condominium projects completed in each year as well as juristic persons of existing projects.

In 2017, the gross income of the Company and subsidiary companies was 9.655 billion THB, 90.3% of which was the income from sale. Categorizing the income by product type, the income from residential condominiums was 7.682 billion THB from four projects completed in 2017, valuing 2.487 billion THB and from projects completed at the end of 2016, valuing 5.195 billion THB. The income from single home and townhouse projects of a subsidiary company was 1.037 billion THB from four projects completed in 2017, valuing 124.61 million THB and projects from 2016, valuing 913.09 million THB.

In 2017, the gross income of the Company and subsidiary companies decreased 4.995 billion THB or 34.1% from 2016. It was because the projects developed were large-scale, therefore, the inventory had increased. The Company thus established a short-term goal and strategy to liquidate the inventory. Moreover, household debt became the major problem of the Thai economy. Loan approval criteria of financial institutions was very strict and loan rejection rate had increased. The above factors unavoidably impacted the income of the Company.

The income from rental and service business in 2017 was 108.45 million THB, increasing 35.20 million THB or 48.1% from 2016. It was from the rental fee of office space, condominium units and Minimall. The income also derived from rental fee of Lumpini Place Rama 4-Ratchadapisek which was completed at the end of 2016 and a long-term lease agreement (leasehold).

The income from management business was 784.63 million THB, increasing 111.76 million THB or 16.6% from management services provided to juristic persons of new condominium projects completed in each year. Moreover, extra income was generated from community management service provided to condominium projects developed by other companies.

Expenses

Cost of Real Estate Sold

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Income from real estate sold	15,981.26	29.7	13,855.41	(13.3)	8,719.77	(37.1)
Cost of real estate sold	11,010.49	32.4	9,519.40	(13.5)	6,238.95	(34.5)
Cost/income ratio						
from real estate sold	68.9	1.4	68.7	(0.2)	71.5	2.8

In 2015, the cost of real estate sold of the Company and subsidiary companies was 11.010 billion THB or 68.9% of the income from real estate sold. The ratio of the cost of real estate sold in 2015 slightly increased from 2014 since the Company added product value for the customers.

In 2016, the cost of real estate sold of the Company and subsidiary companies was 9.519 billion THB or 68.7% of the income from real estate sold. The ratio of the cost of real estate sold in 2016 was similar to that of the previous year as a result of efficient cost management. The Company had been able to maintain the gross profit at the rate of no less than 30%.

In 2017, the cost of real estate sold was 6.238 million THB or 71.5% of the income from real estate sold. The ratio of the cost of real estate sold in 2017 increased 2.8% from 2016. It was because the Company had to adjust the business plan and goal and established a price strategy to liquidate the inventory. Furthermore, the overall economic situation had negative impacts on the real estate industry.

Cost of Rental and Service Business

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Income from rental and service business	67.74	32.3	73.25	8.1	108.45	48.1
Cost of rental and service business	31.84	22.8	50.29	58.0	75.63	50.4
Cost/income ratio of rental and service business	47.0	(3.6)	68.7	21.7	69.7	1.1

In 2015, the cost of rental and service business was 31.84 million THB or 47% of the income from rental and service business. It was because of increased income from rental fee of Market Place Rangsit. The percentage to income had thus decreased 3.6%. In terms of amount of money, it increased 5.91 million THB from 2014 from the renovation of rental units at Lumpini Residence, valuing 1.63 million THB and rental cost and depreciation of completed units that were rented out in 2015, valuing 4.28 million THB.

In 2016, the cost of rental and service business was 50.29 million THB or 68.7% of the income from rental and service business. In terms of income, it increased 5.51 million THB or 8.1% from 2015 because of increased income from rental fee of Minimall. At the same time, the cost ratio had increased 18.45 million THB or 58% from 2015. It was from the accumulated depreciation of Minimall. The policy on the calculation of depreciation was amended so the accumulated depreciation increased 7.32 million THB. There were costs associated with the management of Minimall such as cleaning service, security service, gardening service, expenses on sales promotion which increased 7.71 million THB and management cost of Pornsanti Co., Ltd. (a subsidiary company) e.g. salary and bonus, valuing 3.4 million THB. Therefore, the costs in 2016 were 18.45 million THB higher than those in 2015 as mentioned above.

In 2017, the cost of rental and service business was 75.63 million THB or 69.7% of the income from rental and service business. In terms of income, it increased 35.20 million THB or 48.1% from 2016 because of increased income from rental fee of office building, residential condominium, Minimall and long-term lease agreement (leasehold). At the same time, the cost ratio had increased 25.34 million THB or 50.4% from 2016 from depreciation of building, common area expenses, utility costs, property tax, security service fee and expenses on advertisement.

Cost of Management Business

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Income from management business	578.18	16.9	672.87	16.4	784.63	16.6
Cost of management business	433.73	19.4	471.34	8.7	520.87	10.5
Cost/income ratio of management business	75.0	1.6	70.0	(5.0)	66.4	(3.7)

In 2015, the cost of management business was 433.73 million THB or 75% of the income from management business. It increased 70.53 million THB or 19.4% from the previous year because of an increased number of maids, annual salary adjustment and welfares.

In 2016, the cost of management business increased 37.61 million THB or 8.7% from that of the previous year. It was because the expenses on staff, especially maids, increased following a larger number of condominium juristic persons using the service of the Company. However, the subsidiary companies were able to manage cost/income ratio effectively. The cost/income ratio in 2016 was 70.0% which was 5% lower than that in 2015.

In 2017, the cost of management business was 520.87 million THB or 66.4% of the income from management business. The Company was able to manage costs effectively. The cost/income ratio decreased 3.7% from 2016.

Expenses on Sale and Management

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Expenses on sale	931.27	11.0	842.17	(9.6)	571.12	(32.2)
Expenses on management	902.87	24.8	929.00	2.9	790.31	(14.9)
Total expenses on sale and management	1,834.14	17.4	1,771.17	(3.4)	1,361.43	(23.1)
Expenses on sale and management/gross income	11.0	(9.4)	12.1	9.9	14.1	16.6

In 2015, the expenses on sale and management of the Company and subsidiary companies was 1.834 billion THB, increasing 271.70 million THB or 17.4% from the previous year. It was because of the followings:

- The expenses on sale was 931.27 million THB, increasing 92.09 million THB or 11.0%, mainly from increased transfer fee and specific business tax of 120.99 million THB. It was in accordance with the increased income from real estate sold. Deducting the above item, the expenses on sale would decrease 28.90 million THB.
- The expenses on management was 902.87 million THB, increasing 179.61 million THB or 24.8% from increased expenses on staff such as salary, bonus, welfare, etc. of 94.23 million THB. The operational expenses increased 85.38 million THB which were the repair costs of 28.32 million THB, tax penalties of 11.15 million THB (as a result of the lost tax cases from 1997-2001) and loss of impairment of inventory of 11.52 million THB. The remaining 34.39 million THB was the increase in other operational expenses such as consultation fee, transportation costs, donation, common area expenses, doubtful debt and depreciation of building systems, B.I.M., etc.

In 2016, the ratio of the expenses on sale and management to gross income of the Company and subsidiary companies was 12.1% which was almost similar to 11.0% in 2015. The expenses on sale and management in 2016 were 1.771 billion THB, decreasing 62.97 million THB or 3.4% from the previous year. It was because of the followings:

- The expenses on sale decreased 89.10 million THB or 9.6% mainly from the decreased transfer fee and specific business tax of 148.65 million THB. It was in accordance with the decreased income from real estate sold. The government also issued measures to boost the real estate sector to increase the ownership transfer volume and speed up the handover of condominium units to customers. The transfer fee was reduced to 0.01%. The measures were effective until 25 April 2016. However, the expenses on sales promotion increased 30.67 million THB, advertisement costs increased 28.07 million THB and expenses on ownership transfer increased 0.81 million THB.
- The expenses on management increased 26.13 million THB or 2.9% from increased operational expenses such as consultation fee and repair costs. Also, the expenses on condominium fund and common area increased in line with larger amount of inventory. Allowance for doubtful debts increased from the termination of the lease agreement of Market Place Rangsit with Siam Future Development Public Co., Ltd., valuing 13.35 million THB. Other management expenses had decreased such as expenses on personnel (salary and welfare) and tax penalties which were paid in 2015 but not in 2016.

In 2017, the expenses on sale and management of the Company and subsidiary companies was 1.361 billion THB, decreasing 409.74 million THB or 23.1% from the previous year. It was because of the followings:

- The expenses on sale decreased 271.05 million THB or 32.2% from the decreased ownership transfer fee and specific business tax of 146.95 million THB. It was in accordance with the decreased income from real estate sold. The expenses on sales promotion and advertisement decreased 106.77 million THB and those on ownership transfer i.e. promotional gifts and organization of ownership transfer event decreased 40.86 million THB. The Company started selling more products through brokers so the brokerage fee increased 23.53 million THB.

- The expenses on management decreased 138.69 million THB or 14.9% from the decrease in personnel costs i.e. bonus, uniform costs, seminar and training costs and New Year party (festivities in 2017 were all cancelled). The operational expenses i.e. consultation fee, repair costs and allowance for doubtful debts also decreased. In 2016, the lease agreement of Market Place Rangsit with Siam Future Development Public Co., Ltd. valuing 13.35 million THB was terminated. There was no such expense in 2017.

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Remuneration for executives	205.66	105.2	79.30	(61.4)	80.14	1.1

Remuneration for executives refers to remuneration for executive directors, managers, the first four managers after the Managing Director and the executives at the same level comprising salary, consultation fee, bonus, special reward, mileage claim and phone bills.

In 2015, the remuneration for executives of the Company and subsidiary companies was 205.66 million THB or 1.2% of the gross income, increasing 105.46 million THB or 105.2% from 2014. It was because of the followings:

- The salary and bonus decreased 0.26 million THB from the previous year. The bonus was paid at the rate of seven-month which was similar to that in 2014 but the majority of the bonus was distributed among operational staff.
- The remuneration for executives increased 127.96 million THB from 2015. The net remuneration amount increased 105.46 million THB.

In 2016, the remuneration for executives of the Company and subsidiary companies was 79.30 million THB or 0.5% of the gross income, decreasing 126.36 million THB or 61.4% from the previous year. It was because of the followings:

- The bonus payment for executives decreased from that in 2015. The bonus was paid at the rate of three to four months.

In 2017, the remuneration for executives of the Company and subsidiary companies was 80.14 million THB or 0.8% of the gross income, increasing 0.84 million THB or 1.1% from the previous year.

- It was because the remuneration rate was similar to that of the previous year. High potential staff were promoted and many executives had retired.

Remuneration for Directors

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Remuneration for directors	25.81	55.0	16.53	(36.0)	16.01	(3.1)

In 2015, the remuneration for directors of the Company and subsidiary companies was 25.81 million THB or 0.2% of the gross income, increasing 9.16 million THB or 55.0% from 2014. (Reward for directors decreased in accordance with the decrease in dividend payment for shareholders of 4.76%.)

- The reward for 2014 which was paid in 2015 decreased 1.06 million THB from the previous year as the reward for directors decreased in accordance with the decrease in dividend payment for shareholders of 4.76%.
- The estimation of the reward for the performance in 2015 which would be paid in 2016 was 10.22 million THB. This amount had never been recorded previously. The net amount thus increased 9.16 million THB.

In 2016, the remuneration for directors of the Company and subsidiary companies was 16.53 million THB or 0.1% of the gross income, decreasing 9.28 million THB or 36.0% from 2015. (Reward for directors increased in accordance with the increase in dividend payment for shareholders of 12.50%.)

- The reward in 2016 was lower than that in 2015. It was because the estimation of the reward for directors was recorded for the first year. The reward of 10.22 million THB which would be paid in 2016 was estimated and recorded in 2015. Therefore, the reward for directors in 2015 was higher than that of other years.
- In 2016, the estimation of the reward for directors of 10.22 million THB which would be paid in 2017 was recorded.

In 2017, the remuneration for directors of the Company and subsidiary companies was 16.01 million THB or 0.2% of the gross income, decreasing 0.52 million THB or 3.1% from 2016. (Reward for directors increased in accordance with the increase in dividend payment for shareholders of 0%.)

Cost of Finances

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Cost of finances	11.25	(45.7)	5.73	(49.1)	2.73	(52.4)

In 2015, the cost of finances of the Company and subsidiary companies was 11.25 million THB or 0.1% of the gross income, decreasing 9.48 million THB or 45.7% from the previous year. It was because the loan burden decreased and long-term debentures of 850 million THB were issued to reduce the cost of finances burden and support business expansion.

In 2016, the cost of finances of the Company and subsidiary companies was 5.73 million THB or 0.04% of the gross income, decreasing 5.52 million THB or 49.1% from the previous year. It was because the loan burden decreased and long-term debentures of one billion THB were issued to reduce the cost of finances burden and support business expansion.

In 2017, the cost of finances of the Company and subsidiary companies was 2.73 million THB or 0.03% of the gross income, decreasing 3.00 million THB or 52.4% from the previous year. It was because long-term debentures of 1.610 billion THB were issued to reduce the cost of finances burden and support business expansion.

Income Tax Expense

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Income tax expense	707.23	32.5	560.57	(20.7)	300.02	(46.5)

The income tax expense in 2015 was 707.23 million THB or 4.2% of the gross income, increasing 173.39 million THB or 32.5% from the previous year. It was because of the increased income of the Company and subsidiary companies. The corporate income tax rate in 2015 was 20%, similar to that in 2014.

The corporate income tax rate in 2015 was 22.7% of the profit before tax. The corporate income tax rate in 2014 was 20.9% of the profit before tax. The corporate income tax rate in 2015 increased from that in 2014 because the Company and subsidiary companies lost a tax case in 2015, resulting in an increase in tax burden of 24.02 million THB. Moreover, the difference of the appraised land price and the actual selling price in 2015 was 144.77 million THB higher than that in 2014. The income tax expense thus increased 28.95 million THB. Excluding the income tax expenses in the above two cases, the corporate income tax rate in 2015 would be 21.0% of the profit before tax, which was similar to that of 2014.

The income tax expense in 2016 was 560.57 million THB or 3.8% of the gross income, decreasing 146.66 million THB or 20.7% from the previous year. It was because of the decrease in the income of the Company and subsidiary companies. The corporate income tax rate in 2016 was 20%, similar to that in 2015 and 2014.

The corporate income tax rate in 2016 was 20.5% of the profit before tax while that of 2015 was 22.7% of the profit before tax. The corporate income tax rate in 2016 decreased from that in 2015 because the Company and subsidiary companies carried a tax burden from the lost tax case in 2015. Furthermore, the difference of the appraised land price and the actual selling price in 2016 was higher than that in 2015.

The income tax expense in 2017 was 300.02 million THB or 3.1% of the gross profit, decreasing 260.55 million THB or 46.5% from the previous year. It was because of the decrease in the income of the Company and subsidiary companies. The corporate income tax rate in 2017 was 20%, similar to that in 2016 and 2015.

The corporate income tax rate in 2017 was 22.1% of profit before tax while that in 2016 was 20.5% of the profit before tax. The corporate income tax rate in 2017 increased from that in 2016 because the difference in the appraised land price and the actual selling price in 2017 was higher than that in 2016.

Net Profit

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Gross income	16,673.64	28.7	14,650.64	(12.1)	9,655.14	(34.1)
Net profit of the year	2,413.48	19.4	2,176.30	(9.8)	1,059.09	(51.3)
Net profit of the parent company	2,413.40	19.4	2,176.23	(9.8)	1,062.32	(51.2)

The net profit in 2015 was 2.413 billion THB or 14.5% of the gross income, increasing 391.98 million THB or 19.4% from the previous year. The net profit was 1.64 THB per share. It was because of the efficiency in income generation, cost control, management of sales cost and management cost of the Company and subsidiary companies.

The net profit in 2016 was 2.176 billion THB or 14.9% of the gross income, decreasing 237.17 million THB or 9.8% from the previous year. The net profit was 1.47 THB per share. It was because of the decrease in income from real estate sold, resulting from economic slowdown and household debt problem.

The net profit in 2017 was 1.062 billion THB or 11.0% of the gross income, decreasing 1.113 billion THB or 51.2% from the previous year. The net profit was 0.72 THB per share. It was because of the decrease in income from real estate sold, resulting from economic slowdown and household debt problem.

Financial Position

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Cash and cash equivalents	758.24	(27.6)	591.21	(22.0)	356.46	(39.7)
Temporary investment	-	-	30.27	100.0	109.54	261.9
Account receivable and other debtors	139.96	(39.6)	225.58	61.2	443.61	96.7
Short-term loan for related business	-	-	-	-	85.98	100.0
Land and project costs of projects under construction	10,703.18	(7.1)	6,645.33	(37.9)	11,469.21	72.6
Ready-made products	5,589.38	12.8	8,510.52	52.3	5,495.63	(35.4)
Total current assets	17,190.76	(3.6)	16,002.91	(6.9)	17,960.43	12.2
Other long-term investment	19.30	100.0	22.96	19.0	28.43	23.8
Land and project costs of projects pending development	563.78	8.9	498.36	(11.6)	932.58	87.1
Real estate for investment	1,169.71	19.9	1,226.86	4.9	1,254.65	2.3
Land, building and equipment	269.26	29.2	254.78	(5.4)	252.38	(0.9)
Goodwill	-	-	-	-	32.76	100.0
Intangible asset	26.24	(3.2)	24.74	(5.7)	19.78	(20.0)
Deferred tax asset	151.87	33.3	148.79	(2.0)	135.94	(8.6)
Leasehold	36.45	100.0	198.28	444.0	191.42	(3.5)
Other non-current assets	197.93	68.5	180.24	(8.9)	198.36	10.1
Total non-current assets	2,434.54	24.2	2,555.01	4.9	3,046.30	19.2
Total assets	19,625.30	(0.8)	18,557.92	(5.4)	21,006.73	13.2

As of 31 December 2015, the value of the total assets of the Company and subsidiary companies was 19.625 billion THB, decreasing 158.39 million THB or 0.8% from 2014. Cash and cash equivalents decreased 289.11 million THB from the change in the policy to hold the revolving cash of 500 million THB. Land and project costs of projects under construction decreased 818.58 million THB. There were 11 projects completed in 2015 while there were 12 projects completed in 2014. But the value of the projects completed in 2015 was higher than those completed in 2014. The inventory increased 632.79 million THB as Lumpini Condotown Rangsit Klong 1 (Phase 1) was completed in October 2015 but the ownership transfer target was unmet. Also, Lumpini Place Boromrajchonnane-Pinklao was completed in December 2015. Therefore, the inventory this year was increased. Land and project costs of projects pending development increased 45.91 million THB as a plot of land on Rama 9 Road was not yet developed. Real estate for investment increased 194.45 million THB as all the four projects developed in 2014 were completed, namely, Mill Place Posri, Market Place Rangsit Klong 1, a commercial building at Onnut 46 and a Plaza at Petchakasem 98.

As of 31 December 2016, the value of the total assets of the Company and subsidiary companies was 18.557 billion THB, decreasing 167.03 million THB because of the policy to hold the revolving cash of 500 million THB. Land and project costs of projects under construction decreased 4.057 billion THB. There were 14 projects completed in 2016 while 11 projects were completed in 2015. The construction costs of projects under construction in 2016 was lower than those in 2015. Land and project costs of projects pending development decreased 65.42 million THB. In 2016, the Company recorded the land and project costs of Lumpini Park Beach Cha-am 2 as those of projects under construction. The inventory increased 2.921 billion THB as the ownership transfer volume in 2016 was decreased as a result of the economic slowdown.

As of 31 December 2017, the value of the total assets of the Company and subsidiary companies was 21.006 billion THB, increasing 2.448 billion THB or 13.2% from the end of 2016. Account receivables and other debtors increased 218.03 million THB which was the advance payment of commission. Land and project costs of projects under construction increased 4.823 billion THB. It was the purchase of plots of land for the development of five projects in 2017. The project costs of projects pending development increased 434.22 million THB as the Company recorded the land and project costs of projects that the construction was delayed as the land and project costs of projects pending development. The inventory decreased 3.014 billion THB as a result of a short-term strategy to liquidate the inventory.

Ready-Made Products

As of 31 December 2015, the balance of the ready-made products of the Company and subsidiary companies was 5.589 billion THB, increasing 632.79 million THB or 12.8% from the previous year. It was because of the closing of the project costs of Lumpini Condotown Rangsit Klong 1 (Phase 1) in October 2015. The ownership transfer target of this project was unmet. The project costs of Lumpini Place Boromrajchonnane-Pinklao was also closed in December 2015. Therefore, the amount of inventory was higher.

As of 31 December 2016, the balance of the ready-made products of the Company and subsidiary companies was 8.510 billion THB, increasing 2.921 billion THB or 52.3% from the previous year. The ownership transfer target of the projects completed in 2016 was still unmet so the amount of inventory was higher.

As of 31 December 2017, the balance of the ready-made projects of the Company and subsidiary companies was 5.495 billion THB, decreasing 3.014 billion THB or 35.4% from the previous year. It was because of the short-term strategy to liquidate the inventory which proved to be successful.

Other Long-Term Investments

As of the end of 2015, 2016 and 2017, the amount of other long-term investments of the Company and subsidiary companies was 19.30 million THB, 22.96 million THB and 28.43 million THB respectively. Long-term investment refers to the investment amount in TISCO ESG Investment Fund for Society. The Company must hold the fund units of the Investment Fund for no less than five calendar years. Such investment amount was an asset classified as held for sale and must be shown at market price. The difference in price will be shown in the comprehensive profit and loss statement (in retained earnings).

Land and Project Costs of Projects Pending Development

As of 31 December 2015, the land and project costs of projects pending development of the Company and subsidiary companies were 563.78 million THB, increasing 45.91 million THB or 8.9% from the previous year because plots of land on Rama 9 were recorded as plots of land pending development.

As of 31 December 2016, the land and project costs of projects pending development of the Company and subsidiary companies were 498.36 million THB, decreasing 65.42 million THB or 11.6% from the previous year. It was because the Company recorded the land and project costs of Lumpini Park Beach Cha-am 2 as land and project costs of projects under construction.

As of 31 December 2017, the land and project costs of projects pending development of the Company and subsidiary companies were 932.58 million THB, increasing 434.22 million THB or 87.1%. It was because the Company recorded land and project costs of Lumpini Huahin Soi 7 of 139.03 million THB, Lumpini Ratchapruek-Bangwaek of 1.54 million THB and Lumpini Ville Sukhumvit 113 of 293.65 million THB as land and project costs of projects pending development.

Real Estate for Investment

As of 31 December 2015, the value of the real estate for investment of the Company and subsidiary companies was 1.169 billion THB, increasing 194.45 million THB or 19.9% from the previous year. It was because the four projects developed in 2014 were completed, namely, Mill Place Posri, Market Place Rangsit, a commercial building at Onnut 46 and a Plaza at Petchakasem 98.

As of 31 December 2016, the value of the real estate for investment of the Company and subsidiary companies was 1.226 billion THB, increasing 57.15 million THB or 4.9% from the previous year. It was because the Company only recorded a shop as a real estate for investment in 2016 while in the previous years, Minimalls that were completed were also recorded.

As of 31 December 2017, the value of the real estate for investment of the Company and subsidiary companies was 1.254 billion THB, increasing 27.79 million THB or 2.3% from the previous year. It was because the Company only recorded a shop as a real estate for investment.

Land, Building and Equipment

As of 31 December 2015, the value of land, building and equipment of the Company and subsidiary companies was 269.26 million THB, increasing 60.80 million THB or 29.2% from the previous year. It was from the meeting room on the third floor of Market Place Rangsit Klong 1 valuing 47.71 million THB as well as the purchase of assets valuing 22.74 million THB.

As of 31 December 2016, the value of land, building and equipment of the Company and subsidiary companies was 254.78 million THB, decreasing 14.48 million THB or 5.4% from the previous year. It was from the sale office building in front of Market Place Rangsit valuing 5.98 million THB as well as the purchase of assets valuing 3.98 million THB. The decrease was resulting from annual depreciation. The net value of land, building and equipment decreased 14.48 million THB.

As of 31 December 2017, the value of land, building and equipment of the Company and subsidiary companies was 252.38 million THB, decreasing 2.40 million THB or 0.9% from the previous year. It was increased from the purchase of assets and decreased from annual depreciation. The net value of land, building and equipment decreased 2.40 million THB.

Goodwill

On 22 September 2017, Lumpini Project Management Service Co., Ltd. (a subsidiary company) acquired 100% of Lumpini Wisdom and Solution Co., Ltd. The company provides construction management and consultation services to expand the business base of the Company. Lumpini Project Management Service Co., Ltd. paid 40 million THB for the acquisition which was 32.76 million THB higher than the fair value of the asset as of the purchase date. It was shown as goodwill in consolidated financial statements.

Intangible Assets

As of 31 December 2015, the value of intangible assets of the Company and subsidiary company was 26.24 million THB, decreasing 0.86 million THB or 3.2% from the previous year. It was increased from the purchase of assets and decreased from depreciation.

As of 31 December 2016, the value of intangible assets of the Company and subsidiary company was 27.74 million THB, decreasing 1.50 million THB or 5.7% from the previous year. It was increased from the purchase of assets and decreased from depreciation.

As of 31 December 2016, the value of intangible assets of the Company and subsidiary company was 19.78 million THB, decreasing 4.96 million THB or 20.0% from the previous year. It was increased from the purchase of assets and decreased from depreciation.

Deferred Tax Assets

Accounting Standard No.12 states that a company must calculate and recognize the amount of income tax resulted from the difference between the accounting profit and taxable profit in the financial statements.

As of 31 December 2015, the value of deferred tax assets of the Company and subsidiary companies was 151.87 million THB, increasing 37.90 million THB or 33.33 from the previous year. The difference was from the record of expenses that the accounting basis was different from the tax basis as follows:

- Remuneration for executives	129.77 million THB
- Unpaid reward for directors	10.22 million THB
- Estimation of financial assistance for staff in case of emergency	10.00 million THB
- Depreciation of inventory	6.19 million THB
- Estimation of retirement award	21.59 million THB
- Others	<u>11.75 million THB</u>
Total expenses that are not considered as tax expenses	<u>189.52 million THB</u>
	20%
Deferred tax assets increased from 2014	37.90 million THB

As of 31 December 2016, the value of the deferred tax assets of the Company and subsidiary companies was 148.79 million THB, decreasing 3.08 million THB or 2.0% from the previous year. The deferred tax assets of 148.79 million THB comprised the followings:

- Deposit from customers of rental and service business	2.55
- Allowance for devaluation of assets	78.33
- Reserve fund for long-term benefits for staff	46.32
- Estimation of expenses	21.83
- Financial lease	0.93
- Others	<u>(1.18)</u>
	<u>148.79</u>

As of 31 December 2017, the value of the deferred tax assets of the Company and subsidiary companies was 135.94 million THB, decreasing 12.85 million THB or 8.6% from the previous year. The deferred tax assets of 135.94 million THB comprises the followings:

- Allowance for devaluation of assets	76.98
- Reserve fund for long-term benefits for staff	50.47
- Estimation of expenses	8.32
- Financial lease	0.85
- Others	<u>(0.67)</u>
	<u>135.94</u>

Leasehold

In 2015, the Company entered into a land lease agreement with the Crown Property Bureau (renter) to build residential condominium for rent for the period of 30 years from the completion of the construction of buildings or no more than two years, whichever comes first. The renter handed over the land to the Company on 1 March 2015. The Company could extend the lease agreement twice for the period of 30 years each time by informing the renter in writing within the 25th and 55th year and signed the lease extension agreement or the new lease agreement in the 28th and 58th year. Both parties must each hire an independent appraiser to appraise the market value of the rented asset as well as appropriate rental fee. The Company had already paid the whole amount of the rental fee on the day of the execution of the lease agreement. The Company held the whole amount of the leasehold deposit. When the lease agreement expired and was not extended, the renter would immediately claim the ownership of the buildings without any obligations. The Company would be responsible for ownership transfer expenses.

In 2016, the construction of residential condominiums on the land that was rented from the Crown Property Bureau was completed. It would be sublet for the period of 30 years, ending on 22 December 2046. As of 31 December 2017, the net leasehold value was 205.13 million THB. Deducting the amortization of 6.86 million THB and the advance payment due within one year for the classification of lease of 6.84 million THB (the numbers were shown in account receivables and other debtors), the value of the leasehold at the end would be 191.42 million THB.

Other Non-Current Assets

As of 31 December 2015, the value of other non-current assets of the Company and subsidiary companies was 197.93 million THB, increasing 80.47 million THB or 68.5% as the debtor was being sued for land payment.

As of 31 December 2016, the value of other non-current assets of the Company and subsidiary companies was 180.24 million THB, decreasing 17.96 million THB or 8.9% from the previous year. The Company won the lawsuit above and received the payment for land. Therefore, the account receivables decreased 63.70 million THB. The fund amount increased 33.21 million THB in accordance with larger amount of inventory. The credit of withholding tax from 2013-2016 that was requested for return increased 12.80 million THB from 2015. Therefore, the net value of other non-current assets decreased 17.69 million THB.

As of 31 December 2017, the value of other non-current assets of the Company and subsidiary companies was 198.36 million THB, increasing 18.12 million THB or 10.1%. It was because the electricity insurance and other insurances decreased 2.03 million THB, burden of deposit insurance increased 39.49 million THB, the fund amount decreased 9.94 million THB in accordance with smaller amount of inventory, loan for juristic persons decreased 6.71 million THB and the credit of withholding tax from 2013-2016 was returned at the amount of 18.58 million THB and increased 15.88 million THB from the tax credit in 2017. Therefore, the net value of other non-current assets increased 18.12 million THB.

Liabilities

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Overdraft and short-term loan						
from financial institutions	2,881.59	(32.6)	2,575.92	(10.6)	4,073.96	58.2
Account payables and other creditors	2,340.03	(0.8)	1,257.91	(46.2)	1,780.38	41.5
Loan and debts from financial lease due						
within one year	51.98	(92.7)	607.33	1,068.4	395.31	(34.9)
Unpaid corporate income tax	328.18	29.8	98.37	(70.0)	90.25	(8.3)
Total current liabilities	5,601.78	(26.3)	4,539.53	(19.0)	6,339.90	39.7
Rental fee received in advance	-	-	196.04	100.0	285.51	45.6
Debts from financial lease	17.08	55.7	12.73	(25.5)	8.86	(30.4)
Long-term loan	1,342.10	(14.6)	112.78	(91.6)	34.66	(69.3)
Debentures	850.00	100.0	1,000.00	17.6	1,610.00	61.0
Estimation of debts of staff benefits	178.64	13.7	231.62	29.7	252.44	9.0
Other non-current liabilities	54.45	46.5	54.58	0.2	61.55	12.8
Total non-current liabilities	2,442.27	37.4	1,607.75	(34.2)	2,253.02	40.1
Total liabilities	8,044.05	(14.2)	6,147.28	(23.6)	8,592.92	39.8

As of 31 December 2015, total liabilities of the Company and subsidiary companies were 8.044 billion THB, decreasing 1.331 billion THB or 14.2% from the end of 2014. In 2015, the Company issued long-term debentures at the amount of 850 million THB to pay back short-term loan to financial institutions. At the end of 2015, the short-term loan from financial institutions decreased 1.396 billion THB. The issuance of debentures also helped reduce cost of finances of the Company. Moreover, there was cash available from the ownership transfer of 11 projects in 2015 and read-to-move-in projects. The cash was used to pay off debts and allocate funding for future projects.

As of 31 December 2016, total liabilities of the Company and subsidiary companies were 6.147 billion THB, decreasing 1.896 billion THB or 23.6% from the end of 2015. In 2016, the loan amount decreased 829.64 million THB as there was smaller number of projects under construction in 2016 and the loans were managed efficiently.

As of 31 December 2017, total liabilities of the Company and subsidiary companies were 8.592 billion THB, increasing 2.445 billion THB or 39.8% from the end of 2016. In 2017, the loan amount increased 1.817 billion THB as the investment amount of projects under construction in 2017 was higher than that in 2016.

Overdraft and Short-Term Loan from Financial Institutions

As of 31 December 2015, the overdraft and short-term loan from financial institutions of the Company and subsidiary companies were 2.881 billion THB, decreasing 1.396 billion THB or 32.6% from the previous year. In 2015, the Company issued long-term debentures at the amount of 850 million THB to pay back short-term loan to financial institutions. Therefore, the amount of short-term loan from financial institutions was decreased at the end of the year.

As of 31 December 2016, the overdraft and short-term loan from financial institutions of the Company and subsidiary companies were 2.575 billion THB, decreasing 305.67 million THB or 10.6% from the previous year. In 2016, the Company issued additional long-term debentures at the amount of 150 million THB to pay back short-term loan to financial institutions. Therefore, the amount of short-term loan from financial institutions was decreased at the end of the year.

As of 31 December 2017, the overdraft and short-term loan from financial institutions of the Company and subsidiary companies were 4.073 billion THB, increasing 1.498 billion THB or 58.2%. The loan was requested for investment in projects under construction.

Account Payables and Other Creditors

As of 31 December 2015, the value of account payables and other creditors of the Company and subsidiary companies was 2.340 billion THB, decreasing 19.03 million THB or 0.8% from the previous year.

As of 31 December 2016, the value of account payables and other creditors of the Company and subsidiary companies was 1.257 billion THB, decreasing 1.082 billion THB or 46.2% from the previous year. It was because account payables decreased 249.96 million THB as a result of higher construction expenses. Advance payment of real estate sold of 707.15 million THB was received. The economic slowdown affected the decision-making of customers so the advance payment received from real estate sold was decreased. The construction insurance decreased 114.61 million THB because the Company paid back the construction insurance of projects completed in 2015. Unpaid expenses decreased 53.75 million THB because the remuneration for executives estimated in 2015 was paid in 2016. However, unpaid bonus increased 43.34 million THB. It was because of the policy of the Board of Directors in 2016 to estimate the unpaid bonus of staff of the Company and subsidiary companies at the rate of one time of salary. The bonus would be paid in 2017.

As of 31 December 2017, the value of account payables and other creditors of the Company and subsidiary companies was 1.780 billion THB, increasing 522.47 million THB or 41.5% from the previous year. It was the increase in installment payment from customers of 625.70 million THB as a result of the adjustment of target group of customers from middle to lower-middle income earners to upper-middle to high income earners and the change in location of project development i.e. from peripheral area to central business district. The sales volume in 2017 was 16 billion THB. The amount of installment payment of customers was higher to avoid profit speculation.

Loan and Debt from Financial Lease Due within One Year

As of 2015, 2016 and 2017, the loan and debt from financial lease due within one year of the Company and subsidiary companies were 51.98 million THB, 607.33 million THB and 395.31 million THB respectively.

Unpaid Corporate Income Tax

As of the end of 2015, 2016 and 2017, the unpaid amount of corporate income tax of the Company and subsidiary companies were 328.18 million THB, 98.37 million THB and 90.25 million THB respectively. It was proportional to the income of each year.

Rental Fee Received in Advance

As of the end of 2016 and 2017, the rental fee received in advance were 196.04 million THB and 285.51 million THB respectively. It was the advance payment received from the rental fee of Lumpini Place Rama 4-Ratchadapisek which was gradually recognized.

Debts from Financial Lease

As of the end of 2015, 2016 and 2017, the debts from financial lease of the Company and subsidiary companies were 17.08 million THB, 12.73 million THB and 8.86 million THB respectively. They were the net debts from the financial lease that was due within one year.

Long-term Loan

As of 31 December 2015, the amount of long-term loan of the Company and subsidiary companies was 1.342 billion THB, decreasing 229.69 million THB or 14.6% from the previous year.

As of 31 December 2016, the amount of long-term loan of the Company and subsidiary companies was 112.78 million THB, decreasing 1.229 billion THB or 91.6% from the previous year.

As of 31 December 2017, the amount of long-term loan of the Company and subsidiary companies was 34.66 million THB, decreasing 78.12 million THB or 69.3% from the previous year.

Debentures

At the end of 2015, 2016 and 2017, the amount of long-term debentures of the Company and subsidiary companies were 850 million THB, one billion THB and 1.610 billion THB. The debentures were issued to pay back short-term loan to financial institutions and reduce financial costs.

Estimation of Debts of Staff Benefit

As of the end of 2015, 2016 and 2017, the estimation of debts of staff benefit after termination of employment of the Company and subsidiary companies were 178.64 million THB, 231.62 million THB and 252.44 million THB respectively. It was estimated in accordance with actuarial science. It could be seen that the amount has been increasing every year which is in line with the salary increase of staff and changes in number of staff.

Other Non-Current Liabilities

As of the end of 2015, 2016 and 2017, the value of other non-current liabilities of the Company and subsidiary companies were 54.45 million THB, 54.58 million THB and 61.55 million THB respectively. It included rental and service fee deposit, insurance paid before ownership transfer and financial assistance for staff in case of emergency.

Shareholders' Equity

Unit : Million THB

Item	as of 31 December of the year					
	2015	Increase (Decrease) Percentage	2016	Increase (Decrease) Percentage	2017	Increase (Decrease) Percentage
Capital stock	1,475.70	-	1,475.70	-	1,475.70	-
Share premium	441.81	-	441.81	-	441.81	-
Additional paid-in capital of treasury stock	39.06	-	39.06	-	39.06	-
Profit (loss) from changes in shareholding proportion in subsidiary companies	-	-	-	-	15.46	100.0
Retained earnings						
Allocated-reserved as legally required	148.00	-	148.00	-	148.00	-
Not allocated	9,477.33	14.1	10,303.60	8.7	10,259.18	(0.4)
Other components of the capital- profit (loss)						
Re-measuring of available-for-sale investment	(0.70)	-	2.36	-	6.75	186.0
Equity of the parent company	11,581.20	11.3	12,410.53	7.2	12,385.96	(0.2)
Non-controlling interests	0.05	(84.4)	0.10	100.0	27.85	27,750.0
Total shareholders' equity	11,581.25	11.3 .4	12,410.63	7.2	12,413.81	0.03

As of 31 December 2015, the shareholders' equity of the Company and subsidiary companies was 11.581 billion THB, increasing 1.172 billion THB or 11.3% from 31 December 2014. The increase was resulting from the operational performance of the Company which earned the net profit of 2.413 billion THB. In 2015, the dividend of 1.239 billion THB was paid to shareholders and decreased 0.70 million THB from the re-measuring of available-for-sale investment.

The debt-to-equity ratio of the Company and subsidiary companies as of 2015 was 0.69:1, decreasing from 0.90:1 at the end of 2014.

As of 31 December 2016, the shareholders' equity of the Company and subsidiary companies was 12.410 billion THB, increasing 829.38 million THB or 7.2% from 31 December 2015. The increase was resulting from the operational performance of the Company which earned the net profit of 2.176 billion THB. In 2016, the dividend of 1.328 billion THB was paid to shareholders and increased 3.06 million THB from the re-measuring of available-for-sale investment. The loss of 21.90 million THB which was estimated in accordance with actuarial science was amended.

The debt-to-equity ratio of the Company and subsidiary companies as of 2016 was 0.50:1, decreasing from 0.69:1 at the end of 2015.

As of 31 December 2017, the shareholders' equity of the Company and subsidiary companies was 12.413 billion THB, increasing 3.18 million THB or 0.03% from 31 December 2016. The increase was resulting from the operational performance of the Company which earned the net profit of 1.059 billion THB. In 2017, the dividend of 1.106 billion THB was paid to shareholders and increased

4.38 million THB from the re-measuring of available-for-sale investment. It also increased from the profit from the changes in shareholding proportion in a subsidiary companies of 15.46 million THB as well as non-controlling interest and increased investment amount of 31.0 million THB.

The debt-to-equity ratio of the Company and subsidiary companies as of 2017 was 0.69:1, increasing from 0.50:1 at the end of 2016.

The dividend payment in 2015, 2016 and 2017 was at the rate of 55.03%, 61.03% and 69.46% respectively. The policy is to pay the dividend at the rate of no less than 50% of the net profit to continuously generate a return of investment for shareholders. The remaining profit will be used to expand the investment to create sustainable growth in the future.

Cash Flow Statement

As of 31 December 2015, cash flow statement and cash equivalents of the Company and subsidiary companies increased 289.11 million THB from the end of 2014. In 2015, the net cash from the operation of the Company and subsidiary companies was 2.650 billion THB. The amount of 259.43 million THB was invested in real estate for investment and 2.289 billion THB was used to pay off loans. The dividend of 1.239 billion THB was paid to shareholders. Long-term debentures valuing 850 million THB was issued to reduce the cost of loan interest.

As of 31 December 2016, cash flow statement and cash equivalents of the Company and subsidiary companies decreased 167.03 million THB or 22.03%. It was because of smaller number of ownership transfer, a deposit paid for a plot of land purchased for project development and increased construction expenses.

As of 31 December 2017, cash flow statement and cash equivalents of the Company and subsidiary companies decreased 234.75 million THB or 39.7%. It was because of smaller number of ownership transfer and increased construction expenses.

Company's Loan

List of Loans of L.P.N. Development Public Co., Ltd.
and Subsidiary Companies as of 31 December 2017

Unit : Million THB

No.	Institution	Outstanding Amount (Million THB)	Proportion %	Average Interest Rate (%)	Collateral
1	Loan from financial institutions	3,684.75	60.56	3.49%	Land and Buildings
2	Bill of Exchange	400.00	6.57	2.90%	None
3	Debentures	2,000.00	32.87	3.70%	None
	Total	6,084.75	100.00	3.63%	

Financial Institutions Contacted as of 31 December 2017

Unit : Million THB

No.	Financial Institution	Amount
1	Loan from financial institutions	356.46
	Total	356.46

Audit Fee

Audit Fee

- The remuneration for auditor in the previous year is 1,340,000 THB.
- The costs for the auditor's office, persons of activities in connection with the auditor or his office in the previous financial year are 855,000 THB.

Non-Audit Fee

-None-

Connected Transactions

In 2017, the connected transactions of the Company and subsidiary companies on sale or employment agreements which are conducted under the same conditions and market prices at the time as with third parties as of 31 December 2017 are as follows:

Connected Transactions between the Company and Lumpini Property Management Co., Ltd.

Income: Lumpini Property Management Co., Ltd.	Contract Amount	Period
1. Rental management fee		
Rental brokerage fee/rental agreement extension fee/rental management fee	90,000 THB / Month	Jan 17 - Dec 17
2. Rental management fee		
Lumpini Residence Sathorn	87,500 THB / Month	Jan 17 - Dec 17
3. Parking lots management and parking fee collection fee		
3.1 Parking lots management fee (Lumpini Tower and L.P.N. Tower)	72,000 THB / Month	Jan 17 - Dec 17
3.2 Parking fee collection fee (Lumpini Tower and L.P.N. Tower)	3% of income / Month	Jan 17 - Dec 17
4. Condominium management, system integration and condominium registration service fee		
4.1 Condominium management fee		
- Lumpini Ville Nakornin-Riverview	968,000.00 / Time	Oct 16 - Mar 17
- Lumpini Mixx Tearak	1,286,000.00 / Time	Oct 16 - Mar 17
- Lumpini Ville Sukhumvit 76-Bearing Station	500,000.00 / Time	Mar 17 - Jul 17
- Lumpini Ville Ratchapruet-Bangwaek	750,000.00 / Time	May 17 - Oct 17
- Lumpini Place Bangna Km. 3	495,327.10 / Time	Nov 17 - Feb 18
- Lumpini Seaview Cha-am	243,600.00 / Time	Nov 17 - Feb 18
- Lumpini Place Rama 4-Ratchada	60,000.00 / Month	Nov 16 - Jan 17
- Lumpini Place Rama 4-Ratchada	100,000.00 / Month	Feb 17 - Dec 17
- Lumpini Apartment Rangsit Klong 1	9,345.79 / Month	Jan 17 - Dec 17
4.2 Condominium management fee (lump sum payment) (Rental Management Business)		
- Minimall Lumpini Ville Naklua-Wongamart	30,000.00 / Month	Jan 17 - Dec 17
- Minimall Lumpini CondoTown North Pattaya-Sukhumvit	20,000.00 / Month	Jan 17 - Dec 17
- Mill Place Posri	51,000.00 / Month	Jan 17 - Dec 17
- Market Place Rangsit Klong 1	51,000.00 / Month	Jan 17 - Dec 17
- Minimall Lumpini Park Petchakasem 98	30,000.00 / Month	Jan 17 - Dec 17
- Lumpini Residence	27,000.00 / Month	Jan 17 - Dec 17
4.3 System integration service		
- Lumpini Ville Sukhumvit 76-Bearing Station	200,000.00 THB	
- Lumpini Ville Ratchapruet-Bangwaek	250,000.00 THB	
- Lumpini Place Bangna Km. 3	200,000.00 THB	
- Lumpini Seaview Cha-am	400,000.00 THB	
4.4 Condominium registration service		
- Lumpini Ville Sukhumvit 76-Bearing Station	150,000.00 THB	
- Lumpini Ville Ratchapruet-Bangwaek	150,000.00 THB	
- Lumpini Place Bangna Km. 3	150,000.00 THB	

Connected Transactions between the Company and Lumpini Property Management Co., Ltd. (Cont.)

Income: Lumpini Property Management Co., Ltd.	Contract Amount	Period
5. Management fee (shops and condominium unit sale)	based on actual number of work	Jan 17 - Dec 17
6. Community service fee (repair work after ownership transfer) (lump sum payment) **Payment cancelled Jun 17** - Lumpini Place Srinakarin-Huamark Station	825,100.00 THB / Month	Jan 17 - Jun 17
Expenses: Lumpini Property Management Co., Ltd.	Contract Amount	Period
1. Rental fee of Lumpini Tower, 36 th Floor, Zone D	10,000 THB / Month	Oct 15 - Sep 18
2. Rental fee of Lumpini Tower, 28 th Floor		
- Income from office rental fee	75,476 / Month	May 14 - Apr 17
	75,476 / Month	May 17 - Apr 20
- Income from office service fee	176,110 / Month	May 14 - Apr 17
	176,110 / Month	May 17 - Apr 20
3. Shop rental fee (BBD)		
- Income from shop rental fee		
- Lumpini Park Pinklao	6,458.76 / Month	Jan 17 - Dec 17
- Income from shop service fee		
- Lumpini Park Pinklao	15,070.44 / Month	Jan 17 - Dec 17

Connected Transactions between the Company and Lumpini Project Management Service Co., Ltd.

Income: Lumpini Project Management Service Co., Ltd.	Contract Amount	Period
1. Project management fee (during construction)		
Lumpini Ville Sukhumvit 76	825,190.00 / Month	Mar 16 - Jan 17
Lumpini Ville Sukhumvit 76 (additional)	825,190.00 / Month	Feb 17 - Apr 17
Lumpini Ville Sukhumvit 76 (additional)	412,595.00 / Month	May 17 - Jul 17
Lumpini Ville Ratchapruek-Bangwaek	996,177.00 / Month	Jun 16 - Apr 17
Lumpini Ville Ratchapruek-Bangwaek (additional)	996,180.00 / Month	May 17 - Jul 17
Lumpini Ville Ratchapruek-Bangwaek (additional)	498,090.00 / Month	Aug 17 - Oct 17
Lumpini Ville Sukhumvit 113	920,000.00 / Month	Jun 16 - Aug 17
Lumpini Seaview Cha-am	850,000.00 / Month	Jun 16 - May 17
Lumpini Suite Petchaburi-Makkasan	543,950.00 / Month	Sep 16 - Feb 17
Lumpini Suite Petchaburi-Makkasan	601,200.00 / Month	Mar 17 - Sep 18
Lumpini Suite Petchaburi-Makkasan	543,950.00 / Month	Oct 18 - Dec 18
Lumpini Suite Petchaburi-Makkasan (additional)	479,960.50 / Month	Mar 17 - Jun 18
Lumpini Suite Petchaburi-Makkasan (additional)	479,960.50 / Month	Jul 18 - Sep 18
Lumpini Park Beach Cha-am 2	210,000.00 / Month	Jan 17 - Sep 17
Lumpini Park Beach Cha-am 2	210,000.00 / Month	Oct 17 - Dec 17
Lumpini Park Beach Cha-am 2 (additional)	170,325.00 / Month	Jan 17 - Dec 17
Lumpini Park Phahon 32	241,980.00 / Month	Jul 17 - Dec 17
Lumpini Place Ratchada-Sathu	216,860.00 / Month	Aug 17 - Jan 18
Lumpini Place Rama 3-Riverine	257,695.83 / Month	Jun 17 - Nov 17
Lumpini Place Rama 3-Riverine	858,986.11 / Month	Dec 17 - May 19

Connected Transactions between the Company and Lumpini Project Management Service Co., Ltd.
(Cont.)

Income: Lumpini Project Management Service Co., Ltd.	Contract Amount	Period
Town Home Project	505,522.00 / Month	Jun 17 - May 19
Single Home Project	701,580.00 / Month	Jun 17 - May 19
The Selected Kaset-Ngarmwongwarn by L.P.N.	120,900.00 / Month	Feb 17 - Jul 17
The Selected Kaset-Ngarmwongwarn by L.P.N.	558,000.00 / Month	Aug 17 - Aug 18
Lumpini Ville Rasburana-Riverview 2	502,500.00 / Month	Jan 17 - Feb 17
Lumpini Ville Rasburana-Riverview 2	1,256,250.00 / Month	Mar 17 - Oct 17
Lumpini Ville Rasburana-Riverview 2	167,500.00 / Month	Nov 17 - Apr 18
Lumpini Suite Dindaeng-Ratchaprarop	252,090.00 / Month	Jan 17 - Jun 17
Lumpini Suite Dindaeng-Ratchaprarop	889,710.00 / Month	Jul 17 - Dec 18
Lumpini Ville Pranangklaio-Riverview	585,000.00 / Month	Jan 17 - Feb 17
Lumpini Ville Pranangklaio-Riverview	1,462,500.00 / Month	Mar 17 - Oct 17
Lumpini Ville Pranangklaio-Riverview	195,000.00 / Month	Nov 17 - Apr 18
Lumpini Place Bangna Km. 3	482,000.00 / Month	Jan 17 - Feb 17
Lumpini Place Bangna Km. 3	1,205,000.00 / Month	Mar 17 - Oct 17
Lumpini Place Bangna Km. 3	160,666.67 / Month	Nov 17 - Apr 18
Lumpini Park Petchakasem 98 Phase 2	647,600.00 / Month	Jun 16 - Jul 17
Lumpini Park Petchakasem 98 Phase 2	323,800.00 / Month	Aug 17 - Oct 17
Lumpini Mixx Tearak-Srinakarin	1,000,000 / Month	Dec 16 - Feb 17
Lumpini Mixx Tearak-Srinakarin	500,000 / Month	Mar 17 - May 17
Lumpini Place Pattanakarn-Srinakarin	275,025 / Month	Jan 17 - Mar 17
Payment cancelled from April 2017 onwards		
The Lumpini 24	200,000.00 / Month	Oct 16 - Mar 17
Lumpini Ville Nakornin-Riverview	980,000.00 / Month	Nov 16 - Jan 17
Lumpini Ville Nakornin-Riverview	490,000.00 / Month	Feb 17 - Apr 17
2. Community management fee (repair work after ownership transfer)		
(lump sum payment) **Start in July 2017**		
- Lumpini Place Srinakarin-Huamark Station	825,100.00 THB / Month	Jul 17 - Dec 17
Expenses: Lumpini Project Management Service Co., Ltd.	Contract Amount	Period
1. Office rental fee (Lumpini Tower, 36th Floor, Zone E, F)	5,000 THB / Month	Oct 15 - Sep 18
2. Office rental and service fee (Lumpini Tower, 28th Floor)		
- Office rental fee	26,934 THB / Month	May 14 - Apr 17
	26,934 THB / Month	May 17 - Apr 20
- Service fee	62,846 THB / Month	May 14 - Apr 17
	62,846 THB / Month	May 17 - Apr 20
3. Residential unit rental fee		
(Lumpini Township Rangsit-Klong 1, Building F)		
- Residential unit/office rental fee		
- Lumpini Township Rangsit-Klong 1, Building F-0404 (contract terminated in April 2017)	1,800 THB / Month	Jul 16 - Apr 17
- Lumpini Township Rangsit-Klong 1, Building F-0406	1,800 THB / Month	Oct 15 - Dec 17
- Lumpini Township Rangsit-Klong 1, Building F-0305	1,960 THB / Month	Jan 16 - Dec 17
- Service fee/furniture		
- Lumpini Township Rangsit-Klong 1, Building F-0404 (contract terminated in April 2017)	2,523.36 THB / Month	Jul 16 - Apr 17
- Lumpini Township Rangsit-Klong 1, Building F-0406	2,523.36 THB / Month	Oct 15 - Dec 17
- Lumpini Township Rangsit-Klong 1, Building F-0305	2,747.66 THB / Month	Jan 16 - Dec 17

Connected Transactions between the Company and Pornsanti Co., Ltd.

Income: Pornsanti Co., Ltd.	Contract Amount	Period
1. Shops management fee	146,000.00 / Month	Jan 17 - Dec 17
2. City Home Training Center rental fee		
- City Home Training Center rental fee (contract extended)	370,000.00 / Month	Jul 16 - Jun 19
3. Community mall management fee		
- Market Place Rangsit-Klong 1	160,830.00 / Month	Jan 17 - Dec 17
- Mill Place Posri	104,820.00 / Month	Jan 17 - Dec 17
- Minimall Lumpini CondoTown North Pattaya-Sukhumvit	10,670.00 / Month	Jan 17 - Dec 17
- Minimall Lumpini Ville Naklua-Wongamart	9,820.00 / Month	Jan 17 - Dec 17
- Minimall Lumpini Park Petchakasem 98	19,860.00 / Month	Jan 17 - Dec 17
Expenses: Pornsanti Co., Ltd.	Contract Amount	Period
1. Office rental and service fee, Lumpini Tower, 36 th Floor, Zone E, F		
- Office rental fee	300 THB / Month	Apr 14 - Mar 17
	300 THB / Month	Apr 17 - Mar 20
- Service fee	600 THB / Month	Apr 14 - Mar 17
	600 THB / Month	Apr 17 - Mar 20
- Income from utility costs	600 THB / Month	Apr 14 - Mar 17
	600 THB / Month	Apr 17 - Mar 20

Connected Transactions between the Company and Lumpini Property Service and Care Co., Ltd.

Income: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
1. Sponsorship for social enterprise	as requested	
2. Cleaning service fee		Jan 17 - Dec 17
- Parking lot, Lumpini Tower	32,000 THB/ Month	
- Parking lot, L.P.N. Tower	16,000 THB / Month	
- Lumpini Tower, office on 36 th floor	60,000 THB / Month	
- Lumpini Tower, seminar room on 11 th floor	16,000 THB / Month	
- City Home Training Center	16,000 THB / Month	
- Staff parking lot (behind Lumpini Tower)	1,210 THB / Month	
- Condominium juristic person office/ by project	based on actual number of work	
- Construction office/ by project	based on actual number of work	
- Sales office/ by project	based on actual number of work	
3. Receptionist fee		
- Condominium juristic person office/ by project	based on actual number of work	
- Construction office/ by project	based on actual number of work	
- Sales office/ by project	based on actual number of work	
4. Traffic Officer fee		
- Parking lot, Lumpini Tower	205,288.68 / Month	Jan 17 - Apr 17
- Condominium juristic person office/ by project	based on actual number of work	
- Construction office/ by project	based on actual number of work	
- Sales office/ by project	based on actual number of work	
Expenses: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
1. Rental fee, Lumpini Tower, 36 th Floor, Zone D	300 THB / Month	May 14 - Apr 17
	300 THB / Month	May 17 - Apr 20
2. Office rental and service fee, Lumpini Tower, 28 th Floor		
- Office rental fee	5,427 THB / Month	May 14 - Apr 17
	5,427 THB / Month	May 17 - Apr 20
- Service fee	12,663 THB / Month	May 14 - Apr 17
	12,663 THB / Month	May 17 - Apr 20

Connected Transactions between the Company and Lumpini Wisdom and Solution Co., Ltd.

Income: Lumpini Wisdom and Solution Co., Ltd.	Contract Amount	Period
1. Building Information Modeling technology development fee	600,000.00 / Month	Oct 17 - Dec 17
2. LPN Product Development and Management Service fee	500,000.00 / Month	Oct 17 - Dec 17
Note : Lumpini Project Management Service Co., Ltd. invested in Lumpini Wisdom and Solution Co., Ltd. on 22 September 2017.		
Expense: Lumpini Wisdom and Solution Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transactions between Pornsanti Co., Ltd. and Lumpini Property Management Co., Ltd.

Income: Lumpini Property Management Co., Ltd.	Contract Amount	Period
1. Community service fee (repair work after ownership transfer) **ended in June 2017**	50,000 THB / Month	Jan 17 - Jun 17
2. Developed housing management fee		
Land allocation registration fee		
Juristic person management fee		
2.1 Developed housing management fee		
- Lumpini Town Place Sukhumvit 62	35,000 THB / Month	Jan 17 - Jun 17
- Lumpini Town Place Sukhumvit 62	35,000 THB / Month	Jul 17 - Dec 17
- Baan Lumpini Suanluang Rama 9	48,100 THB / Month	Apr 17 - Mar 17
- Baan Lumpini Suanluang Rama 9	48,100 THB / Month	Apr 17 - Nov 17
- Baan Lumpini Suanluang Rama 9	48,100 THB / Month	Dec 17 - Feb 18
- Baan Lumpini Town Residence Bangna-Srinakarin	10,000 THB / Month	Apr 16 - Mar 17
- Baan Lumpini Town Residence Bangna-Srinakarin	10,000 THB / Month	Apr 17 - Mar 18
- Baan Lumpini Town Ville Suksawasdi Rama 2	40,000 THB / Month	Feb 16 - Apr 17
- Baan Lumpini Town Ville Suksawasdi Rama 2	40,000 THB / Month	May 17 - Apr 18
- Baan Lumpini Town Ville Chaengwattana-Tiwanon	37,500 THB / Month	May 16 - Jul 17
- Baan Lumpini Town Ville Chaengwattana-Tiwanon	37,500 THB / Month	Aug 16 - Jan 18
- Baan Lumpini Town Ville Permsin-Watcharapol	40,000 THB / Month	Jul 17 - Sep 17
- Baan Lumpini Town Ville Permsin-Watcharapol	40,000 THB / Month	Oct 17 - Mar 18
- Baan Lumpini Town Ville Ratchapruek-Nakornin	40,000 THB / Month	Oct 16 - Dec 17
- Baan Lumpini Town Ville Ladpladuk-Bangpai Station	47,500 THB / Month	Oct 17 - Jul 18
- Baan Lumpini Town Ville Rangsit Klong 2	40,000 THB / Month	Aug 17 - Mar 18
- Baan Lumpini Town Ville Ratchapruek-Pinklao	40,000 THB / Month	Dec 17 - May 18
2.2 System integration fee		
- Baan Lumpini Town Ville Rangsit Klong 2	50,000 THB / Month	
- Baan Lumpini Town Ville Ratchapruek-Pinklao	50,000 THB / Month	
- Baan Lumpini Town Ville Ladpladuk-Bangpai Station	50,000 THB / Month	
Expense: Lumpini Property Management Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transaction between Pornsanti Co., Ltd. and
Lumpini Project Management Service Co., Ltd.

Income: Lumpini Project Management Service Co., Ltd.	Contract Amount	Period
1. Project management fee - Baan Lumpini Suanluang Rama 9 Phase 2 - Baan Lumpini Town Chaengwattana-Tiwanon - Baan Lumpini Town Ville Permsin-Watcharapol - Baan Lumpini Town Ville Ratchapruek-Nakornin - Baan Lumpini Town Ville Rangsit Klong 2 - Baan Lumpini Town Ville Ladpladuk-Bangpai Station - Baan Lumpini Town Ville Ratchapruek-Pinklao - Baan Lumpini Town Ville Takam-Rama 2	based on actual number of work 168,224.30 THB / Month 140,000.00 THB / Month 135,514.02 THB / Month 121,495.33 THB / Month 140,000.00 THB / Month 104,720.00 THB / Month 183,710.00 THB / Month 325,760.00 THB / Month	Jan 17 - Dec 17 Aug 16 - Mar 18 Sep 16 - Mar 17 Sep 15 - Aug 17 Sep 15 - Aug 17 Aug 16 - Jan 18 Jan 17 - Apr 18 Jan 17 - May 18 Jul 17 - Sep 18
2. Community management fee (repair work after ownership transfer) **Start in July 2017**	50,000 THB / Month	Jul 17 - Dec 17

Expense: Lumpini Project Management Service Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transactions between Pornsanti Co., Ltd. and
Lumpini Property Service and Care Co., Ltd.

Income: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
1. Traffic Officer service fee (parking lot)	22,000 THB / Month	Jan 17 - Dec 17
2. Cleaning service fee	based on actual number of work	Jan 17 - Dec 17

Expense: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transactions between Lumpini Property Management Co., Ltd. and
Lumpini Property Service and Care Co., Ltd.

Income: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
1. Cleaning service fee - Office building, Lumpini Tower, 28 th Floor - Brokerage Business Department - Cleaning fee, calculated from unit size Lumpini Place Narathiwat-Chaopraya, 26 sq.m. Lumpini CondoTown Bodindecha-Ramkamhaeng, 40 sq.m. Lumpini Park Pinklao, 65 sq.m.	16,000 THB / Month 280.37 THB / Time 373.83 THB / Time 420.56 THB / Time	Jan 17 - Dec 17

Expense: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transactions between Lumpini Project Management Service Co., Ltd. and Lumpini Property Service and Care Co., Ltd.

Income: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
1. Cleaning service fee - Lumpini Tower, office on 28 th floor	16,000 THB / Month	Jan 17 - Dec 17
Expense: Lumpini Property Service and Care Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transactions between Lumpini Project Management Service Co., Ltd. and Lumpini Wisdom and Solution Co., Ltd.

Income: Lumpini Wisdom and Solution Co., Ltd.	Contract Amount	Period
1. Consultation fee for FMS system integration	40,000 THB / Month	Nov 17 - Dec 17
Expense: Lumpini Wisdom and Solution Co., Ltd.	Contract Amount	Period
None	-	-

Connected Transactions with Interested Parties

The Company encourages its employees to own a home by giving discounts as a form of benefit for those who reserve to buy condominium units in projects developed by the Company. The policy on this matter is as follows:

1. The condominium unit must be purchased and sold in the name of the employee for residential purpose or investment only, not for profit speculation.
2. The employee will be given a discount after the ownership of condominium unit is transferred. The discount given is similar to that of other customers. This project-by-project information will be announced in the Company.
3. The employee will also be entitled to all other benefits similar to other customers.

Name	Unit	No. of Units	Total Selling Price	Discount on Transfer	Note
Lumpini Ville Pattanakarn-New Petchaburi (5101)					
1. Panadda Kajornsilpa	C-0603, C-0604, D2-0227	3	5,500,000.00	2,000,000.00	Transferred in Aug 17
Total		3	5,500,000.00	2,000,000.00	
Lumpini Seaview Jomtien (5802)					
1. Suwattana Tang	E-2619C, E-2620C	2	3,312,000.00	987,000.00	Transferred in Sep 17
2. Suporn Wongpairaj	E-2615C, E-2616C	2	3,312,000.00	987,000.00	Transferred in Aug 17
Total		4	6,624,000.00	1,974,000.00	
Lumpini Park Petchakasem 98 Building A, B (7901)					
1. Suwattana Tang	A-1915	1	1,580,000.00	540,000.00	Transferred in Aug 17
Total		1	1,580,000.00	540,000.00	
Lumpini Mixx Teparak-Srinakarin (8601)					
1. Saowanee Angkoonpipat	A3-0612	1	1,065,000.00	81,150.00	Transferred in Jan 17
Total		1	1,065,000.00	81,150.00	
Lumpini Place Rama 4-Ratchadapisek (8701)					
1. Panadda Kajornsilpa	A-0621,A-0622	2	2,500,000.00	-	Transferred in Mar 17
Total		2	2,500,000.00	-	
Lumpini Suite Petchaburi-Makkasan (C0921)					
1. Pakorn Sripayak	A-1503, A-1504	2	7,470,000.00	1,270,150.00	Ownership not yet transferred
2. Ployroong Kesorn	A-3118	1	6,170,000.00	1,080,450.00	Ownership not yet transferred
Total		3	13,640,000.00	2,350,600.00	

Name	Unit	No. of Units	Total Selling Price	Discount on Transfer	Note
Lumpini Place Bangna Km. 3 (C0941)					
1. Somsri Techakraisri	B-0721, C-0728	2	4,290,000.00	214,500.00	Ownership not yet transferred
2. Saengchai Luangchuthamas	A-0628	1	1,740,000.00	87,000.00	Ownership not yet transferred
Total		3	6,030,000.00	301,500.00	
The Selected Kaset-Ngarmwongwarn by L.P.N. (C0961)					
1. Nakul Tangprasit	A-1707	1	3,890,000.00	66,500.00	Ownership not yet transferred
Total		1	3,890,000.00	66,500.00	

Audit Committee Report 2017

Audit Committee of L.P.N. Development Public Co., Ltd. comprises three independent directors, namely, Mr. Vudhiphol Suriyabhivadh, Chairman of Audit Committee, Mr. Weerasak Wahawisal, Audit Committee Member and Mr. Khanchai Vijakkana, Audit Committee Member, all of whom are equipped with related qualifications, experiences and knowledge.

In 2017, the Audit Committee has independently performed its duties as assigned by the Board of Directors to ensure good corporate governance of the Company which is in accordance with the regulations and good practice of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee holds four meetings altogether with the participation of the executives and auditors in the agendas related to audit results report and consideration of financial information in order to be informed of the auditors' comments on the financial statements of the Company as well as other significant issues. The Audit Committee reports the result of all meetings to the Board of Directors' Meeting. The summary of main duties of the Audit Committee is as follows:

1. Review of Financial Statement. The Audit Committee has reviewed the quarterly and 2017 Financial Statements of L.P.N. Development Public Co., Ltd., Consolidated Financial Statements and connected transactions in joint meetings with the Management and the Director of Internal Audit Department. The auditors have also been invited to attend the meetings in which quarterly and annual financial statements of the Company were being considered. The Audit Committee asks the auditors to provide comments on the accuracy and completion of the financial statements, the amendment of important accounting items and other issues that may affect the financial statements. Also, sufficient information is disclosed in a timely and reliable manner to ensure that the financial statements are in accordance with the regulations and generally accepted accounting standards for the benefit of the investors or users of the financial statements. The Audit Committee has considered the audit scope and guideline and annual plan of the auditors. The Audit Committee organizes one joint meeting with the auditors without the presence of the Management of the Company to independently discuss major issues related to the preparation of the financial statements and the disclosure of information useful for the users of the financial statements. The Audit Committee has ensured that the preparation of the financial statements and the disclosure of the notes to financial statements are in accordance with the regulations and financial standard before approving the financial statements.
2. Review of Risk Management. The Risk Management Committee has reviewed the risk management of the business by taking into consideration the internal and external factors, possibilities of impact and managed risks to be at the acceptable level. The Audit Committee has been following up the issues on a regular basis and provides guidelines and recommendations in order for the Risk Management Committee to manage risks to be in accordance with and supportive of the strategy of the organization.

In 2017, the Audit Committee has established the plan for the review of anti-corruption management process to ensure the efficiency and sufficiency of internal control of the processes that are prone to corruption risk.

3. Review of Internal Control System. The Audit Committee considers and reviews the internal control system together with the Director of Internal Audit Department and auditors on a quarterly basis. The issues considered are the operation, the care for resources and assets, the prevention of mistakes, corruption, the reliability of the financial statements and strict compliance with law and regulations. The Audit Committee has followed up the performance from the quarterly internal audit report. In 2017, the management and internal control systems are appropriate, taking the utmost benefit of the Company into consideration.
4. Review of Good Corporate Governance. The Nomination, Remuneration and Good Corporate Governance Committee has reviewed the business operation policy of the Company to be in accordance with good corporate governance principles to ensure the integrity and compliance with the regulations of the Stock Exchange of Thailand and related laws about the operation of real estate development business especially with regards to connected transactions of associated companies. The Audit Committee has ensured that the operation of the business of the Company is transparent, reasonable and auditable.

5. Supervision of Internal Audit. The Audit Committee has reviewed the annual internal audit plan and long-term audit plan by focusing on the random audit of the items in the financial statements and considering the result of the audit on a quarterly basis and solving important issues on a timely basis. The Audit Committee opines that the internal audit system of the Company is sufficient, appropriate and effective as well as promotes the development of the quality of audit work in terms of personnel and operation that is in line with the international standard.
6. Appointment of Auditors for the year 2018. The Audit Committee agrees to propose D.I.A International Auditing to be the auditor of L.P.N. Development Public Co., Ltd. in 2018 and proposes to the Board of Directors for consideration and approval from the Annual General Meeting of Shareholders 2018.

On behalf of the Audit Committee



(Mr. Vudhiphol Suriyabhivadh)
Chairman of Audit Committee

Corporate Governance Report

The Audit Committee has given importance to good corporate governance as it is crucial for the enhancement of the credibility, excellence and sustainable development of the organization. The understanding and awareness on the following five principles are raised:

1. Right and Equity of Shareholders and Stakeholders
2. Role and Responsibility of the Board of Directors
3. Information Disclosure and Transparency,
4. Control and Management of Risk
5. Code of Conduct

The business strategy of the Company has been adjusted in 2017 in response to the changes in the economic situation and more severe competition in the market. The Audit Committee has followed up and provided opinions on the adjustment of operational process to all departments to ensure sufficient internal control, compliance with related law, regulations and rules and adherence to corporate governance policy and Code of Conduct of the Company to prevent operational risk.

Risk Management Committee Report

Risk Management Committee had been appointed by the resolution of the Board of Directors' Meeting Ref. 1/2011 on 17 February 2011.

The Committee comprised nine Executive Directors and Managing Directors of the Company and subsidiary companies as follows:

- | | | |
|--------------------|----------------|---|
| 1. Mr. Tikhamporn | Plengsrisuk | Chief Executive Director |
| 2. Mr. Pichet | Supakijjanusan | Executive Director |
| 3. Mrs. Yupa | Techakraisri | Executive Director |
| 4. Mr. Kumpee | Chongthurakit | Executive Director |
| 5. Mr. Opas | Sripayak | Managing Director, L.P.N. Development Public Co., Ltd. |
| 6. Ms. Somsri | Techakraisri | Managing Director, Lumpini Property Management Co. Ltd. |
| 7. Mr. Charan | Kesorn | Managing Director, Pornsanti Co., Ltd. |
| 8. Mr. Porn | Wiroonrak | Managing Director, Lumpini Project Management Service Co., Ltd. |
| 9. Ms. Surasawadee | Suewaja | Managing Director, Lumpini Property Service and Care Co., Ltd. |

The role and responsibilities of the Risk Management Committee are indicated in the Charter, which was approved by the Board of Directors on 17 February 2011.

In 2017, the Risk Management Committee holds the total of four meetings to review and assess risks as well as to manage risks that are likely to affect the organization and reports to the Board of Directors on a quarterly basis. The Risk Management Committee has concluded and assessed risks which might affect the organization in 2017 as follows:

Financial Risk

1. Risk Factor : Retail Loan Rejection Rate

Risk Management : 1. Collaborate closely with financial institutions, establish Customer Credit Management Team and seek loan from commercial banks.

Strategic risk

1. Risk Factor : Focus Strategy on Lower-Middle Income Earners

Risk Management : 1. Develop products for middle to upper-middle income earners.
2. Increase sales channels.

2. Risk Factor : Large amount of inventory

Risk Management : 1. Make an adjustment on sale conditions and selling price.

Operational Risk

1. Risk Factor : Unmet Revenue Target

Risk Management : 1. Expand the income base of real estate development and service business.
2. Control costs.
3. Ensure efficiency of the Management.

Compliance Risk

1. **Risk Factor :** Damages from Violation of Regulations
- Risk Management :**
1. Strictly comply with rules and regulations.
 2. Incorporate monitoring process into the operation.

Corruption Risk

1. **Risk Factor :** Land Purchase Process
- Risk Management :**
1. Land purchase is to be approved by Executive Committee.
 2. Land valuation will be done after the purchase by property appraisers in the capital market that are recognized and approved by the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. **Risk Factor :** Bribery or Wrongful Disclosure of Information of the Company for the Benefit in Procurement Process.
- Risk Management :**
1. Establish a price comparison process.
 2. Procurement process is to be approved by high-ranking executives.
 3. Procurement process is to be reviewed by Internal Control Department.
3. **Risk Factor :** Bribery of Staff
- Risk Management :**
1. Strictly control the operation of all departments.
 2. Control process is to be established by Internal Control Department.

All through 2017, the Risk Management Committee does not only consider the five risks above but also succession risk of Chief Executive Director, Chief Executive Officer and high-ranking executives of the Company. The adjustment of the business plan in 2017 or the “Year of Shift” enables the Company to come up with a clearer plan for succession.



(Mr. Tikhamporn Plengsrisuk)
Chairman of Risk Management Committee
14 February 2018

Nomination, Remuneration and Good Corporate Governance Committee Report

The Nomination, Remuneration and Good Corporate Governance Committee has carefully and appropriately performed its duties assigned by the Board of Directors of the Company in order to uphold the good corporate governance policy of the Company and good corporate governance principles of the Stock Exchange of Thailand in relation to nomination and consideration of remuneration for directors, high-ranking executives and staff that are transparent, fair and efficient.

In 2017, the Nomination, Remuneration and Good Corporate Governance Committee of L.P.N. Development Public Co., Ltd. comprises five directors as follows:

- | | |
|--------------------------------|--|
| 1. Mr. Vudhiphol Suriyabhivadh | Director, Chairman of Audit Committee and Independent Director |
| 2. Mr. Weerasak Wahawisal | Director, Audit Committee Member and Independent Director |
| 3. Mr. Khanchai Vijakkana | Director, Audit Committee Member and Independent Director |
| 4. Mr. Tikhamporn Plengsrisk | Director, Chief Executive Director, Chief Executive Officer and Chairman of Risk Management Committee |
| 5. Mr. Pichet Supakijjanusan | Director, Executive Director, Risk Management Committee Member and Chairman of Corporate Environmental and Social Responsibility Committee |

Mr. Vudhiphol Suriyabhivadh serves as the Chairman of the Nomination, Remuneration and Good Corporate Governance Committee.

In 2017, the Nomination, Remuneration and Good Corporate Governance Committee held the total of five meetings. The Committee Members have performed their duties to their full capacity and attended all meetings to consider various issues. The Nomination, Remuneration and Good Corporate Governance Committee considered important issues under their responsibilities to propose to the Board of Directors as follows:

1. Nomination

- 1.1 The Nomination, Remuneration and Good Corporate Governance Committee (excluding interested committee members) has carefully considered the qualifications of the directors who are nominated to be appointed as directors in replacement of the directors who are to retire by rotation. Their performance, qualifications, characteristics, meeting attendance record, knowledge and regular participation in the activities organized by the Company are taken into consideration. It will be proposed to the Annual General Meeting of Shareholders in 2017 that all the four directors who are to retire by rotation, namely, Mr. Amornsuk Noparumpa, Prof. Siri Keiwalinsrit, Mr. Pichet Supakijjanusan and Mrs. Yupa Techakraisri are to be reappointed as directors of the Company for another term. It is because all of the four directors have performed their duties as directors of the Company and members of Committees outstandingly well.
- 1.2 The Board of Directors has established a nomination plan for the position of "Chief Executive Officer" in replacement of Mr. Tikhamporn Plengsrisk. After careful consideration, the Nomination, Remuneration and Good Corporate Governance Committee has proposed Mr. Opas Sripayak to take up the position of Chief Executive Officer since he has the qualifications and experiences that meet the needs of the Company and does not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. Moreover, he is well-liked by shareholders, investors, analysts, Board of Directors and staff of all associated companies. The nomination is proposed to the Board of Directors for approval.
- 1.3 The Board of Directors has initiated to promote the transfer of power to the next generation of executives and approved the change of executives, directors and management model. It is to give an opportunity for young executives to apply their expertise and knowledge on state-of-the-art technology to the strategy and policy of the organization to move the organization forward. Furthermore, the majority of the members of Executive Committee are in their retirement age. The Nomination, Remuneration and Good Corporate Governance Committee thus considers the nomination of qualified individuals. In order for the transfer of power to be done in an orderly fashion, the Nomination, Remuneration and Good Corporate Governance Committee proposes a restructure of the Board of Directors and high-ranking executives of the Company. There are also directors resigning from their position in the Company and subcommittee. The new structure of the Board of Directors is thus proposed as follows:
 - The Board of Director comprises 12 directors.
 - Prof. Siri Keiwalinsrit, Vice Chairman of the Board of Directors offers his resignation.
 - Mr. Krirk Vanikkul is appointed as the new director of the Company.

- The resignation of members of subcommittees is as follows:
 - Mr. Tikhamporn Plengsrisk resins from the positions of Chief Executive Officer, Chief Executive Director, Chairman of Risk Management Committee and member of Nomination, Remuneration and Good Corporate Governance Committee.
 - Mr. Pichet Supakijjanusan resins from the position of Chairman of Corporate Environmental and Social Responsibility Committee and member of Risk Management Committee.
- The appointment of members of subcommittees and executives is as follows:
 - Mr. Vudhiphol Suriyabhivadh is appointed as the Vice Chairman of the Board of Directors and vacates his position as the Chairman of Nomination, Remuneration and Good Corporate Governance Committee.
 - Mr. Khanchai Vijakkana is appointed as the Chairman of Nomination, Remuneration and Good Corporate Governance Committee.
 - Mr. Krirk Vanikkul is appointed as an independent director and member of Nomination, Remuneration and Good Corporate Governance Committee.
 - Mr. Opas Sripayak is appointed as Chief Executive Officer, Chairman of Risk Management Committee and member of Nomination, Remuneration and Good Corporate Governance Committee.
 - Nine management staff of associated companies and new executives are appointed and attend a handover meeting with Executive Directors. Together with the Chief Executive Officer, they make the new Management Team which now comprises of 10 executives.

2. Remuneration

The remuneration for executives and staff are fairly and reasonably considered by taking into account the inflation rate, GDP of the Bank of Thailand, the survey of remuneration of staff of other property development companies with approximately the same revenue, business operation performance and performance evaluation of staff so that the executives and staff of the Company are appropriately rewarded. It is also to build motivation and good relationship with the organization. In 2017, the issues considered are as follows:

- Reward for directors in 2016, paid in 2017
- Remuneration for directors in 2017
- Interim dividend for the performance in the first half of the year
- Bonus for staff for the performance in 2017
- Remuneration for staff in 2018
- Remuneration for executive directors in 2018
- Reward for executive directors in 2017

3. Corporate Governance

- 3.1 In 2017, the Nomination, Remuneration and Good Corporate Governance Committee has considered the draft Corporate Governance Policy 2017. It is opined that the revised version is in accordance with the direction of business operation that focuses on sustainability. The corporate governance guideline 2017 is thus compiled and established as the "Draft Corporate Governance Policy" of the Company which is proposed to the Board of Directors for consideration.
- 3.2 The Nomination, Remuneration and Good Corporate Governance Committee has arranged an annual evaluation for directors comprising self-evaluation of directors, cross-evaluation by other directors, the evaluation of the Board of Directors and the evaluation of the Chief Executive Officer. The performance of subcommittees i.e. Audit Committee, Nomination, Remuneration and Good Corporate Governance Committee, Risk Management Committee and Corporate Environmental and Social Responsibility Committee is also evaluated in accordance with good corporate governance principles. The evaluation forms are reviewed to ensure that they are appropriate so that the evaluation results clearly reflect the roles and responsibilities of the directors. The evaluation result of all categories is satisfactory, demonstrating the efficiency and collaboration of the directors.

4. Other business

In 2017, all members of the Nomination, Remuneration and Good Corporate Governance Committee have given importance to the attendance of the meeting, the presentation of ideas and the study of further information related to the business of the Company as well as encouraged each director to express their comments independently and creatively. This is to set the standard and common practices that are clear, transparent, fair and auditable in accordance with good corporate governance principles.



(Mr. Vudhiphol Suriyabhivadh)
Chairman of Nomination, Remuneration
and Good Corporate Governance Committee

Corporate Environmental and Social Responsibility Committee Report

The Corporate Environmental and Social Responsibility Committee was established by the resolution of the Board of Directors' Meeting Ref. 6/2012 on 23 August 2012. The roles and responsibilities of the Committee are stated in the Charter which was approved by the Board of Directors' Meeting Ref. 1/2013 on 14 February 2013.

The major roles and responsibilities of the Corporate Environmental and Social Responsibility Committee are to approve the policy and activities related to environmental and social responsibility of the Company and subsidiary companies as well as to ensure that the operation is in line with the policy of the Company and provide guidance on environmental and social responsibility in order to minimize the impacts of the operation on all stakeholders. In 2017, the total of four meetings of the Corporate Environmental and Social Responsibility Committee are held on a quarterly basis.

During the past 28 years, the business operation of the Company and associated companies has been environmentally and socially responsible in all processes of LPN 6-8-10 concept of residential condominium development, namely, 6 Green LPN, 8 stakeholders and 10 operational processes. The business is operated in accordance with the philosophy of sufficiency economy and corporate governance principles so as to create "Livable Community For All". This is in line with internationally accepted Global Reporting Initiative (GRI) and 17 goals of the United Nation Sustainable Development Goals (UNSDGs). Moreover, the Company focuses on the organization of blood donation activity that has continually been organized since 1996 as well as relationship building activities with related organizations and support for environmental and social activities of various agencies. The Company also creates social opportunities for and upgrades the quality of life of underprivileged women by hiring them as Community Service Officers. Basic education and career trainings are provided so that they are able to live in the society with dignity and happiness. At present, there are as many as 1,200 underprivileged women working in the Company.

All of the above are the responsibilities towards the environment and society emphasized by the Company in the property development business operation. The Corporate Environmental and Social Responsibility Committee plays a part in promoting participation in the organization and driving the Company to become a value organization in a sustainable manner.



(Pichet Supakijjanusan)

Chairman of Corporate Environmental
and Social Responsibility Committee

9 February 2018





5

Adhering to Best Corporate Governance Practices

Establish good corporate governance policy
and Code of Business Conduct in accordance
with sufficiency economy philosophy

Corporate Governance

Objectives and Goals of the Company

Short-term

Quantitative Perspective

- Operate the business in accordance with the business plan.

Qualitative Perspective

- Operate the business in accordance with the 6-8-10 concept of residential property development (6 Green LPN for 8 stakeholders in 10 processes).
- Develop livable community for all in model communities and new projects.
- Increase the customer base in Ban Sarn Fun project (or the customers whose loan applications are rejected by financial institutions).
- Promote Lumpini Property Service and Care Co., Ltd. (LPC) as a legal social enterprise.

Mid-term

Quantitative Perspective

- Expand the business base to related businesses i.e. service business operated by Lumpini Property Management Co., Ltd. (LPP) and Lumpini Project Management Service Co., Ltd. (LPS), both of which are subsidiary companies that will provide property and project management services for other condominiums that are not developed by the Company.
- Expand the customer base in all types of property.

Qualitative Perspective

- Develop livable community for all in all communities.
- Lumpini brands are accepted in the market in a concrete manner.
- Incorporate best practices in sustainability in all businesses.

Long-term

Quantitative Perspective

- Achieve sustainable and profitable operation in all circumstances.

Qualitative Perspective

- Become a sustainable and value organization in all businesses operated by the Company.

The Board of Directors thus focuses on good corporate governance as it helps develop business competitive ability of the Company. The Board of Directors gives importance to the management which bases on honesty, integrity, virtue and ethics under the principle of good corporate governance, all of which are important factors contributing to transparent, efficient, effective and stable operation as well as sustainable growth of the Company. It also adds economic value to the operation of the Company.

Corporate Governance Policy of the Company and Subsidiary Companies

The Board of Directors realizes the significance of good corporate governance principles and focuses on the transparency of business operation to strengthen the confidence of shareholders, investors and stakeholders. The core corporate governance principles of the Company and subsidiary companies are as follows:

1. The Company is to treat all shareholders and stakeholders equally and fairly.
2. The directors of the Company are to dedicate themselves to the Company and to be prudent and transparent in the performance of their duty for the highest benefits of the Company, shareholders and stakeholders.

3. The Company has established the Code of Conduct for the Board of Directors and staff as a principle and guideline for the compliance with the corporate governance.

Subcommittees

The Management structure of L.P.N. Development Public Co., Ltd. as of 31 December 2017 comprises five subcommittees as follows:

1. Audit Committee
2. Executive Committee
3. Nomination, Remuneration and Good Corporate Governance Committee
4. Risk Management Committee
5. Corporate Environmental and Social Responsibility Committee

Audit Committee

The Audit Committee comprises directors with the qualifications of independent directors according to the Stock Exchange of Thailand, all of whom are independent and qualified as required by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee has the duties, roles and responsibilities to be independent in supporting the Board of Directors to ensure that the corporate governance is in accordance with good corporate governance principles, solve conflict of interest problems, review financial information disclosed to the public and shareholders, review internal control systems and internal audit system and communicate with auditors of the Company.

In order to be consistent with Section 3/1 of the revised Securities and Exchange Act (No. 4) B.E. 2551, the Board of Directors' Meeting Ref. 1/2010 on 18 February 2010 resolved to change roles and responsibilities of the Audit Committee to be more concentrated. This was also to be in accordance with the notice of the Stock Exchange of Thailand on the qualifications and scope of work of Audit Committees B.E. 2551.

As of 31 December 2017, the name list of Audit Committee Members is as follows:

1. Mr. Vudhiphol Suriyabhivadh Chairman of Audit Committee (has accounting and finance knowledge)
 2. Mr. Weerasak Wahawisal (has accounting and finance knowledge)
 3. Mr. Khanchai Vijakkana (has legal knowledge)
- With Mrs. Piyanuch Naveenavakun as the Secretary of Audit Committee.

The Audit Committee held a series of meeting regularly and reported to the Board of Directors of the Company. In 2017, the total of four meetings of the Audit Committee is held. The details of the meetings are as follows:

Meeting No.	Date	Agenda
1	2 February 2017	Approved the financial statements of 2016
2	2 May 2017	Approved the financial statements of Q1/2017
3	1 August 2017	Approved the financial statements of Q2/2017
4	2 November 2017	Approved the financial statements of Q3/2017

Audit Committee Charter

1. Membership

- 1.1 The Audit Committee shall comprise no fewer than three members.
- 1.2 The Audit Committee members must be equipped with appropriate skills or expertise to achieve the assigned duties. At least one Committee member must have sufficient knowledge or experiences in accounting or finance and continuing professional knowledge about instances which cause changes in financial reports.

2. Qualifications

- 2.1 Be a director of the Company but not being involved in the management of the Company, affiliated company, associated company, related company or major shareholders of the Company.
- 2.2 Not holding more than one per cent of the paid-in capital, which shall be inclusive of his/her related persons, of the Company, affiliated company, associated company or related company.
- 2.3 Not having direct or indirect benefits or interests in the finance aspect or management of the Company, affiliated company, associated company or major shareholders of the Company and not having benefits or interests in any transactions of the Company during the period of one year before being appointed as an Audit Committee member.
- 2.4 Be capable of performing duties, giving opinions or reporting the result of work performance independently according to the duties delegated by the Board of Directors, free from the control of the executives or major shareholders of the Company, including related persons or close relatives of the said persons.
- 2.5 Be able to contribute enough time to perform as an Audit Committee member.

3. Appointment, Term of Office and Retirement

3.1 Appointment of Audit Committee

- The Board of Directors will appoint Independent Directors of the Company to be members of the Audit Committee.
- If a member of the Audit Committee retires by rotation or vacates office before expiration of his/her term resulting in less than three members in the Committee, the Board of Directors will appoint a substitute member within three months from the day of the lack of members so that the operation of the Audit Committee is not interrupted.

3.1.1 Chairman of the Audit Committee

- Board of Directors will select one member of the Audit Committee to serve as a Chairman of the Audit Committee.
- Chairman of the Audit Committee will chair the meeting to be in line with the good practice and ensure the overall effectiveness of the Audit Committee.

3.1.2 Secretary of the Audit Committee

- Manager of the Internal Audit Department of the Company will serve as a Secretary of the Audit Committee.
- Secretary of the Audit Committee will support the operation of the Audit Committee by preparing the work plan of the Audit Committee, making meeting arrangements, preparing the agenda of the meeting as assigned by the Chairman of the Audit Committee, delivering the meeting handouts and taking meeting minutes.

3.2 Term of Office

- Term of office of the member of the Audit Committee is limited to 2 (two) years.

3.3 Retirement

3.3.1 Audit Committee members shall vacate office upon:

1. Being disqualified as a member of the Audit Committee
2. Death
3. Resignation
4. Being removed by the resolution of the Board of Directors

3.3.2 If a member of the Audit Committee is to resign before expiration of his/her term, he/she must notify the Company in written format with reasons no less than one month in advance so that the Board of Director can appoint a substitute member. The Company will notify and send a copy of the resignation letter to the Stock Exchange of Thailand.

3.3.3 If a member of the Audit Committee is relieved before expiration of his/her term, the Company will notify the Stock Exchange of Thailand with explanations.

4. Duties and Responsibilities

The Audit Committee shall have the duties and responsibilities according to the Audit Committee Charter which is approved by the Board of Directors as follows:

- 4.1 Oversee the audit procedure, internal audit system and the financial report preparation process.
- 4.2 Consider and appoint a Certified Public Accountant as well as remuneration.
- 4.3 Oversee the procedure to ensure compliance with related policies, rules, regulations and laws as well as resolutions of the Board of Directors.
- 4.4 Provide recommendations to the Management to improve working process or system to reduce risks and ensure the efficiency of the working system.
- 4.5 Provide recommendations to set up good corporate governance policies as well as follow up, evaluate and report the performance on the matter.
- 4.6 Define the scope of work of the internal audit and review the report of the Internal Audit Department.
- 4.7 Consider and advise the Board of Directors on the appointment, relocation, dismissal, remuneration and performance evaluation of the Secretary of the Audit Committee.
- 4.8 Seek external consultant to advise or assist the Audit Committee as agreed by the Board of Directors.
- 4.9 Review the self-evaluation form on the anti-corruption policy to ensure that various anti-corruption systems in the Company are in place as indicated in the self-evaluation form of the Thai Institute of Directors.
- 4.10 Revise the anti-corruption policy and whistleblower policy.
- 4.11 Perform any other duties as assigned by the Board of Directors and agreed by the Audit Committee.

5. Meeting

5.1 Frequency of the Meeting

- The Audit Committee meeting shall be held at least four times a year.
- The Chairman of the Audit Committee can convene a meeting when required by a member of the Audit Committee, Manager of the Internal Audit Department, auditors or Chairman of the Board of Directors to consider an important matter together or when the Chairman of the Audit Committee sees fit.

5.2 Participants of the Meeting

- A quorum of the meeting shall be no less than half of Audit Committee members present in the meeting. The Chairman of the Audit Committee will be a chairman of the meeting.
- The Audit Committee may invite company's executives or auditors to attend the related meeting.
- The Audit Committee may invite external experts or lawyers to attend the meeting as necessary and appropriate.

5.3 Voting

- The resolution of the Audit Committee meeting will be passed by a majority of votes. Each member of the Audit Committee has one vote. The Chairman shall be entitled to cast a vote to resolve any ties.
- Any members of the Audit Committee who has interests in the agenda must not participate in the discussion or cast a vote on the matter.

5.4 Meeting Minutes

- The Secretary of the Audit Committee or an assigned person is to take the minutes of the meeting.

Executive Committee

The Executive Committee is appointed by the approval of the Board of Directors and comprises four executive directors and one high-ranking executive of the Company. The selection of the members of the Committee bases on the competencies of the persons and the understandings in roles and responsibilities and in nature of work and business operation of the Company. The Executive Committee will be responsible for ensuring that the management of the Company is in accordance with the policy of the Board of Directors while always upholding the highest benefit of the Company.

The members of the Executive Committee are as follows:

1. Mr. Tikhamporn Plengsrisuk Chief Executive Officer
2. Mr. Pichet Supakijjanusan
3. Mrs. Yupa Techakraisri
4. Mr. Kumpee Chongthurakit
5. Mr. Opas Sripayak

In 2017, the Executive Committee Meeting is held at least once every week. The total of 42 meetings are organized in 2017, each with the participation of high-ranking executives of subsidiary companies (the Managing Directors) in order to report the performance of the company to the meeting and be informed of the policy established by the Executive Committee.

The purposes of the meeting held are as follows:

- To approve various transactions as assigned by the Board of Directors of the Company.
- To identify the direction of operation on various matters stated in the annual business plan approved by the Board of Directors.
- To follow up the performance of the Management and provide management guidance.

Duties and Responsibilities of Executive Committee

1. To be in charge of the management and operation of the Company.
2. To establish the plan and business strategy of the Company and affiliated companies to be in accordance with the vision, mission and policy established by the Board of Directors.
3. To ensure that the result of the management is achieved as planned.
4. To consider the directions of the investment and business expansion.
5. To consider and manage the budget as approved by the Board of Directors.
6. To consider and approve any project investments or activities that are not in the plan approved by the Board of Directors in the amount of not more than 10,000,000 THB (Ten Million THB) per time.
7. To be authorized by the Board of Directors to process legal transactions and documents as follows:

- Registration of the purchase and sell of land, land with buildings, buildings and condominiums.
 - Registration of the rent and let of land, land with buildings, buildings and condominiums.
 - Registration of the mortgage, mortgage acceptance, the increase of mortgage value, registration to redeem a mortgage, registration to release a mortgage of land, land with buildings, buildings and condominiums.
 - Request to measure a piece of land, to issue a title deed, to divide and combine a land and to allocate land.
 - Registration of servitude as servitude and dominant properties.
 - Registration of condominiums, registration of juristic persons of condominiums, appointment of the manager of the juristic persons, selection and appointment of the juristic persons committee of condominiums.
 - Making of a loan contract and other contracts with commercial banks and financial institutions including opening of accounts.
 - Meeting with condominium joint owners and juristic persons and appointment of a representative to attend the meeting and the election to be on a juristic persons committee as a joint owner as well as to attend a shareholders' meeting of subsidiary companies, associated company and affiliated company.
 - To have the authorization to authorize other persons to act in their place including to process any legal transactions which are related to the transactions of the company as stated in article 7.
8. To advise and/or provide recommendations on management to high-ranking executives.
 9. To consider and/or assign an individual to take up the position of high-ranking executives of the Company and affiliated company.
 10. To consider any other business as assigned by the Board of Directors.

Nomination, Remuneration and Good Corporate Governance Committee

The Nomination, Remuneration and Good Corporate Governance Committee is appointed by the Board of Directors and comprises five members comprising three independent directors and two executive directors as of 31 December 2017 to create a balance of power to help with the business of the Board of Directors and shareholders. The members of the Nomination, Remuneration and Good Corporate Governance Committee are as follows:

- | | | | |
|----|-----------------|----------------|---|
| 1. | Mr. Vudhiphol | Suriyabhivadh | Chairman of Nomination, Remuneration and Good Corporate Governance Committee and Independent Director |
| 2. | Mr. Weerasak | Wahawisal | Independent Director |
| 3. | Mr. Khanchai | Vijakkana | Independent Director |
| 4. | Mr. Tikhamporn | Plengsrisuk | Executive Director |
| 5. | Mr. Pichet | Supakijjanusan | Executive Director |
| | With Ms. Somsri | Techakraisri | as the Secretary of the Nomination, Remuneration and Good Corporate Governance Committee. |

In 2017, the total of five Nomination and Remuneration Committee's meetings are held as follows:

Meeting No.	Date			Agenda
1	2	February	2017	- Considered the remuneration for staff in 2017.
2	2	May	2017	- Considered the bonus payment for staff for the performance in 2016.
3	1	August	2017	- Considered the appointment of directors to replace those who retire by rotation for proposing to the Annual General Meeting of Shareholders 2017.
4	12	December	2017	- Considered the reward for directors for the performance in 2016.
5	26	December	2017	- Considered the remuneration for directors in 2017. - Considered the dividend payment in 2017 from the performance in 2016 and interim dividend for the performance during the first six months of 2017. - Considered the summary of the result of the evaluation of directors, Chief Executive Officer and subcommittees in 2017.

Nomination, Remuneration and Good Corporate Governance Committee Charter

1. Membership and Qualifications

- 1.1 The Nomination, Remuneration and Good Corporate Governance Committee is to be appointed by the Board of Directors and comprised of the maximum of seven directors.
- 1.2 The majority of the Nomination, Remuneration and Good Corporate Governance Committee members should be Independent Directors. If there are to be Executive Directors in the Nomination and Remuneration Committee, the number of such directors should be the minority of the members of the whole Committee.
- 1.3 The Nomination, Remuneration and Good Corporate Governance Committee is to select one member who is an Independent Director to be the Chairman of the Nomination, Remuneration and Good Corporate Governance Committee.
- 1.4 The Nomination, Remuneration and Good Corporate Governance Committee is to propose to the Board of Directors to appoint a Secretary of the Nomination, Remuneration and Good Corporate Governance Committee and report to the Board of Directors.

2. Term of Office and Remuneration

- 2.1 The term of office of the members of the Nomination, Remuneration and Good Corporate Governance Committee is limited to 2 (two) years.
- 2.2 Apart from the retirement by rotation, Nomination, Remuneration and Good Corporate Governance Committee members will vacate office upon:
 - 1) Death
 - 2) Resignation
 - 3) Being disqualified under the law governing public limited company and/or the Securities and Exchange Act and/or as identified by the Securities and Exchange Commission
 - 4) Being removed by the resolution of the Board of Directors
- 2.3 Any member of the Nomination, Remuneration and Good Corporate Governance Committee who wishes to resign shall submit the resignation letter to the Chairman of the Committee.
- 2.4 In case that the position of the Nomination, Remuneration and Good Corporate Governance Committee member has become vacant because of any other reasons apart from retirement by rotation, the Board of Directors shall select a director of the Company to fill the vacant position. The substitute member shall hold office for the remaining office term of the Nomination, Remuneration and Good Corporate Governance Committee only.
- 2.5 The member of the Nomination, Remuneration and Good Corporate Governance Committee who retires by rotation may be re-appointed again.
- 2.6 The shareholders' meeting shall decide the remuneration for the members of the Nomination, Remuneration and Good Corporate Governance Committee.

3. Duties and Responsibilities

- 3.1 Nomination
 - Propose criteria and guidelines for the selection of the directors, subcommittees and high-ranking executives.
 - Nominate, select and propose qualified candidates for the position of the directors, subcommittee members and high-ranking executives to the Board of Directors for consideration.
 - Propose criteria and guidelines for the evaluation of the directors and Chief Executive Officer.
 - Any other business as assigned by the Board of Directors.
- 3.2 Remuneration
 - Propose criteria and guidelines for the remuneration for directors, subcommittee members, high-ranking executives and employees.
 - Consider to improve the policy and structure of the remuneration management for directors, subcommittee members, high-ranking executives and employees to be in line with the labor market atmosphere at the time and propose to the Board of Directors.
 - Any other business as assigned by the Board of Directors.
- 3.3 Good Corporate Governance
 - Establish Corporate Governance Policy in a written format to be proposed to the Board of Directors for approval and used as the best practice of the Company.
 - Consider and establish the Code of Business Conduct and Code of Conduct of Employees in a written format as the best practice of the Company.

- Consider, review and improve the Good Corporate Governance Policy, Code of Business Conduct and Code of Conduct of Employees in order to be in accordance with the international standard as well as the rules, regulations and laws related to the business of the Company.
- Any other business as assigned by the Board of Directors.

4. Meetings

- 4.1 The Nomination, Remuneration and Good Corporate Governance Committee is to arrange or convene a meeting at least four times a year.
- 4.2 The Nomination, Remuneration and Good Corporate Governance Committee meeting must be attended by more than half of all Committee members and in each meeting, the number of Independent Directors must be the majority in order to constitute a quorum.
- 4.3 The resolution of the Nomination, Remuneration and Good Corporate Governance Committee meeting will be passed by a majority of votes of the attending directors on the quorum. Any directors who have interests in the agenda must not attend the discussion or cast a vote on the matter.

Risk Management Committee

As of 31 December 2017, the Risk Management Committee comprises nine members as follows:

1. Mr. Tikhamporn Plengsrisuk Chairman of Risk Management Committee
2. Mr. Pichet Supakijjanusan
3. Mrs. Yupa Techakraisri
4. Mr. Kumpee Chongthurakit
5. Mr. Opas Sripayak
6. Mr. Porn Wiroonrak
7. Mr. Charan Kesorn
8. Ms. Somsri Techakraisri
9. Ms. Surasawadi Suewaja

In 2017, the total of four Risk Management Committee's meetings are held. The details are as follows:

Meeting No.	Date	Agenda
1	7 March 2017	Considered risks and risk management measures to propose to the Board of Directors of the Company.
2	2 May 2017	
3	1 August 2017	
4	28 November 2017	

In addition to the above meetings to discuss and manage risks on a quarterly basis to propose to the Board of Directors, the Risk Management Committee has also organized a weekly meeting to monitor, assess and manage risks in all departments in order to be up-to-date on both domestic and international changes and circumstances that may impact the Company.

Risk Management Committee Charter

1. Membership

The Risk Management Committee comprises the executive directors of L.P.N. Development Public Co., Ltd. and managing directors of L.P.N. Development Public Co., Ltd., Lumpini Property Management Co., Ltd., Lumpini Project Management Service Co., Ltd and Pornsanti Co., Ltd. The Chairman of the Executive Committee of L.P.N. Development Public Co., Ltd. will serve as the Chairman of the Risk Management Committee.

2. Term of Office

- 2.1 The term of office of Risk Management Committee members shall be according to his/her term of office as an executive director or managing director of the Company.
- 2.2 The Risk Management Committee members will vacate office upon:
 - 1) Death
 - 2) Resignation
 - 3) Retire from the position of executive director or managing director
 - 4) Being removed by the resolution of the Board of Directors
- 2.3 The resignation of a member of the Risk Management Committee shall be effective after the resignation letter is submitted to the Board of Directors.

3. Duties and Responsibilities

- 3.1 Study, review and assess risks which may happen, including potential impact of risks on the organization and internal and external risks of the Company and subsidiary companies.
- 3.2 Establish risk management policy to be proposed to the Board of Directors.
- 3.3 Establish a strategy to be in accordance with risk management policy and business direction of the Company and subsidiary companies.
- 3.4 Review the sufficiency of the policy, follow up and evaluate the risk management system of the Company and subsidiary companies.
- 3.5 Perform any other duties as assigned by the Board of Directors.

4. Meetings

- 4.1 The Risk Management Committee meeting shall be held once every quarter or according to the situation and necessity.
- 4.2 A quorum of the meeting shall be no less than half of all the Risk Management Committee members.
- 4.3 The resolution of the Risk Management Committee meeting will be passed by the majority of votes of the members present at the meeting.
- 4.4 In case that the Chairman of the Risk Management Committee is absent from the meeting or unable to perform the duty, the Committee members present at the meeting shall select one member to act as a Chairman of the meeting.
- 4.5 The Risk Management Committee may invite the Management or related persons to attend the meeting and share information or documents on the related issues.
- 4.6 The Manager of the Director's Office will serve as a Secretary of the Risk Management Committee who will be responsible for preparing for the meeting, making appointment, preparing meeting handouts and meeting minutes and performing any other tasks assigned by the Risk Management Committee.

5. Reporting

Risk Management Committee must regularly report the performance to the Board of Directors and report the performance over the year to shareholders in the Annual Report with the following details:

- 5.1 Number of meetings
- 5.2 Number of times the Risk Management members attend the meetings
- 5.3 Performance of duties as indicated in the Charter

Corporate Environmental and Social Responsibility Committee

The Corporate Environmental and Social Responsibility Committee comprises 24 members appointed by the Company, subsidiary company and trade partners (a group of companies under known as "LPN Team") as of 31 December 2017 as follows:

1. Mr. Pichet	Supakijjanusan	Chairman of the Committee
2. Ms. Surasawadi	Suewaja	Member, Lumpini Property Service and Care Co., Ltd.
3. Mrs. Piyanuch	Naveenavakun	Member, L.P.N. Development Public Co., Ltd.
4. Ms. Saowanee	Angkoonpipat	Member, L.P.N. Development Public Co., Ltd.
5. Ms. Suwattana	Tang	Member, L.P.N. Development Public Co., Ltd.
6. Mr. Saengchai	Luangchutamas	Member, L.P.N. Development Public Co., Ltd.
7. Mr. Paisarn	Lertbantanawong	Member, Lumpini Property Management Co., Ltd.
8. Mr. Tamrongpon	Daengbubpa	Member, Lumpini Property Management Co., Ltd.
9. Ms. Panadda	Kajornsilpa	Member, L.P.N. Development Public Co., Ltd.
10. Ms. Supaporn	Wongpairaj	Member, L.P.N. Development Public Co., Ltd.
11. Ms. Nittaya	Wongtavilarb	Member, L.P.N. Development Public Co., Ltd.
12. Mrs. Charunee	Kongruen	Member, Lumpini Property Service and Care Co., Ltd.
13. Ms. Chantima	Charoenwichayadej	Member, L.P.N. Development Public Co., Ltd.
14. Mr. Prapansak	Rakchaiyawan	Member, L.P.N. Development Public Co., Ltd.
15. Mr. Pichet	Chulachan	Member, Lumpini Project Management Service Co., Ltd.
16. Mr. Sampan	Tangtaworn	Member, L.P.N. Development Public Co., Ltd.
17. Mr. Worapoj	Ratchatapiti	Member, Lumpini Project Management Service Co., Ltd.
18. Ms. Yanee	Amarutrueedee	Member, L.P.N. Development Public Co., Ltd.
19. Mrs. Jariya	Natapan	Member, L.P.N. Development Public Co., Ltd.
20. Ms. Monapat	Supakijjanusan	Member, L.P.N. Development Public Co., Ltd.

21. Ms. Ratikorn	Saingarm	Member, LPN Team (trade partner company)
22. Ms. Amornrat	Detudomrat	Member, Lumpini Wisdom and Solution Co., Ltd.
23. Dr. Sappawat	Chatupatwarangkoon	Member, Lumpini Wisdom and Solution Co., Ltd.
24. Ms. Kunteera	Sirinirikorn	Member, L.P.N. Development Public Co., Ltd. and Secretary of the Committee

In 2017, the total of four meetings of Corporate Environmental and Social Responsibility Committee is held as follows:

Meeting No.	Date			Agenda
1	16	March	2017	Monitor the operation to ensure consistency with the business plan.
2	22	June	2017	
3	21	September	2017	
4	7	December	2017	

Corporate Environmental and Social Responsibility Committee Charter

1. Mission

The duty of the Corporate Environmental and Social Responsibility Committee is to provide oversight of the Company and subsidiary companies' environmental and social performance which will focus on the impact on stakeholders.

2. Membership and Qualifications

- 2.1 The Board of Directors will appoint one executive director who will take up the position of the Chairman of the Corporate Environmental and Social Responsibility Committee.
- 2.2 The Chairman of the Committee will select no less than 3 members of the Committee.

3. Term of Office

- 3.1 The term of office of the Chairman and members of the Corporate Environmental and Social Responsibility Committee is limited to 2 (two) years.
- 3.2 Apart from retirement by rotation, the Chairman and members of Corporate Environmental and Social Responsibility Committee will vacate office upon:
 - 1) Death
 - 2) Resignation
 - 3) Being removed by the resolution of the Board of Directors
- 3.3 Any member of the Corporate Environmental and Social Responsibility Committee who wishes to resign shall submit the resignation letter to the Chairman of the Committee.
- 3.4 In case that the position of the Corporate Environmental and Social Responsibility Committee member has become vacant because of any other reasons apart from retirement by rotation, the Chairman of the Committee shall select and appoint a new member to fill the vacant position. The substitute member shall hold office for the remaining office term of the Corporate Environmental and Social Responsibility Committee Member only, except for the case that the remaining term of office of the member is less than 2 months.
- 3.5 The member of the Corporate Environmental and Social Responsibility Committee who retires by rotation may be re-appointed again.

4. Duties and Responsibilities

- 4.1 Consider and approve Corporate Environmental and Social Responsibility policies and activities of the Company and subsidiary companies.
- 4.2 Consider the resources and budget for Corporate Environmental and Social Responsibility projects and activities.

5. Meetings

- 5.1 The Corporate Environmental and Social Responsibility Committee is to arrange or convene a meeting as deem appropriate. The Chairman of the Committee shall convene a meeting.
- 5.2 The Corporate Environmental and Social Responsibility Committee meeting must be attended by at least three members in each meeting in order to constitute a quorum.
- 5.3 The resolution of the Corporate Environmental and Social Responsibility Committee meeting will be passed by a majority of votes of the attending members on the quorum. Any members who have interests in the agenda must not attend the discussion or cast a vote on the matter.
- 5.4 The Chairman of the Corporate Environmental and Social Responsibility Committee will appoint a Secretary of the Committee as deem appropriate.

6. Reporting

The Corporate Environmental and Social Responsibility Committee reports to the Board of Directors of the Company and must report the performance (if any) to every Board of Directors' Meeting.

7. Consultancy

The Corporate Environmental and Social Responsibility Committee can seek a consultancy service from independent experts as appropriate at the expense of the Company.

Report on Meeting Attendance of Committees' Members

In 2017, the details of meeting of subcommittees are as follows:

1. Audit Committee

In 2017, the total of four meetings of the Audit Committee which are planned in advance are held with the attendance of the following members:

No.	Name	Position	No. of Meeting Attended
1	Mr. Vudhiphol Suriyabhivadh	Chairman	4/4
2	Mr. Weerasak Wahawisal	Committee Member	4/4
3	Mr. Khanchai Vijakkana	Committee Member	4/4

2. Executive Committee

In 2017, the total of 42 meetings of the Executive Directors Committee are held with the attendance of the members as follows:

No.	Name	Position	No. of Meeting Attended
1	Mr. Tikhamporn Plengsrisk	Chairman	42/42
2	Mr. Pichet Supakijjanusan	Committee Member	42/42
3	Mrs. Yupa Techakraisri	Committee Member	39/42
4	Mr. Kumpee Chongthurakit	Committee Member	42/42
5	Mr. Opas Sripayak	Committee Member	39/42

Note: The Executive Committee has a weekly meeting with the Managing Directors of subsidiary companies to ensure that the operation of the Company is in consistence with the business plan.

3. Nomination, Remuneration and Good Corporate Governance Committee

In 2017, the total of five meetings of the Nomination, Remuneration and Good Corporate Governance Committee which are planned in advance are held with the attendance of the following members:

No.	Name	Position	No. of Meeting Attended
1	Mr. Vudhiphol Suriyabhivadh	Chairman	4/4
2	Mr. Weerasak Wahawisal	Committee Member	3/4
3	Mr. Khanchai Vijakkana	Committee Member	4/4
4	Mr. Tikhamporn Plengsrisk	Committee Member	4/4
5	Mr. Pichet Supakijjanusan	Committee Member	4/4

4. Risk Management Committee

In 2017, the total of four meetings of the Risk Management Committee are held with the attendance of the members as follows:

No.	Name	Position	No. of Meeting Attended
1	Mr. Tikhamporn Plengsisuk	Chairman	4/4
2	Mr. Pichet Supakijjanusan	Committee Member	4/4
3	Mrs. Yupa Techakraisri	Committee Member	4/4
4	Mr. Kumpee Chongthurakit	Committee Member	4/4
5	Mr. Opas Sripayak	Committee Member	4/4
6	Dr. Porn Wiroonrak	Committee Member	4/4
7	Mr. Charan Kesorn	Committee Member	4/4
8	Ms. Somsri Techakraisri	Committee Member	4/4
9	Ms. Surasawadi Suewaja	Committee Member	4/4

5. Non-Executive Directors

The Board of Directors of the Company gives importance to good corporate governance and requires that non-executive directors are to meet as appropriate without the interference of executive directors or the Management to provide them the opportunity to discuss various issues related to the business of the Company and other business that are of interest.

In 2017, there is the total of one meeting of Non-Executive Directors with the participation of the following non-executive directors:

No.	Name	Position	No. of Meeting Attended
1	Mr. Amornsuk Noparumpa	Chairman of the Board of Directors and Independent Director	1/1
2	Prof. Siri Keiwalinsrit	Vice Chairman of the Board of Directors and Independent Director	1/1
3	Mr. Vudhiphol Suriyabhivadh	Director and Independent Director	1/1
4	Mr. Weerasak Wahawisal	Director and Independent Director	1/1
5	Mr. Khanchai Vijakkana	Director and Independent Director	1/1
6	Mrs. Jongjit Thapanangkun	Non-Executive Director	1/1

Director and Executive Nomination Process

Independent Director

As of 31 December 2017, there is the total of five independent directors, accounting for 42% of all the 12 directors of the Company, namely,

1. Mr. Amornsuk Noparumpa
2. Prof. Siri Keiwalinsrit
3. Mr. Vudhiphol Suriyabhivadh
4. Mr. Weerasak Wahawisal
5. Mr. Khanchai Vijakkana

The definition of the independent directors of the Company is established in line with the regulations of the Capital Market Supervisory Board which state that independent directors must be able to uphold the benefit of shareholders equally and must not cause any conflicts of interest. Independent directors must also allow sufficient time to perform their duty and attend the Board of Directors' Meeting on a regular basis and give their opinions independently.

The Board of Directors' Meeting Ref. 4/2013 on 8 August 2013 resolved to identify the qualifications of independent directors that are stricter than that required by the Capital Market Supervisory Board. The qualifications of Independent Directors of the Company are as follows:

1. Not holding more than 0.5 per cent of total shares which are entitled to vote of the Company, subsidiary company, affiliated company or juristic persons with conflict of interests, which shall be inclusive of the shares held by his/her related persons.
2. Not being a director or having been a director with participation in the management, not being a staff member, employee or advisor receiving regular salary from the company, not having the controlling powers of the Company, subsidiary company, associated company or juristic persons with conflict of interests at present or during the period of 2 (two) years before being appointed.
3. Not having blood ties or by way of legal registration in the manner of father, mother, spouse, sibling, or offspring including spouse of offspring of an executive, major shareholder, those who have controlling powers or those who are to be nominated as executives or those who have controlling power of the Company, subsidiary company and associated company.
4. Not having or used to have a business relationship with the Company, subsidiary company, associated company, major shareholders of the Company or authorized person of the Company in the manner that may obstruct the independent exercise of discretion and not being or has been a significant shareholder or authorized person of the person with business relation with the Company, subsidiary company, associated company, major shareholders of the Company or authorized person of the Company, except relieved from aforesaid characteristics at not less than two years.

The business relation in paragraph one includes trade transactions in normal business, rent or lease on items related to asset or service or in giving or receiving financial assistance through acceptance or lending, guarantee, granting asset as debt security including similar behavior resulting in the Company or contract party with debt burden to be settled with another party from three per cent of net tangible asset of the Company or from twenty million THB up, as which amount is lower. However, the debt burden calculation shall be in value calculation on related items as announced by the Capital Market Supervisory Board on Rules of Related Items, by mutatis mutandis. But the consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relation with the same person.

5. Not being or used to be auditor of the Company, subsidiary company, associated company, major shareholders or authorized person of the Company and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the Company, subsidiary company, associated company, major shareholders or authorized person of the Company in attachment, except relieved from such characteristics at not less than two years.
6. Not being or used to be any professional provider which includes legal consulting or financial consulting with service fee over two million THB from the Company, subsidiary company, associated company, major shareholders or authorized person of the Company and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristics at not less than two years.

7. Not being a director appointed to be representative of the director of the Company, major shareholder or shareholders with relation with the major shareholder.
8. Not operating similar or significant competitive business to the business of the Company, subsidiary company or not being significant partner in the partnership or directorship with management participation on employees, staff, consultant with regular salary or holding shares over one per cent of the total shares with voting right in other companies operating business similar or competing with business of the Company or subsidiary company.
9. Shall be able to attend the Board of Directors' Meeting of the Company and make independent judgment.
10. Not having any other characteristics that limit his/her ability to express independent opinions regarding the Company's operations.
11. Shall be able to look after the interests of all shareholders equally.
12. Shall be able to prevent conflict of interest.
13. Shall not have been convicted of violating security or stock exchange laws, financial institution laws, life insurance laws, general insurance laws, anti-money laundering laws or any other financial law of a similar nature, whether Thai or foreign, by an agency with authority under that certain law. Such wrongful acts include those involved with unfair trading in shares or perpetration of deception, fraud or corruption.
14. If qualified according to all items 1-13 specified above, the independent director may be assigned by the Board of Directors to make decisions relating to business operations or the Company, subsidiary company, associated company, same-tier subsidiary or any juristic person with a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

Director and High-Ranking Executives Nomination Process

1. Director Nomination Process

The Nomination, Remuneration and Good Corporate Governance Committee is responsible for nominating qualified candidates to take up the position of directors who are suitable in terms of the competencies, experiences and expertise in the profession, are equipped with leadership skills, vision, moral and ethics, have the transparent professional background and are able to express their opinion freely. The guideline for the nomination of the directors of the Company is based upon the following:

- personal characteristics such as leadership, decision-making skill, vision, integrity and ethics, etc.
- knowledge and expertise that is relevant to the business of the Company.

The Nomination, Remuneration and Good Corporate Governance Committee will nominate suitable candidates to the Board of Director's meeting for approval before presenting to the Shareholders' meeting for appointment or election. In case that the director position of the Company becomes vacant not by rotation, the Nomination, Remuneration and Good Corporate Governance Committee may consider to nominate a suitable person to the Board of Directors' Meeting in order to fill the vacant position as required by the Articles of Association.

2. Executive Director Nomination Process

The Board of Directors of the Company is responsible for the appointment of the executive directors. The candidates are the directors of the Company and high-ranking executives of the Company and subsidiary companies who are knowledgeable, have the expertise that is relevant to the business operation of the Company, are able to establish a policy and strategy as well as ensure the efficiency and effectiveness of the implementation of such strategy.

3. High-ranking Executives of the Company and Subsidiary Companies Nomination Process

With regard to the nomination of high-ranking executives i.e. Managing Director, Deputy Managing Director and Assistant Managing Director of the Company and subsidiary companies, the Board of Directors assigns the Executive Committee to nominate candidates from internal and external organization based on the qualifications, experiences, expertise in the profession and transparent professional background to propose to the Nomination, Remuneration and Good Corporate Governance Committee for consideration and proposal to the Board of Directors' Meeting for approval.

Corporate Governance of the Operation of Subsidiary Companies

The Company has established subsidiary companies to clearly separate the nature of business operation. The Company holds more than 90% of shares in the subsidiary companies and assigns executive directors of the Company to take up the position of directors in the subsidiary companies. The details are as follows:

1. Pornsanti Co., Ltd.
Develops non-condominium residential projects.
2. Lumpini Property Management Co., Ltd.
Provides comprehensive community management services.
3. Lumpini Project Management Service Co., Ltd.
Provides project construction services.
4. Lumpini Property Service and Care Co., Ltd.
Provides services in communities. Primarily, the company provides cleaning services within condominium projects developed by the Company. The company also aims to focus on underprivileged women by organizing career training, creating jobs and enhancing their quality of life and to become a social enterprise in the future.
5. Lumpini Wisdom and Solution Co., Ltd., a subsidiary company of Lumpini Project Management Service Co., Ltd.
Provides research and development service and real estate product and service consultation service.

The business operation of all the subsidiary companies will be under the control of the Company to ensure that it is in line with the policy of the Company. This is done through the Executive Committee. The policy, goal and operational strategy of the subsidiary companies will be decided by the Board of Directors of the Company. The Company treats the staff of the subsidiary companies in the same manner as that of the Company. Their remuneration, regulations and organization values of subsidiary companies are the same as those of the Company so as to be in accordance with One LPN policy.

Moreover, with regards to the policy on the disclosure of the information on financial status, turnover, connected transactions between the Company and subsidiary companies and acquisition and disposal of assets, it is stated that the transactions must be done in compliance with the criteria or regulations of the Stock Exchange of Thailand or other related laws.

There is no agreement between the Company and major shareholders or other shareholders on the management of the Company and subsidiary companies.

Recruitment Policy of the Directors of Subsidiary Companies

In order for the operation of the subsidiary companies to be in compliance with the operational policy of the Board of Directors, executive directors or qualified individuals from the Management are appointed as the directors of subsidiary companies to ensure that the operation of the subsidiary companies is in accordance with the policy of the Board of Directors.

The director who is the Managing Director will be considered the head of the Management of the subsidiary company. The Board of Directors will select and appoint an internal staff as a Managing Director based on the qualifications, professional experiences and understanding of the value and culture of the organization as it will help promote the continuity of the policy of L.P.N. Development Public Co., Ltd.

Duties and Responsibilities of Directors of Subsidiary Companies

The Board of Directors has established the duties and responsibilities of directors of subsidiary companies as follows:

1. Responsible for the management of the business to be in accordance with the goal and policy of the Board of Directors of L.P.N. Development Public Co., Ltd.
2. Propose policy, strategy, business plan and annual budget of the company to the Board of Directors of L.P.N. Development Public Co., Ltd.
3. Increase the efficiency and competitive capacity of the subsidiary company.
4. Prepare the financial statement and performance report to propose to the Board of Directors of L.P.N. Development Public Co., Ltd.
5. Ensure that the operation of the subsidiary company is in compliance with the laws and regulations of the government as well as the Article of Association of the Company.
6. Perform any other duties as assigned by the Board of Directors of L.P.N. Development Public Co., Ltd.

Policy on Connected Transactions with the Directors, Executives and Staff of the Company and Subsidiary Companies

In compliance with the Securities and Exchange Act B.E. 2535 (As Amended) effective on 31 August 2008, the Notification of the Capital Market Supervisory Board No. Tor Jor 21/2551 Re: Rules on Connected Transactions, effective on 31 August 2008 and the good corporate principles, the directors, executives and all staff, including the staff of the subsidiary companies must strictly comply with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The directors, executives and staff of the Company and subsidiary companies are to strictly comply with the principles on connected transactions as follows:

- being the transaction that is approved in a transparent manner without the participation of the stakeholder.
- being the transaction that upholds the benefit of the Company in the same manner as the transaction done with external parties.
- being the transaction that is in line with general trade conditions, fair and reasonable with appropriate price or value.

The cases that the Company decides to enter into a transaction or connected transaction are as follows:

1. Normal business transaction: The Company will use the general trading conditions and the same criteria as that used with general customers.
2. Transaction supporting normal business transaction: The Company will use the general trading conditions and the compensation value can be calculated from the assets or the underlying value.
3. Transactions regarding leasing or leasing out real property on a short-term basis: The Company will carefully consider the transaction and show that it is in accordance with the general trading conditions.
4. Transactions relating to assets or services such as investment or investment fund: The Company will assess a transaction value of an asset or a service based on a total return value paid or being paid or a book value or a market price value of such asset or service, whichever is higher.
5. Transactions regarding provision or receipt of financial assistance: The Company will carefully and fairly consider the transaction to maximize the benefit of the Company. The calculation of interest will be made in accordance with the general trading and will be reasonable.

In case of a transaction or connected transaction that does not use general trading conditions, the transaction must be approved by the Audit Committee to be proposed to the Board of Directors for approval. However, in case that the Audit Committee lacks expertise in such transaction, the auditors of the Company or independent experts will provide the opinions for consideration of the Board of Directors.

Should there be any transactions or other connected transactions that fall under the regulations and/or criteria of the Stock Exchange of Thailand or the Securities and Exchange Commission, the Company will strictly comply with the regulations.

The Company will fully disclose the information on connected transactions in Form 56-1 and the Annual Report (Form 56-2).

In 2017, the Company does not do anything that violates the laws and regulations on connected transactions.

1. The Company does not provide any financial assistance to the company that is not the subsidiary company of the Company as shown in the financial statements in 2017.
2. There is no incident of violation and/or non-compliance with the connected transactions policy of the Company.

Policy on the Acquisition or Disposal of Assets of the Company or Subsidiary Companies

In compliance with the Securities and Exchange Act B.E. 2535 (As Amended) effective on 31 August 2008, the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, effective on 31 August 2008 and the good corporate principles, the directors, executives and all staff, including the staff of the subsidiary companies must strictly comply with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Company will strictly comply with the procedures of the Stock Exchange of Thailand and the Securities and Exchange Commission in cases of acquisition or disposal of the assets of the Company and subsidiary companies such as selling, buying, transferring, accepting transfer, having rights, giving up rights, investing or calling off an investment that may significantly affect the status and turnover of the Company. The Company will strictly comply with the principles established by the Stock Exchange of Thailand and Securities and Exchange Commission. The principles are as follows:

1. The transaction must be transparent and fair.
2. The Company must receive utmost benefits in the same manner as the transaction done with external parties.
3. The transaction must be in compliance with the legal procedures and related regulations.

The transaction must be approved by the Audit Committee to be proposed to the Board of Directors for approval. However, in case that the Audit Committee lacks expertise in such transaction, the independent experts or financial consultants will provide the opinions for consideration of the Board of Directors.

However, the Company has always informed the Stock Exchange of Thailand for acknowledgement of the acquisition and disposal of the assets of the Company e.g. the purchase of land or the launch of various projects even though it is the normal business conduct that does not significantly affect the status and turnover of the Company.

In 2017, the Company does not do anything that violates and/or does not comply with the criteria on the acquisition and disposal of assets of the Company and subsidiary companies.

There is no agreement between the Company and major shareholders or other shareholders on the management of the Company and subsidiary companies.

Use of Internal Information

The Company has established the regulations on the extent of the disclosure of internal information to external parties in the Code of Conduct both for executive directors and staff. As for that of staff, the Company has incorporated it in the employee's handbook which is given to all staff when they first join the Company. In order to be assured that staff comply with the regulations, the Company assigns the supervisors and the Human Resources Management Department to attend to the use of information of staff (the information is stated in the Code of Conduct).

The Company also plans the information system of the Company by prioritizing the importance and authority of those who are able to make changes to the information. The Information Department is being responsible for monitoring the completion and accuracy of the information which is also randomly checked by the Internal Audit Department periodically.

As for the Acquisition Report of the directors to the Securities and Exchange Commission in accordance with the Section 59 of the Securities and Exchange Act B.E. 2535, the Company assigns all directors to be responsible for reporting any acquisition changes to the Company via the Investor Relations Department under the Director's Office Department in order to report back to the Securities and Exchange Commission within three working days of the buying, selling, transferring or receiving a transfer. All the changes and the summary of the number of shares of individual director will be recorded and presented to the Board of Directors.

In case that the directors or high-ranking executives wish to buy, sell, transfer or accept transfer of the assets of the Company, he/she must inform the Company Secretary of the transaction at least one day prior to the transaction.

Moreover, the directors and executives are prohibited from using significant internal information of the Company and subsidiary companies that is not yet disclosed to the public for the benefit of themselves or others, including the trading of the securities of the Company. The directors, executives and staff who are aware of the internal information must not buy or sell the securities of the Company during the period of one month prior to the disclosure of the financial statements to the public.

In 2017, there has never been a case of insider trading of the directors or high-ranking executives of the Company.

Remuneration for Auditors

Audit Fee

D.I.A International Auditing Co., Ltd. is the auditor of the Company and subsidiary companies in 2017. The audit fee is as follows:

No.	Company	Amount (THB)
1	L.P.N. Development Public Co., Ltd	1,340,000
2	Pornsanti Co., Ltd.	280,000
3	Lumpini Property Management Co., Ltd.	230,000
4	Lumpini Project Management Service Co., Ltd.	130,000
5	Lumpini Property Service and Care Co., Ltd.	115,000
6	Lumpini Wisdom and Solution Co., Ltd.	100,000
Total		2,195,000

D.I.A International Auditing Co., Ltd. is the auditor and is not the director, staff, contractor or hold any other positions in the Company as stated in Section 121 of the Public Limited Companies Act B.E. 2535 and does not have a relationship or interest with the Company, subsidiary companies, executives, major shareholders or related persons. The auditor is independent and endorsed by the Securities and Exchange Commission. The Company does not buy other professional services from D.I.A International Auditing Co., Ltd.

In the same manner, the directors and executives of the Company have never been staff or partners or had any relationship with D.I.A International Auditing Co., Ltd. during the past two years.

Non-Audit Fee

- None -

Compliance with Corporate Governance in Other Areas

The Board of Directors emphasizes good corporate governance and ethical and responsible business operation. It is believed that good corporate citizenship will be beneficial for the society and the environment. It will enhance the competitive ability and performance of the Company in the long-term as well as the corporate resilience.

The Board of Directors' Meeting Ref. 8/2017 on 14 December 2017 approved the new Corporate Governance Policy in replacement of the former one to adhere to good corporate governance principles of listed companies issued by the Securities and Exchange Commission and the Stock Exchange of Thailand, effective in 2017 until further notice. The new Corporate Governance Policy establishes eight principles of good practice of the Board of Directors as the highest authority in the organization as follows:

- | | |
|--------------------|---|
| Principle 1 | Establish Clear Leadership Role and Responsibilities of the Board |
| Principle 2 | Define Objectives that Promote Sustainable Value Creation |
| Principle 3 | Strengthen Board Effectiveness |
| Principle 4 | Ensure Effective CEO and People Management |
| Principle 5 | Nurture Innovation and Responsibility Business |
| Principle 6 | Strengthen Effective Risk Management and Internal Control |
| Principle 7 | Ensure Disclosure and Financial Integrity |
| Principle 8 | Ensure Engagement and Communication with Shareholders |

The Board of Directors ensures compliance with Corporate Governance Policy and Code of Business Conduct. The business operation of the Company is in adherence to the sufficiency economy philosophy which is the guidelines for the good practice of the directors, executives and staff of the Company and subsidiary companies.

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors realizes the significance of its roles and responsibilities in ensuring good corporate governance in the organization. The objective is to operate the business not only to achieve economic growth but also sustainability and social mobility through environmentally and socially responsible operation and good corporate governance in order for the Company to become a "Value Organization".

The duties and responsibilities of the Board of Directors of the Company are as follows:

- 1.1 The Board of Directors shall establish short-term, mid-term and long-term objectives and goals of the Company and subsidiary companies to be inclusive of both qualitative and quantitative perspective, enabling the Company to operate its business in accordance with the circumstance each year. The Board of Directors will also approve the vision, mission and business plan of the Company, subsidiary companies and the company that a subsidiary company is the majority shareholder.
 - Review the vision of the Company and subsidiary companies every three years in order for the business to be conducted in the same direction. Business operation of the Company takes into account the balance of both qualitative and quantitative rewards for all stakeholders as well as social and environmental responsibility to achieve sustainable development goals.
 - Develop a mission statement of the Company and subsidiary companies annually to reflect the changing economic and social environments.
- 1.2 Apart from formulating a mission statement annually, the Board of Directors' Meeting will establish an operational strategy that is consistent with the mission statement to be the operational guidelines for the executives and Management. The operational performance will be reported to the Board of Directors on a quarterly basis to be assessed and improved.

- 1.3 The Board of Directors shall establish the Charter of the Board of Directors which identifies the duties and responsibilities of the Board of Directors. It is stated that the Board of Directors must manage the operation of the Company in accordance with the law, regulations, resolutions of the Annual General Meeting of Shareholders and established guidelines. The approval process of important issues shall be in line with the law. In addition, the approving authority of the Board of Directors in the Company and subsidiary companies shall also be in line with the law.
- 1.4 The Board of Directors shall establish the Code of Business Conduct of the Company which is inclusive of the Code of Conduct of the Board of Directors and Code of Conduct of Employees as an operational guideline for the directors and employees of the Company and subsidiary companies.

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors shall develop the vision of the Company every three years and the mission statement of the Company and subsidiary companies on a yearly basis by taking the economic and competitive situation in the market into consideration. The strategy and annual business plan of the Company and subsidiary companies must be in conformity with the vision and mission statement. Each year, the directors will analyze the situation, factors and risks in all aspects such as financial, strategic, operational and political with the assistance of the Risk Management Committee. As for issues related to the society, environment and stakeholders, the analysis of the situation will be conducted with the assistance of the Corporate Environmental and Social Responsibility Committee.

The business operation guidelines of the Company and subsidiary companies are identified by taking into account the balance between quantitative and qualitative returns to achieve sustainable development goals. It is promoted among all employees of the Company and subsidiary companies that in order for the business operation to achieve sustainable growth, all employees must work hand-in-hand to drive the organization forward while taking social and environmental responsibility into account at the same time. This is in line with the LPN Way which comprises two milestone values, namely, continuous development and respect for shareholders. The seven components of the values are C-L-A-S-S-I-C which is integrated into the operation of the Company and is adhered to by all segments of the Company. It has been developed into the corporate values and LPN Way with an aim to achieve the goal of the operation both in terms of quality and quantity and to drive the organization towards "Sustainable Development".

Principle 3 Strengthen Board Effectiveness

The Board of Directors is well aware of the important roles of the Company's directors in ensuring corporate governance to achieve the utmost benefit for the Company. The duties and responsibilities of the Board of Directors and the Management are clearly separated. The Board of Directors must ensure that the transactions and businesses of the Company are legally and ethically conducted.

To enhance the efficiency and effectiveness of the performance of the Board of Directors, the guidelines for the structure of the Board of Directors, the nomination of directors, the remuneration of the Board of Directors proposed to the Annual General Meeting of Shareholders for approval, the governance of the policy and operation of subsidiary companies and other companies the Company is investing in are established as follows:

3.1 Structure of the Board of Director

Board of Directors consists of experienced and knowledgeable directors in various fields e.g. engineering, architecture, economics, business management, law, accounting and finance all of whom have attended the Direct Accreditation Program of the Thai Institute of Directors Association (IOD). The Board of Directors play significant role in designing the policy of the Company in cooperation with high-ranking executives, preparing both long-term and short-term work plan, making financial policy, managing risk and overall image of the Company as well as supervising, overseeing and independently evaluating the performance of the Company and high-ranking executives to achieve the planned outcomes.

The structure of the management of the Company in 2017 consists of six committees as follows:

1. Board of Directors
2. Audit Committee
3. Executive Committee
4. Nomination, Remuneration and Good Corporate Governance Committee
5. Risk Management Committee
6. Corporate Environmental and Social Responsibility Committee

The Company has clearly established and separated the authority of each committee. The consideration of any important issues must be approved by each committee which has specific responsibilities before being proposed to the Board of Directors for consideration or acknowledgement so as to balance the power and ensure transparency and fairness to all related parties.

3.2 Nomination and Term of Office of Directors

3.2.1 Nomination and Appointment of Directors

Directors of the Company must have the qualifications and experiences that meet the needs of the Company and do not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. The directors must contribute their time and knowledge in their performance in the Company. The selection criteria for the position of the director of the Company in line with the Article of Association of the Company is as follows:

- Directors will be appointed, elected and relieved by shareholders' meeting and hold office at the term stated in the Articles of Association. Directors may be re-elected after the expiration of the term of office except when the director position becomes vacant not by rotation, the Nomination, Remuneration and Good Corporate Governance Committee will be nominating a suitable candidate and propose to the Board of Directors' Meeting in order to appoint a substitute director to fill the vacant position as required by the Articles of Association.
- The Nomination, Remuneration and Good Corporate Governance Committee will nominate candidates for consideration of the Board of Directors before being proposed to the Annual General Meeting of Shareholders for election to replace the directors who retire by rotation.
- In every Annual General Meeting of Shareholders, one-third of directors are to retire. If the number of the directors is not divisibly, the number of retiring directors is to be closest to the one-third ratio.
- In the election of the director, the voting will be done on an individual basis. The shareholders have the rights to vote for the candidates who are nominated for the position of directors. The vote is not dividable.
- Individuals receiving the highest number of votes and so forth will be elected as directors of the Company. The number of individuals elected will be the same as the number of positions of directors elected at the time. The directors who are to retire by rotation can be re-appointed again.
- One share equals one vote.

In 2017, in the Annual General Meeting of Shareholders 2017 held on 30 March 2017, there are four directors who retire by rotation, namely,

1. Mr. Amornsuk Noparumpa
2. Prof. Siri Keiwalinsrit
3. Mr. Pichet Supakijjanusan
4. Mrs. Yupa Techakraisi

In the Annual General Meeting of Shareholders 2017, the resolution is passed by the majority of votes of all the votes of the shareholders attending the meeting and having the rights to vote to reappoint all the four directors for another term of office.

3.2.2 Term of Office of Directors

The Company does not specify the age of a director and/or the highest number of terms which a director can hold office continuously because of the belief that age or the duration of service is not as important as valuable knowledge and experiences each director bring for the benefit of the Company.

3.3 Number of Companies in which Directors Serve as Directors

The Company establishes a policy that directors of the Company must not serve as directors in more than five other listed companies but does not limit the number of subsidiary companies of other listed companies in which directors serve as directors. The details are as follows:

No.	Name	Other Listed Companies	Subsidiary Company of Other Listed Companies
1	Mr. Amornsuk Noparumpa	2	-
2	Prof. Siri Keiwalinsrit	-	-
3	Mr. Vudhiphol Suriyabhivadh	3	-
4	Mr. Weerasak Wahawisal	1	-
5	Mr. Khanchai Vijakkana	2	-
6	Mrs. Jongjit Thapanangkun	-	-
7	Mr. Tikhamporn Plengsrisk	-	-
8	Mr. Pichet Supakijjanusan	-	-
9	Mrs. Yupa Techakraisri	1	-
10	Mr. Kumpee Chongthurakit	1	-
11	Mr. Charan Kesorn	-	-
12	Mr. Opas Sripayak	-	-

The Company has disclosed the information about the number of companies in which each director serves as a director in Form 56-1 and in the Annual Report (56-2). The Company is confident that this will not cause any conflict of interests or affect the performance of the directors in any way. Over the years, the Board of Directors has shown that they are able to dedicate their time for the performance of their duty. The Company has continuously and regularly received useful guidance, advice and recommendations on the business operation of the Company.

3.4 Policy on the Position of the Managing Director in Other Companies

In order to enable the Managing Director to dedicate his time to the performance of his duties as the Managing Director for the utmost benefit of the Company, it is the policy established by the Board of Directors that the Managing Director must not serve as a Managing Director in other listed companies.

3.5 Subcommittee

The Board of Directors has appointed committees and subcommittees i.e. Executive Committee, Audit Committee, Nomination, Remuneration and Good Corporate Governance Committee, Risk Management Committee and Corporate Environmental and Social Responsibility Committee to be responsible for specific matters and propose to the Board of Directors for consideration and acknowledgement. The responsibilities and duties of each committee are as established.

3.6 Leadership and Vision

The Board of Directors is to establish the vision, mission and policy as well as to ensure that the operation of the Company is in line with the planned objectives and goals for the highest interests in order to add economic value to the Company and shareholders. The Board of Directors also upholds the interests of all stakeholders, expresses their comments and makes a decision independently, does not seek benefits for themselves or others and do not operate in a way that will cause a conflict of interest or a competition with the Company or subsidiary companies.

The Board of Directors of the Company had established clear and written role, responsibilities and duties between the Board of Directors, Audit Committee, Nomination, Remuneration and Good Corporate Governance Committee, Risk Management Committee, Executive Committee and Corporate Environmental and Social Responsibility Committee. Moreover, the mechanism to supervise and follow up the operation and control the Management in a necessary and appropriate time is in place.

The Board of Directors gives importance to financial reports which must reflect actual performance, evaluates and specifies management standard and effectively prevents and manages risks as appropriate under the principle of the balance of power and is reviewable. The Board of Directors determines to develop and enhance the business of the Company in the secure and sustainable manner in order to generate appropriate returns for the shareholders.

3.7 Specific Roles and Duties of the Board of Directors

The Company clearly specifies and separates the power of the Board of Directors from the Management in each level. The consideration of any important issues must be approved by the Board of Directors and subcommittee so as to balance the power and ensure transparency and fairness to all related parties.

3.8 Combination or Separation of Positions

The policy of the Company is to separate the responsibilities of the Chairman of the Board of Director from the Chief Executive Officer (CEO), both of whom have to be knowledgeable and capable, be equipped with suitable experiences and qualifications and must not be the same person. The governance and management responsibilities have been separated in order to create a balance of power.

Chairman of the Board of Directors

The Chairman of the Board of Directors is to be an Independent Director and Non-Executive Director and not be the same person as the Chief Executive Officer or be a member in any subcommittees. The Chairman of the Board of Directors is independent from the Management and the corporate governance policy-making duty is clearly separated from the management of day-to-day business. The Chairman of the Board of Directors is to chair the Board of Directors' Meeting which is responsible for determining the vision, mission and important policy for the Management to implement. All directors are to independently propose an agenda of the meeting, give comments on the performance of the Company and carefully consider any issues which may cause conflict of interests in order to ensure integrity and transparency of the matter. Moreover, other duties include identifying the agenda of the Board of Directors' Meeting, leading the Annual General Meeting of Shareholders following the meeting agenda, Articles of Association of the Company and related laws and overseeing the performance of the Board of Directors and subcommittees.

Chief Executive Officer

The Chief Executive Officer is the head of the Management and is responsible for supervising the operation and performance of the Company in order to be in line with the vision, mission and policy of the Board of Directors, following up the performance of the Management, arranging a monthly meeting to discuss the progress of the operation and performance of the Company and distributing power to the Management regarding the duties, responsibilities and budget approval limit.

Managing Director

The Managing Director must not be the same person as the Chief Executive Director or Chief Executive Officer and is regarded as the high-ranking executive of the Management. The duty and responsibility of the Managing Director is to operate the business and/or manage daily operation of the Company in line with the direction established by the Board of Directors, Executive Committee and Chief Executive Officer as well as to consider transactions that are related to normal business operation of the Company.

3.9 Directors and Executives Development

The Board of Directors and executives give importance to capacity development of directors and encourage the directors to attend training courses or seminars that are beneficial for their performance. The trainings/seminars will provide them with the knowledge that is necessary for business operation in the competitive environment. There is also a policy to develop the capacity of the executives. Both internal and external trainings are organized in order for the Company to become a learning organization.

The directors of the Company has participated in the training courses of the Thai Institute of Directors Association (IOD) according to the requirement of the Securities and Exchange Commission that directors of listed company must attend at least one course, namely the Director Accreditation Program (DAP) and the Director Certification Program (DCP). Apart from this, the Board of Directors is also aware of the importance of the participation in other courses of the IOD such as the Role of Compensation Committee (RCC) and the Company Secretary course of the Thai Listed Company Association in order to enhance professional leadership skills and true understanding of roles and responsibilities of directors and set an example for others in pushing the organization forward towards good corporate governance. The details are as follows:

No.	Name		Course Attended
1	Mr. Amornsuk	Noparumpa	<ul style="list-style-type: none"> - Director Certification Program (DCP 30/2003), Audit Committee Program (ACP 23/2008) and Role of Compensation Committee (RCC 9/2009) from the Thai Institute of Directors - Curriculum in Security Psychology, Class 31 - Curriculum in Advanced Management, Class 7 - Diploma from the National Defence College of Thailand (Class 399)
2	Prof. Siri	Keiwalinsrit	<ul style="list-style-type: none"> - Training course on Development in Land Possession and Administration, Cambridge University, England - Director Accreditation Program (DAP 25/2004) from the Thai Institute of Directors - Finance for Non-Finance Directors Class 14/2004 from the Thai Institute of Directors - Audit Committee Program (ACP 7/2005) from the Thai Institute of Directors
3	Mr.Vudhiphol	Suriyabhivadh	<ul style="list-style-type: none"> - Director Certification Program (DCP 36/2003), Audit Committee Program (ACP 7/2005) and Director Certification Program Update (CDPU 3/2015) from the Thai Institute of Directors
4	Mr. Weerasak	Wahawisal	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 63/2007), Director Certification Program (DCP 91/2007), Role of Compensation Committee (RCC 15/2012), Audit Committee Program (ACP 45/2013), Director Certification Program Update (DCPU 1/2014), Chartered Director Class (CDC 8/2014) and Advance Audit Committee Program (AACP 20/2015) from the Thai Institute of Directors
5	Mr. Khanchai	Vijakkana	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 112/2014), Role of Compensation Committee (RCC 19/2014) and Director Certification Program (DCP 119/2015) from the Thai Institute of Directors
6	Mrs. Jongjit	Thapanangkun	<ul style="list-style-type: none"> - Director Accreditation Program (DAP 4/2003), Finance for Non-Finance Directors (FND 14/2004), and Corporate Governance for Executives (CGE 5/2015) from the Thai Institute of Directors
7	Mr.Tikhamporn	Plengsrisk	<ul style="list-style-type: none"> - Director Certification Program (DCP 23/2002), and Finance for Non-Finance Directors (FND 4/2003) from the Thai Institute of Directors
8	Mr. Pichet	Supakijjanusan	<ul style="list-style-type: none"> - Director Certification Program (DCP 27/2003), Finance for Non-Finance Directors (FND 4 /2003) and Audit Committee Program (ACP 21/2008) from the Thai Institute of Directors

No.	Name	Course Attended
9	Mrs. Yupa Techakraisri	- Director Certification Program (DCP 32/2003) from the Thai Institute of Directors
10	Mr. Kumpee Chongthurakit	- Director Accreditation Program (DAP 4/2003) and Director Certification Program (DCP 48/2004) from the Thai Institute of Directors
11	Mr. Charan Kesorn	- Director Certification Program (CDP 49/2014) from the Thai Institute of Directors
12	Mr. Opas Sripayak	- Director Certification Program (DCP 71/2006) and Finance for Non-Finance Directors (FND 24/2005) from the Thai Institute of Directors

In 2017, none of the directors of the Company attends any training or seminar courses.

As for the capacity building of executives who are staff of the Company, the details will be included in "Staff Development Policy."

3.10 Self-Evaluation of the Directors and the Evaluation of the Chief Executive Officer and Subcommittees

The Chairman of the Board of Directors gives importance to the evaluation of the performance of the Board of Directors, the Chief Executive Officer and subcommittees with an aim to improve the performance of the Board of Directors on various aspects. The Board of Directors has assigned the Nomination, Remuneration and Good Corporate Governance Committee to implement the evaluation process. The level of score is as follows:

1. 60% and Lower-Below Standard
2. 61-70%-Fair
3. 71-80%-Good
4. Over 80%-Very Good

In 2017, the result of the evaluation of the Board of Directors, subcommittees and Chief Executive Officer is as follows:

3.10.1 Evaluation of Individual Director can be categorized into three categories as follows:

Category 1 Evaluation of Individual Director (Self-Evaluation) The area of evaluation covers the followings:

- Core competencies
- Independence
- Preparedness
- Roles and responsibilities as a Director
- Performance in the Board Directors
- Contribution to the development of the organization.

Category 2 Evaluation of Individual Director (Cross-Evaluation) The area of evaluation covers the followings:

- Core competencies
- Independence
- Preparedness
- Roles and responsibilities as a Director
- Performance in the Board of Directors
- Contribution to the development of the organization.

Category 3 Evaluation of the Board of Directors The area of evaluation covers the followings:

- Structure and qualifications of the Board of Directors
- Roles and responsibilities of the Board of Directors
- Board of Directors' Meeting
- Directors' performance
- Relationship with the Management
- Self-development of directors and the development of the executives

The evaluation is to start in December. The Secretary of the Nomination, Remuneration and Good Corporate Governance Committee will be responsible for sending the evaluation forms to each director to complete independently and will then collate the completed forms, summarize and analyze the results and present to the Board of Directors' Meeting.

The result of the performance evaluation of the Board of Directors in the year 2017 has been presented to the Board of Directors' Meeting Ref. 8/2017 on 14 December 2017.

The overall result of the evaluation of individual directors (self-evaluation) is as follows:

No.	Topic	Result (%)	Level
1	Core Competences	84.03	Very Good
2	Independence	69.79	Fair
3	Preparedness	77.08	Good
4	Roles and Responsibilities as a Director	87.50	Very Good
5	Performance in the Board of Directors	88.66	Very Good
6	Contribution to the Development of the Organization	88.99	Very Good
Overall		82.67	Very Good

The overall result of the evaluation of individual directors (cross-evaluation) is as follows:

No	Topic	Result (%)	Level
1	Core Competences	84.95	Very Good
2	Independence	74.83	Good
3	Preparedness	87.50	Very Good
4	Roles and Responsibilities as a Director	91.07	Very Good
5	Performance in the Board of Directors	91.82	Very Good
6	Contribution to the Development of the Organization	90.18	Very Good
Overall		86.72	Very Good

The overall result of the self-evaluation of the Board of Directors is as follows:

No.	Topic	Result (%)	Level
1	Structure and Qualifications of the Board of Directors	95.56	Very Good
2	Roles and Responsibilities of the Board of Directors	96.76	Very Good
3	Board of Directors' Meeting	97.92	Very Good
4	Directors' Performance	97.22	Very Good
5	Relationship with the Management	97.22	Very Good
6	Self-Development of Directors and the Development of the Executives	91.20	Very Good
Overall		95.98	Very Good

3.10.2 The Evaluation of the Chief Executive Officer

The Nomination, Remuneration and Good Corporate Governance Committee has asked the Board of Directors to evaluate the Chief Executive Officer in different areas i.e. leadership, strategy, implementation of strategy, financial planning and performance, relationship with the Board of Directors, relationship with external parties, management and relationship with staff, succession plan, knowledge about products and services and personal qualifications. The evaluation form has been adapted from that of the Stock Exchange of Thailand.

The overall result of the evaluation of the Chief Executive Director

No.	Topic	Result (%)	Level
1	Leadership	97.92	Very Good
2	Strategy	95.83	Very Good
3	Implementation of Strategy	97.50	Very Good
4	Financial Planning and Performance	94.58	Very Good
5	Relationship with the Board of Directors	97.08	Very Good
6	Relationship with External Parties	94.00	Very Good
7	Management and Relationship with Staff	95.83	Very Good
8	Succession Plan	88.33	Very Good
9	Knowledge about Products and Services	99.38	Very Good
10	Personal Qualifications	98.33	Very Good
Overall		95.88	Very Good

The result of the evaluation of the Chief Executive Officer will be one of the criteria in the consideration of the remuneration for the Chief Executive Officer in each year.

3.10.3 The Evaluation of Subcommittees

In 2017, the evaluation of subcommittees is conducted. The Board of Directors has assigned the Nomination, Remuneration and Good Corporate Governance Committee to conduct the performance evaluation of the four subcommittees as follows:

1. The Evaluation of Audit Committee

1) Result of the Evaluation of Individual Audit Committee Member

No.	Topic	Result (%)	Level
1	Structure of Qualifications of the Committee	100.00	Very Good
2	Committee Meeting	100.00	Very Good
3	Roles, Duties and Responsibilities of the Committee	100.00	Very Good
Overall		100.00	Very Good

2) Result of the Evaluation of Audit Committee

No.	Topic	Result (%)	Level
1	Structure of Qualifications of the Committee	100.00	Very Good
2	Committee Meeting	100.00	Very Good
3	Roles, Duties and Responsibilities of the Committee	100.00	Very Good
Overall		100.00	Very Good

2. The Evaluation of Executive Committee

1) Result of the Evaluation of Individual Executive Committee Member

No.	Topic	Result (%)	Level
1	Structure of Qualifications of the Committee	82.50	Very Good
2	Committee Meeting	87.50	Very Good
3	Roles, Duties and Responsibilities of the Committee	87.00	Very Good
Overall		85.67	Very Good

2) Result of the Evaluation of Executive Committee

No.	Topic	Result (%)	Level
1	Structure of Qualifications of the Committee	81.25	Very Good
2	Committee Meeting	85.00	Very Good
3	Roles, Duties and Responsibilities of the Committee	83.75	Very Good
Overall		83.33	Very Good

3. The Evaluation of the Nomination, Remuneration and Good Corporate Governance Committee

1) Result of the Evaluation of Individual Nomination, Remuneration and Good Corporate Governance Committee Member

No.	Topic	Result (%)	Level
1	Structure of Qualifications of the Committee	90.00	Very Good
2	Committee Meeting	98.75	Very Good
3	Roles, Duties and Responsibilities of the Committee	91.00	Very Good
Overall		93.25	Very Good

2) Result of the Evaluation of Nomination, Remuneration and Good Corporate Governance Committee

No.	Topic	Result (%)	Level
1	Structure of Qualifications of the Committee	100.00	Very Good
2	Committee Meeting	100.00	Very Good
3	Roles, Duties and Responsibilities of the Committee	94.09	Very Good
Overall		98.03	Very Good

4. The Evaluation of Risk Management Committee

1) Result of the Evaluation of Individual Risk Management Committee Member

No.	Topic	Result %	Level
1	Structure of Qualifications of the Committee	76.39	Good
2	Committee Meeting	78.47	Good
3	Roles, Duties and Responsibilities of the Committee	78.33	Good
Overall		77.73	Good

2) Result of the Evaluation of Risk Management Committee

No.	Topic	Result %	Level
1	Structure of Qualifications of the Committee	75.56	Good
2	Committee Meeting	81.94	Very Good
3	Roles, Duties and Responsibilities of the Committee	82.64	Very Good
Overall		80.05	Very Good

5. The Evaluation of the Corporate Environmental and Social Responsibility Committee

1) Result of the Evaluation of Individual Corporate Environmental and Social Responsibility Committee Member

No.	Topic	Result %	Level
1	Structure of Qualifications of the Committee	80.92	Very Good
2	Committee Meeting	78.95	Good
3	Roles, Duties and Responsibilities of the Committee	82.89	Very Good
Overall		80.92	Very Good

2) Result of the Evaluation of Corporate Environmental and Social Responsibility Committee

No.	Topic	Result %	Level
1	Structure of Qualifications of the Committee	90.13	Very Good
2	Committee Meeting	81.84	Very Good
3	Roles, Duties and Responsibilities of the Committee	79.61	Good
Overall		83.86	Very Good

3.11 Report on Interest of Directors and Executives

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. Tor Jor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the company a report on his interest or a related person's interest in relation to management of the company, the Board of Directors' Meeting Ref. 4/2009 on 6 August 2009 has considered and resolved to approve the criteria on a report on interest of directors effective on 1 September 2009. The details are as follows:

1. Reporting

The directors and executives, meaning Managing Director, Deputy Managing Director, Assistant Managing Director, the first four managers after the Managing Director, those in the positions equivalent to the holders of the management position no. 4 and the executives in the highest position in the accounting or finance line of work must report his/her interest or a related person's interest to the Company.

2. Reporting Method

A report must be prepared and submitted to the Company Secretary. Should there be any changes in the information, a report must also be prepared and submitted to the Company Secretary within seven days from the date of the information changes.

3. Reporting to the Board of Directors

The Company Secretary must report the interest of directors and executives and related persons to the Board of Directors' Meeting in the third quarter of every year for acknowledgement. In 2017, the report on interest of the directors and executives is reported as follows:

1. Board of Directors' Meeting Ref. 2/2017 on 9 February 2017
2. Board of Directors' Meeting Ref. 4/2017 on 11 May 2017
3. Board of Directors' Meeting Ref. 6/2017 on 10 August 2017
4. Board of Directors' Meeting Ref. 8/2017 on 9 November 2017

Principle 4 Ensure Effective Executive Officer and People Management

All high-ranking executives such as Chief Executive Officer, Managing Director of the Company and subsidiary companies, Deputy Managing Director and Assistant Managing Director of the Company and subsidiary companies are of importance to the achievement of goals of the Company. Therefore, one of the responsibilities of the Board of Director is to ensure that the nomination process of the above positions is done appropriately and transparently. The nomination will be based on knowledge, skills and experiences of the candidates. The Board of Director will ensure that appropriate remuneration structure and performance evaluation are in place and that the management and development of executives are in accordance with the strategy and business direction of the Company.

4.1 Succession Plan

The Board of Directors gives importance to the succession of all high-ranking executives in order to maintain the confidence of investors, organization as well as staff in the immediate continuation of the operation of the Company and assigns the Executive Committee to be responsible for the establishment of the succession criteria and plan.

The Executive Committee, therefore, has prepared the succession criteria and plan by identifying the policy, preparing the readiness of staff and coming up with the direction of development. Personal development plan is also in place so as to prepare staff to be ready for the position of high-ranking executive. L.P.N. Academy is responsible for this matter which has to continuously been done.

In 2017, apart from continuously preparing personal development plan and evaluation performance, LPN Academy has supported high potential staff to develop their capacity and prepare them for a higher level position by awarded a graduate scholarships to one staff. The managerial and leadership training course is also organized. Other trainings to develop the competencies of staff in three areas are organized:

1. Core Competency or C-L-A-S-S-I-C
2. Functional Competency
3. Leadership Competency

4.2 Orientation of New Directors

In case of new directors joining the organization, the Company has identified the guideline to prepare the newcomers to be able to perform the duty as a director immediately. The Secretary of the Company will be responsible for:

1. Providing the legal information of the Company as well as other information such as the Articles of Association, the objectives of the Company, the organization structure and the Code of Conduct and
2. Arranging a meeting with the Chairman of the Board of Directors, Board of Directors, subcommittees and the Company's executives to be informed of the operations of the Company.

In 2017, there is no appointment of new directors so the orientation for new directors has not been organized.

Principle 5 Nurture Innovation and Responsibility Business

It is realized that all processes of property development business, especially the development of large-scale condominium projects, need to take into account the environmental and social responsibility as well as benefits of all stakeholders. The Board of Directors thus operates the business based on social and environmental responsibility with fair treatment of all stakeholders. The Company has also established a clear environmental and social policy and raised awareness of staff of the Company and subsidiary companies on environmentally and socially responsible operation for the best interest of all stakeholders.

The Company supports the creation of environmentally and socially responsible innovations that add value to the business as well as are profitable for the customers or related party. The best practices are as follows:

1. Triple Bottom Line (3P) framework, a measure of sustainability that includes financial, social and environmental performance measures, has been applied in the establishment of the operational goal of 6 Green LPN strategy of the Company.

6 Green LPN strategy has been developed from the Company's extensive experiences in real estate business operation and community management. It showcases the responsibility towards eight groups of stakeholders of ten property development processes. 6 Green LPN emphasizes the responsibility towards stakeholders in all operational processes as follows:

- | | |
|------------------------------|---|
| - Green Enterprise | - Business operation that focuses on the management of human capital. |
| - Green Financial Management | - Appropriate returns and organizational growth. |
| - Green Design Concept | - Product design that is environmental friendly and environmentally responsible. |
| - Green Marketing Management | - Marketing activities that are fair for consumers and competitors. |
| - Green Construction Process | - The management of environmental and social impacts from construction process under QCSES+P concept. |
| - Green Community Management | - The management and enhancement of the quality of life of the residents under FBLES+P concept. |

The Company has produced 6 Green LPN Checklist to standardize all aspects of the operation. The eight stakeholders of the Company are as follows:

- (1) Shareholders
 - (2) Staff
 - (3) Customers
 - (4) Residents in the communities developed by the Company
 - (5) Environment and society
 - (6) Trade partners
 - (7) Neighboring communities
 - (8) Construction workers
2. Operating real estate business development business, the Company can be an important player in the mitigation of environmental impacts and energy conservation. The long-term energy conservation plan is in place. It includes the energy management plan in existing projects and energy efficient design in newly developed projects.

3. The Company encourages and supports staff to come up with new innovations to enhance the efficiency of the operational process and product value. "The Seed: Idea Suggestion" competition is thus initiated to give staff an opportunity to select a topic for development and suggest their ideas to improve the operation of the Company in various aspects such as reducing time, reducing costs, initiating innovations and increasing community management efficiency.
4. The Company has been applying Building Information Modeling system or B.I.M. to the project development process. The operation process and systems are improved to link up all the information both internally and with trade partners or LPN Team who are managing the construction process. B.I.M. technology is fully implemented in project management. All the projects developed are designed and planned, the construction materials are selected and the construction is managed on B.I.M. A standard manual for B.I.M. operation is prepared so that it can be used efficiently in project management by foremen, designers and contractors.

Furthermore, the system has also been developed for use in facility management so that the system and building maintenance can be done more conveniently and quickly for the benefit of the customers.

5. The Company also looks after the rights of the stakeholders by treating them equally as follows:

1. Shareholders

The Company respects basic rights of shareholders under the law and the Articles of Association of the Company by treating all shareholders equally. The Company establishes a mechanism to assure the shareholders that they will receive accurate information and appropriate returns according to the dividend payment policy of the Company. Connected transactions are controlled and measures to prevent conflict of interests are in place. The Company also prevents the use of confidential internal information and prohibits directors or executives who have access to such information to exploit the Company's internal information for personal interests, including the buying and selling of the securities of the Company during the period of one month prior to the disclosure of the financial statements to the public.

2. Customers

The Company emphasizes the significance of customers and acts with responsibility towards them at all times. The Company also believes in the value of regularly creating satisfaction and confidence of customers by focusing on the development of products, being responsible for the quality and standards of products as advertised or promised, developing and improving services to the customers and maintaining confidentiality of customers. The Company also gives importance to the creation of a good quality of life, the promotion of close family ties and relationship building with customers through various regular activities. The Company establishes a guideline for customer experience management. Customer retention process is done through different complaint channels as it is the opportunity for the Company to learn about the defects of the products and service. At the same time, customers' complaints can be submitted through various channels, namely, LPN Mobile Line, website, Line and Call Center Tel.02-689-6888 and are managed by Customer Experience Management Department. The information on the action taken and solutions are filed in the knowledge management system of the Company as a reference.

3. Trade Partners

The Company complies with the agreements and conditions of honest competition, equality and fairness, considers the highest interests of the Company on the foundation of fair compensation for both parties, strictly keeps its promises to trade partners and builds relationship and understanding towards each other. The Company avoids situation which may cause conflict of interests through negotiation amicably and will not ask for or receive goods or any other benefits other than those stated in the trade agreement. The Company will not engage in a business with juristic persons or individuals who violate the law or behave unethically.

At present, the trade partners of the Company are the network of operators of various businesses such as architects, engineers, consultants, contractors, construction material traders, transport business operators and security company. They are considered business alliances which become an LPN Team and are treated as a subsidiary company. The Company emphasizes the provision of appropriate returns, does not take them for granted or only concerns for the profits of the Company. The business is operated based on fairness. However, the procurement policy has clearly been established. All trade partners must submit the quotation for project design, construction, transportation, security service, construction materials, etc. to the Company. The consideration will be based on appropriate price and the quality of products and services. The procurement guideline is as follows:

1. Prepare an agreement that is appropriate and fair. The Company strictly adheres to the terms and conditions stated in the agreement to ensure the transparency of the procurement process and avoid misconducts.
2. Assess the quality of the product and services received.

4. Competitors

The Company abides by rule of honest and fair competition through the use of friendly competition to support each other without causing any damages to the business or relationship between each other. The guideline for interacting with the competitors is as follows:

- 1) The Company will seek confidential information of the competitors or acquire such information in a corrupted, illegal or unethical manner.
- 2) The Company will not do anything that will cause unfair competition or a trade monopoly.
- 3) The Company will not do anything to damage the reputation of the competitors.

The above are included in the Code of Business Conduct of the Company for all staff of the Company and subsidiary companies to adhere to.

Throughout the years including in 2017, the Company has never had any disputes with competitors.

5. Creditors

The Company complies with the conditions of its trade agreements with honesty in order to create confidence and trust towards each other. In case that creditors are financial institutions, the Company have always complied with the conditions of loan agreements or credit agreements to build confidence of the financial institutions by strictly following the conditions stated in the contract and agreement.

The Company adheres to the following rules in dealing with creditors:

- 1) Comply with the agreements with all trade partners and creditors fairly and equally on the foundation of fair compensation for both parties.
- 2) Refrain from asking for, receiving or offering any dishonest benefits.
- 3) In case of loans, the Company will not exploit the loan money in the way which goes against the objectives in the agreements/conditions of the borrowing.

The above are included in the Code of Business Conduct of the Company for all staff of the Company and subsidiary companies to adhere to.

6. Employees

The Company gives importance to all employees and recognizes that employees are valuable assets and contribute to the success and achievement of the Company. The Company takes care of its employees and treats them fairly in terms of opportunity, reward, appointment and transfer, all of which are in line with the performance of each employee and business success of the Company.

The structure of the remuneration for staff in the short-term is based on the annual profit of the Company which is the ability to generate profit of the Company as well as the cooperation of all staff in the organization. As for the remuneration for staff in the long-term, it is based on the performance evaluation of staff as well as the key performance indicators. The remuneration must be in accordance with remuneration in the labor market. The competencies, experiences and performance of each staff are taken into consideration. The Company does not only consider the remuneration for staff based on the competitive remuneration rate in the market but also on the equality of staff in the Company. This is assessed from the scope of responsibility of each position and experiences and skills required. In each year, the salary will be adjusted by taking into consideration the inflation rate and GDP.

Apart from monthly remuneration, the Company also provides annual bonus based on the performance of the Company in each year as well as other benefits such as health insurance, annual medical-check up, provident fund and aid money in time of death of parents or spouse of employees. The Company also arranges an exercise area for staff, concerns for work-life balance and regularly monitors the safety of the workplace and provides safety equipment for staff and organizes fire drills.

In addition, the Company focuses on capacity development of employees at all levels, equips them with knowledge and ability to perform their duty and develops staff with high competencies towards leadership. The Company also provides opportunities for staff to take part in the establishment of the direction of operation, promotes good culture and atmosphere at work, improves surroundings for the safety of life, health and property of staff.

7. Society and Environment

The Company gives importance to corporate environmental and social responsibility in process, out process and as process. Social and environmental activities have continuously been implemented as follows:

- Blood donation activity has been organized regularly during the past 20 years. It provides the opportunity for staff and joint owners in all communities to donate blood.
- Volunteer clubs are organized in more than one hundred communities managed by the Company to promote “Togetherness, Care and Share” culture among the residents through various activities which receive partial sponsorship from the Company.
- Communities or government agencies surrounding condominium projects of the Company are developed.
- The Company supports and takes part in activities of many foundations.
- The surroundings of government agencies, schools and temples nearby condominium projects of the Company are improved.

The details are included in Sustainability Report 2017 of the Company which is prepared to report the performance in corporate environmental and social responsibility towards the stakeholders of the Company. The Report also promotes the business operation of the Company based on economic, social and environmental sustainability. The Report is prepared in accordance with Global Reporting Initiative (GRI) G4 version. It can be downloaded from the Company's website: www.lpn.co.th under Investor Relations.

Principle 6 Strengthen Effective Risk Management and Internal Control

The duties and responsibilities of the Board of Directors in internal control and risk management are as follows:

1. Ensure that the internal control system of the Company is efficient. The Audit Committee and Internal Control Department play important roles in ensuring the accuracy of the financial statements and efficiency of internal control and audit system.
2. Ensure that the risk management system of the Company is appropriate. Risk management policy is to be established annually. The Risk Management Committee is assigned to consider and identify risks, assess impacts and estimate the probability of all risks in order to prioritize risks and come up with appropriate risk management measures.

Besides internal control and risk management system, the Board of Directors must ensure the efficiency of anti-corruption measures, complaints management and management of conflict of interest that may occur amongst the Company, the Management and the Board of Directors.

A Compliance Unit as well as Code of Business Conduct are established in accordance with good corporate governance principles for the benefit of the Company, shareholders, directors, staff and other stakeholders.

6.1 Criminal Record of Directors and Executives

During the past years and 2017, there has been no case of violation against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act B.E. 2535 or any other laws such as the submission of financial statements within a given timeframe. The Company does not have a negative reputation as a result of the failure of the Board of Directors or subcommittees. None of the non-executive directors resign from their position as a result of an issue related to corporate governance of the Company. There are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe.

In addition, the directors and executives of the Company do not violate against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act or any other civil or criminal laws and do not have any conflicts of interest with the Company. The directors and executives of the Company and subsidiary companies do not:

1. commit insider trading;
2. commit an act of corruption or misconduct.

6.2 Acquisition Report of Directors and Executives

The directors and executives have the responsibility to provide an acquisition report and acquisition changes report in accordance with Section 59 of Securities and Exchange Act B.E. 2535 to the Securities and Exchange Commission within three days of the buying, selling, transferring and accepting transfer. They are also to refrain from trading securities of the Company during the period of one month before the disclosure of the financial statements to the public.

Furthermore, the acquisition of directors and their spouse and the first four managers after the Managing Directors as well as the Accounting Manager and Finance Manager must be reported in the Board of Directors' Meeting. In 2017, there is the total of four acquisition reports of the directors and their spouse and executives of the Company as follows:

1. Board of Directors' Meeting Ref. 2/2017 on 9 February 2017
2. Board of Directors' Meeting Ref. 4/2017 on 11 May 2017
3. Board of Directors' Meeting Ref. 6/2017 on 10 August 2017
4. Board of Directors' Meeting Ref. 8/2017 on 9 November 2017

The shareholding of the directors including their spouse and the first four managers as of 31 December 2017 accounts for 3.94% of all the distributed shares. The details in 2017 are as follows:

Directors and Related Persons		No. of Shares (25 February 2017)	No. of Shares (31 December 2017)	Increase (Decrease) during the year (Shares)
1. Mr. Amornsuk	Noparumpa	-	-	-
2. Prof. Siri	Keiwalinsrit	-	-	-
3. Mr. Vudhiphol	Suriyabhivadh	547,000	547,000	-
	Mrs. Thasanee Suriyabhivadh (spouse)	900,000	900,000	-
4. Mr. Weerasak	Wahawisal	-	-	-
5. Mr. Khanchai	Vijakkana	-	-	-
6. Mrs. Jongjit	Thapanangkun	4,000,000	4,000,000	-
7. Mr. Tikhamporn	Plengsrisk	4,000,000	4,000,000	-
8. Mr. Pichet	Supakijjanusan	4,000,000	4,000,000	-
9. Mrs. Yupa	Techakraisri	26,040,499	26,040,499	-
10. Mr. Kumpee	Chongthurakit	18,606,570	18,606,570	-
	Mrs. Choopan Chongthurakit (spouse)	50,000	50,000	-
11. Mr. Charan	Kesorn	-	-	-
	Mrs. Nattanan Kesorn	-	-	-
12. Mr. Opas	Sripayak	-	-	-
13. Ms. Somsri	Techakraisri	-	-	-
14. Mr. Montien	Weerotai	-	-	-
15. Mrs. Piyanuch	Naveenavakun	-	-	-
16. Ms. Saowanee	Angkoonpipat	-	-	-
17. Mrs. Noppawan	Kritsanarat	-	-	-
18. Ms. Suwattana	Tang	-	-	-
19. Mr. Saengchai	Luangchutamas	-	-	-
20. Mr. Nakul	Tangprasit	-	-	-

Directors and Related Persons		No. of Shares (25 February 2017)	No. of Shares (31 December 2017)	Increase (Decrease) during the year (Shares)
21. Ms. Suporn	Wongpairoj	-	-	-
22. Ms. Nittaya	Wongtavilarp	-	-	-
23. Mrs. Panadda	Kajornsilpa	-	-	-
Total		58,144,069	58,144,069	-

6.3 Report on Interest of Directors and Executives

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. Tor Jor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the company a report on his interest or a related person's interest in relation to management of the company, the Board of Directors' Meeting Ref. 4/2009 on 6 August 2009 has considered and resolved to approve the criteria on a report on interest of directors effective on 1 September 2009. The details are as follows:

1) Reporting

The directors and executives, meaning Managing Director, Deputy Managing Director, Assistant Managing Director, the first four managers after the Managing Director, those in the positions equivalent to the holders of the management position no. 4 and the executives in the highest position in the accounting or finance line of work must report his/her interest or a related person's interest to the Company.

2) Reporting Method

A report must be prepared and submitted to the Company Secretary. Should there be any changes in the information, a report must also be prepared and submitted to the Company Secretary within seven days from the date of the information changes.

3) Reporting to the Board of Directors

The Company Secretary must report the interest of directors and executives and related persons to the Board of Directors' Meeting in the third quarter of every year for acknowledgement. In 2017, the report on interest of the directors and executives is reported as follows:

1. Board of Directors' Meeting Ref. 2/2017 on 9 February 2017
2. Board of Directors' Meeting Ref. 4/2017 on 11 May 2017
3. Board of Directors' Meeting Ref. 6/2017 on 10 August 2017
4. Board of Directors' Meeting Ref. 8/2017 on 9 November 2017

6.4 The Company controls the use of internal information and prohibits directors and executives to use essential internal information of the Company and subsidiary companies which are not yet disclosed to the public for their own benefits or for benefits of others, including the purchase and sell of securities of the Company. Directors, executives and employees who have access to internal information must refrain from purchasing or selling securities of the Company during the period of one month prior to the disclosure of the financial statements to the public.

6.5 Every time directors or executives purchase, sell, transfer or accept transfer of the securities of the Company, they must inform the Securities and Exchange Commission and the Stock Exchange of Thailand within three days from the date of the change as well as inform the Company Secretary. The report of shareholding of directors and their spouse will be included in one of the ordinary agendas of the Board of Directors' Meeting which is held quarterly.

6.6 The Company establishes direction to monitor and solve conflict of interest problems. According to the Audit Committee Charter, the Audit Committee will be responsible for reviewing compliance with rules, regulations and law as required by the Stock Exchange of Thailand and the Securities and Exchange Commission. If the meeting passes a resolution that may cause a conflict of interest or connected transactions, the Company will publish the value of the transaction, names of contracting parties, persons connected, necessary reasons for the transaction and any other details related to the transaction completely and accurately on the website of the Stock Exchange of Thailand i.e. www.set.or.th and that of the Company i.e. www.lpn.co.th both in Thai and in English.

6.7 Compliance Unit

In 2016, the Board of Directors' Meeting Ref. 9/2016 on 15 December 2016 resolved to establish a Compliance Unit as an independent department with the objective of enhancing the efficiency of the management system of the Company and upholding the utmost benefit in accordance with corporate governance principles. The duties and responsibilities of the Compliance Unit are as follows:

- 1) Ensure that all departments in the Company comply with corporate governance policy, Code of Conduct, law, agreements and related regulations and report the operation to the Management for acknowledgement on a regular basis within a given timeframe or report immediately in case of important or serious cases.
- 2) Provide recommendations to the Management to ensure that the operation of the Company is in compliance with law and regulations.
- 3) Provide assistance to the Management as follows:
 - Establish rules, standards, regulations and business operation principles of the Company to be in compliance with law, related regulations, regulations of the Company and Code of Conduct.
 - Provide advice and recommendations on compliance with related law and regulations, regulations of the Company and Code of Conduct to staff and all departments of the Company.
 - Collaborate with departments that are responsible for organizing trainings for staff in order to provide knowledge and understanding on related law and regulations, regulations of the Company and Code of Conduct.
- 4) Assess and identify compliance risks related to the business of the Company, assess the adequacy of compliance and propose improvements of the operational guideline of all departments in order for the operation to be in compliance with law and related regulations.
- 5) Compile information on related law, regulations and regulations of the Company.
- 6) Prepare annual corporate governance report and analysis for acknowledgement of the Executive Committee and the Board of Directors.

Principle 7 Ensure Disclosure and Financial Integrity

One of the roles and responsibilities of the Board of Directors is to maintain financial credibility among shareholders and other stakeholders such as investors and analysts. Proper preparation of financial reports, financial liquidity and ability to pay debt must be ensured. The policy of the Company is to communicate and disclose information accurately and sufficiently, in a timely manner and in accordance with related standards and practices, including the disclosure of information to customers and staff. The details are as follows:

1. Shareholders

The Company provides information e.g. financial information, general information related to the business operation and performance of the Company that is accurate and complete on a regular basis. The information is distributed to the shareholders, investors, analysts and other stakeholders through various channels. The Investor Relations Department is responsible for providing information on various activities of the Company to shareholders, investors, analysts and stakeholders through various channels e.g.

- The Electronic Listed Company Information Disclosure (ELCID) system of the Stock Exchange of Thailand.
- Disclosure of Annual Information Form (Form 56-1)
- Annual Report (Form 56-2)
- The Company's website i.e. www.lpn.co.th

The Investor Relations Department also collaborates with the Brand Management Department to distribute the information through other channels such as:

- Media including newspapers, journals and TV channels
- Newsletters

Minor shareholders, general investors and analysts who would like to receive the information about the Company can contact the staff at the Investor Relations Department of the Company directly. The Company believes that minor shareholders and general investors nowadays give very much importance to investment information. The staff of the Company will disclose all information equally. The Company emphasizes and is responsible for ensuring the reliability of financial information. The Board of Directors will prepare accurate and complete financial report according to the generally accepted accounting standards and principles. Important information which affects or may affect the changes in the price of the securities of the Company and the decision to invest will be disclosed strictly in compliance with law and rules and regulations

of the Stock Exchange of Thailand, the Securities Exchange Commission and other governmental agencies. The Company will constantly monitor any changes to ensure that the laws and regulations are up to date for the shareholders to be confident in the business operation of the Company.

In 2017, the Investor Relations Department has organized various activities to provide information and news to shareholders as follows:

- 1) The executives of the Company has provided the overview of the operation and answered questions of the analysts and investors in the following events:
 - 52 company visits
 - Two road shows in the country
 - Three analyst meetings: to report the quarterly performance of the Company to analysts
 - One "Opportunity Day" meeting: to meet with analysts and investors. It is organized in collaboration with the Stock Exchange of Thailand.
 - Two site visits
 - One shareholders' meeting

There are also nine analysis reports of securities firms that analyze the information of the Company.

- 2) Eleven media briefings and press conferences are organized.

- 3) Press releases are sent to newspapers, magazines and journals to promote the business of the Company and subsidiary companies, the performance of the Company and subsidiary companies. The executives of the Company i.e. Executive Directors and Managing Directors of the Company and subsidiary companies are interviewed by the media. There are the total of 87 news articles about the Company.

- 4) Information provided to the Stock Exchange of Thailand and Securities and Exchange Commission i.e.

- Annual Report
- Form 56-1
- Financial Statements of the Company
- Quarterly and annual financial analysis reports
- Letters informing the resolution of the Board of Directors, Annual General Meeting of Shareholders and others.

Shareholders, investors and the general public can make enquiries by contacting:

Investor Relations Department:	Mr. Suriya Suriyabhivadh
E-mail address:	IR@lpn.co.th
Telephone:	02-285-5011

2. Customers

The policy of the Company is to disclose the information related to the condominiums of the Companies and subsidiary companies via the website of the Company i.e. www.lpn.co.th.

3. Staff

The staff of the Company and subsidiary companies, whether they be staff at the head office or at the offices in Bangkok and other provinces, will receive the information through the intranet system. Other means of communications include notice boards in the Company and projects, whatsapp and Line group which includes high-ranking executives as well. The objective is for the staff to be aware of the news related to the Company such as:

- news of activities of the Company
- news or information related to benefits of staff
- news related to staff e.g. promotion of staff, new staff, staff leaving, staff giving birth, etc.
- news for knowledge of staff e.g. tax, social security, etc.

4. Communication Channels for Stakeholders

The Company gives importance to the participation of stakeholders in supporting the operation of the Company in order to build stability and sustainability of the Company by disclosing important business information to stakeholders sufficiently and transparently. The stakeholders, shareholders and investors can submit their comments, file a complaint or provide useful recommendations to add value to the Company by mailing to:

1. Chairman of the Board of Directors or
2. Chairman of Audit Committee or
3. Chief Executive Officer or
4. Managing Director

The mailing address is as follows:

L.P.N. Development Public Co., Ltd.

1168/109, 36th Floor, Lumpini Tower, Rama 4, Tungmahamek, Sathorn, Bangkok 10120

Email: director@lpn.co.th or

Call Center 02-689-6888

The above persons will compile the information to present to directors of the Company for their consideration. The Company will protect those who submit their comments or recommendations by keeping their information confidential. As for staff, they can submit their opinions or complaints or report any wrongdoings or misconduct to the Company. The details of the Whistleblower Policy can be found in Section 10: Social Responsibility.

The Company emphasizes the importance of environmental and social responsibility as well as the responsibility towards stakeholders. The business operation of the Company is conducted by taking impacts on society, environment, customers, trade partners, competitors, staff and creditors into consideration. In 2017, there are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe.

The Company has prepared Sustainability Report 2017 to report the performance in corporate environmental and social responsibility towards the stakeholders of the Company. The Report promotes the business operation of the Company based on economic, social and environmental sustainability. The Report is prepared in accordance with Global Reporting Initiative (GRI) G4 version. It can be downloaded from the Company's website: www.lpn.co.th under Investor Relations.

Principle 8 Ensure Engagement and Communication with Shareholders

The Company respects basic rights of shareholders both as investors and owners of the Company and takes into account the utmost benefit of all shareholders equally. The Company does not provide special treatment to any specific group of stakeholders and disclose the information of the Company accurately and completely. This is done to build the confidence of shareholders and show that they play a role in decision-making of important issues of the Company. Shareholders are able to find out the result of the performance of the Company, management policies or complete any transactions through the Company's website i.e. www.lpn.co.th both in Thai and in English or the website of the Stock Exchange of Thailand i.e. www.set.or.th.

The guidelines of engagement and communication with shareholders are as follows:

1. The Company appointed Thailand Securities Depository Co., Ltd. as a registrar of the Company in order to provide convenience for shareholders in any business related to securities registration of the Company.
2. As for the date of the Annual General Meeting of Shareholders, the meeting will not be organized on a public holiday or bank holiday. The time will be between 8.30-17.00h and the venue will be in Bangkok.

In 2017, one Annual General Meeting of Shareholders is organized i.e. the Annual General Meeting of Shareholders 2017 on 30 March 2017. The meeting venue is the meeting room on 11th floor, 1168/7 Lumpini Tower, Rama 4 Road, Tungmahamek Sub-district, Sathorn District, Bangkok. The meeting commences at 09.30h. The meeting is conducted in accordance with

the policy and guidelines on the treatment of shareholders. There is no Extraordinary General Meeting of Shareholders in 2017.

3. The Company gives importance to all issues that are legally required and may impact the direction of the business operation of the Company. Each agenda of the Annual General Meeting of Shareholders will be clearly established whether it is for approval, for acknowledgement or for adoption. The background of each agenda including the objectives, rationale and opinions of the Board of Directors will be clearly stated. Supporting documents will also be provided for consideration of the shareholders. The examples of important agendas of the Annual General Meeting of Shareholders are as follows:
 - Agenda about directors: the election of directors and remuneration for directors are separated.
 - Agenda about the allocation of profit and dividend payment: dividend payment policy of the Company, proposed dividend rate and supporting rationale and information are informed.
4. The Company will send meeting invitation letter together with handout documents with complete and accurate details and comments of the Board of Directors on each agenda to shareholders for every meeting within the period required by law. The meeting invitation letter and handout documents both in Thai and in English will be published in advance to allow more time for shareholders to consider the issues through the website of the Company i.e. www.lpn.co.th.
5. The Annual General Meeting of Shareholders is organized once a year on appropriate date and time which will not be longer than four months after the end of the accounting period of the Company. The Company will send out the meeting invitation letter together with meeting handouts with adequate and complete information explaining the details and comments of the Board of Directors in all agendas both in Thai and English with the following details.
 - Date, time and venue of the Annual General Meeting of Shareholders.
 - Minutes of the previous Annual General Meeting of Shareholders.
 - Annual Report and Financial Statements / Sustainability Report.
 - Meeting agenda for consideration of shareholders e.g. agenda for adoption and approval, election and appointment, etc.
 - Agenda on the appointment of directors with the information on the profile of those who are nominated for the position of director to replace directors who are to retire by rotation such as name, age, education background, training courses attended, past and present professional experiences, the number of companies and listed companies he/she is in the position of director, professional expertise, his/her attendance in the Company's meeting that year, the year that he/she takes up the position of director in the Company, shareholding in the Company, criminal record during the past five years, conflict of interest and other information in case that of the election of independent director.
 - Agenda on the consideration for remuneration for directors and subcommittee members with the information on the remuneration of the Board of Directors and subcommittee members during the past two years, the policy and criteria for consideration of financial remuneration and other benefits and the opinions of the Nomination, Remuneration and Good Corporate Governance Committee.
 - Agenda on the appointment of and remuneration for directors with the information on the profile of auditors, the remuneration during the past three years and the opinions of the Audit Committee.
 - Articles of Association of the Company on the topics related to the Annual General Meeting of Shareholders.
 - Voting methods of the Annual General Meeting of Shareholders, vote counting method and voting results.
 - Documents and evidences that the shareholders must present prior to attending the meeting and information on how to authorize the meeting registration and how to cast a vote in the meeting.
 - Profiles of candidates who are nominated for the position of independent directors.
 - Map of the meeting venue.
 - Proxy Form B. Type (which specifies detailed, clear and fixed items for authorization). The Company has prepared two types of proxy forms following the notices of the Ministry of Commerce, namely, Type B and C. Shareholders can download the form from the website of the Company so that shareholders could make a decision to cast a vote in various agendas no less than seven days in advance. Moreover, the Company published a meeting announcement in a newspaper for three consecutive days no less than three days prior to the meeting. Shareholders could also register no less than one hour prior to the meeting to allow smooth meeting registration.

6. In case that shareholders are unable to attend the meeting, the Company will send proxy form which is consistent with the form of the Ministry of Commerce together with the meeting invitation letter so that any shareholders who intend to appoint a proxy to attend the meeting can authorize a person or an independent director of the Company to attend the meeting in order to reserve the right of the shareholders.
7. The voting right of shareholders is according to the amount of shares held i.e. one share is equivalent of one vote.
8. In every meeting, the documents and evidences that shareholders or proxies must present prior to attending the meeting, authorization of a proxy and the registration will be in accordance with the law and regulations of governing agencies such as the Stock Exchange of Thailand or the Securities and Exchange Commission.
9. The Company has increased the channel to publish the meeting invitation letter, meeting handouts, attendance rules and regulations of the meeting through the Company's website i.e. www.lpn.co.th both in Thai and in English at least 30 days prior to the meeting to allow more time for shareholders to consider the information which is sufficient and complete.

In 2017, the Annual General Meeting of Shareholders will be held on 30 March 2017. The meeting invitation letter and meeting handouts are published on the website of the Company both in Thai and in English on 27 February 2017 or 31 days prior to the meeting.

10. The Company assigned Thailand Securities Depository Co., Ltd. which is the registrar of the Company to deliver the meeting invitation letter to shareholders 14 days prior to the meeting. The Company gives the right to shareholders who attend the meeting after it has already been started to cast a vote on the agenda being considered and not yet voted. Shareholders will be counted as a quorum for the meeting starting from the agenda being considered when they enter the meeting.

In 2017, the Annual General Meeting of Shareholders will be held on 30 March 2017. The Company assigns Thailand Securities Depository Co, Ltd. to deliver the meeting invitation letter to shareholders on 8 March 2017 or 22 days prior to the meeting.

11. The Company established the procedure in the Annual General Meeting of Shareholders in compliance with law with the emphasis on convenience, rights and equity of shareholders. As for meeting registration, the Company provides sufficient staff and appropriate technology in order to ensure convenience in checking the documents of shareholders more than one hour prior to the meeting.

As for the registration process, it will be done by barcode system. The registration number of each shareholder will be printed on the registration form and proxy form to speed up the registration process. There are registration desks for shareholders and proxies. Revenue stamp for affixing on the proxy form is also provided for proxies.

12. Prior to commencing a meeting in each agenda, the Chairman of the Board of Directors who presides over the meeting will inform the meeting of the number and ratio of shareholders and proxies, meeting process and vote casting method and process of each agenda in every meeting.
13. Before the start of the Annual General Meeting of Shareholders, the Chairman of the Board of Directors will introduce members of the Board of Directors, auditors, legal consultant and shareholders' rights protection volunteer from Thai Investors Association and inform the shareholders how to cast a vote and shareholders' rights. The Chairman of the meeting will be responsible for conducting the meeting according to the agenda stated in the meeting invitation letter, allocating time for each agenda appropriately and sufficiently without adding any other agendas apart from those stated in the meeting invitation letter.

In each agenda, the Board of Directors will provide opportunities for shareholders to express their comments and inquires on various issues related to business operation of the Company and subsidiary companies. The meeting minutes will be accurately and thoroughly recorded. In addition, the Company produces ballots for shareholders to use for voting in each agenda. The votes of all agendas i.e. for, against and abstention will be counted and disclosed transparently and fairly.

In 2017, all 12 members of the Board of Directors of the Company and subcommittees have attended the Annual General Meeting of Shareholders. The meeting attendance rate is 100%.

14. The Company has disclosed the list of top ten shareholders of the Company as of the book closing date before the Annual General Meeting of Shareholders to shareholders through the website of the Company i.e. www.lpn.co.th both in Thai and in English.

15. On the agenda to elect directors to replace directors who retire by rotation, the Company will provide opportunities for shareholders to elect individual director in every Annual General Meeting of Shareholders. The Company has provided sufficient background information of each nominated director for the consideration of shareholders.
16. In every Annual General Meeting of Shareholders, the Company gives shareholders the rights to consider and approve remuneration for the Board of Directors and subcommittees. The Company has provided sufficient details of the remuneration of the Board of Directors and subcommittees for the consideration of shareholders.
17. In every Annual General Meeting of Shareholders, there will be an agenda on the appointment of auditors and remuneration for auditors which are to be proposed to shareholders for approval. The Company has provided the information about the nominated auditors as well as sufficient details of the remuneration for auditors for the consideration of shareholders.
18. In 2017, the Company applies E-Voting system of Eventech System Thailand Co., Ltd. which used to provide the programming service under the name of Thailand Securities Depository Co., Ltd. in the registration of the meeting, counting the quorum of the meeting and counting votes for each resolution according to the agenda.
As for the registration process, it will be done by barcode system. The registration number of each shareholder will be printed on the registration form and proxy form to speed up the registration process. There are registration desks for shareholders and proxies. Revenue stamp for affixing on the proxy form is also provided for proxies. There will also be staff of the Company providing assistance to shareholders at the registration desks.
19. The Company will conduct the Annual General Meeting of Shareholders according to the agenda stated in the meeting invitation and will not add any agendas without informing the shareholders in advance. If there are to be an addition of other agendas apart from those stated in the meeting invitation letter, the Company must seek approval from no less than one third of the shareholders present at the meeting and entitled to vote.
20. During the meeting, the Board of Directors provides opportunities for shareholders to express comments, provide recommendations or ask questions in each agenda freely before voting.
21. The Company will produce a detailed, completed and factual meeting minutes after the meeting ended. The minutes will be submitted to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days after the meeting and be published on the website of the Company i.e. www.lpn.co.th both in Thai and in English.
In 2017, after the Annual General Meeting of Shareholders 2017 on 30 March 2017, the Company has informed the Stock Exchange of Thailand on the resolutions of the Meeting together with the voting results by notifying the Director and Manager of the Stock Exchange of Thailand via the communication system of the Stock Exchange of Thailand on the day of the Meeting (30 March 2017). The minutes of the Annual General Meeting of Shareholders which records the meeting, the voting in each agenda and comments of shareholders is sent to the Director and Manager of the Stock Exchange of Thailand within 14 days i.e. on 11 April 2017. The minutes is published on the website of the Company i.e. www.lpn.co.th both in Thai and in English. The photos taking during the meeting are also published on the website.
22. After the meeting, the Company will prepare a meeting minutes that is accurately recorded. The information recorded in the meeting minutes includes:
 - Voting process and methods in each agenda.
 - List of directors, subcommittee members, high-ranking executive of the Company present and absent from the meeting, auditors, legal consultants and representatives of minor shareholders.
 - Meeting resolution of each agenda and voting results i.e. for, against, abstention and voided ballot.
 - Questions of shareholders, name, surname and answers of the directors and high-ranking executives.
23. The voting will be done openly. A ballot for each agenda will be provided so that shareholders are able to vote independently.
24. The policy of the Company is to pay the same rate of dividend to all shareholders.
25. The Company gives shareholders who attend the meeting after it has already been started the rights to cast a vote on the agenda being considered and not yet voted. Shareholders will be counted as a quorum for the meeting starting from the agenda being considered when they enter the meeting.

26. The Company has taken care of shareholders by providing information and news as well as informing the result of the performance and management policy on a regular basis and in a timely manner. Apart from the disclosure of information through the news system of the Stock Exchange of Thailand, the Company has also published important information and up-to-date news on the website of the Company i.e. www.lpn.co.th.

27. The Company published an announcement via the information system of the Stock Exchange of Thailand and the website of the Company i.e. www.lpn.co.th under Investor Relations to invite minor shareholders to propose an agenda which should be considered in the Annual General Meeting of Shareholders in advance from 1 September-30 November of every year.

As for the Annual General Meeting of Shareholders in 2017, the Company has invited minor shareholders on 8 August 2017 via the information system of the Stock Exchange of Thailand and the website of the Company i.e. www.lpn.co.th to propose a meeting agenda during 1 September-30 November 2017. As of 30 November 2017, none of the minor shareholders propose any meeting agenda.

28. It is the policy of the Company to allow shareholders who are entitled to attend the meeting to share their opinions or submit questions on the topics related to the agenda of the Annual General Meeting of Shareholders prior to the meeting. The comments and questions will be collected and proposed to the Board of Directors who will answer the questions in the meeting. As for the Annual General Meeting of Shareholders 2017, the Company provides an opportunity for shareholders who are entitled to attend the meeting to share their opinions or submit questions on the topics related to the agenda of the Annual General Meeting of Shareholders from 27 February 2017-24 March 2017. The shareholders are informed via the information system of the Stock Exchange of Thailand and the website of the Company i.e. www.lpn.co.th under Investor Relations on 27 February 2017. None of the shareholders expresses their opinions or submits any questions.

29. In order to facilitate travel convenience for the shareholders, the Company informs the shareholders in the meeting invitation letter of different directions and means of transportation they can take to travel to the venue of the Annual General Meeting of Shareholders. The map of the venue, bus number and MRT map is provided.

30. The Company will conduct the Annual General Meeting of Shareholders according to the agenda stated in the meeting invitation and will not add any agendas without informing the shareholders in advance. If there are to be an addition of other agendas apart from those stated in the meeting invitation letter, the Company must seek approval from no less than one third of the shareholders present at the meeting and entitled to vote.

The Company has emphasized the significance of good corporate governance as it is beneficial for the organizational development. The good corporate governance principles for listed companies of the Stock Exchange of Thailand have continuously been implemented. However, there are still rooms for improvements as follows:

1. The Company should allow minor shareholders to nominate candidates for the position of directors. With regards to the nomination of directors, the Board of Directors of the Company is aware of the issue. The Company has treated the shareholders fairly and equally as required by the Stock Exchange of Thailand, except for allowing minor shareholders to nominate the candidates for the position of directors of the Company. The Board of Directors opines that the current directors' nomination and selection process is appropriate with the business operation of the Company. There have been no cases of violation of fair and equitable treatment of shareholders.
2. Independent directors should have a limited term of office of not exceeding a period of nine consecutive years from the date of being appointed as independent directors. Currently, there are four independent directors whose term of office has exceeded nine years. However, the Nomination, Remuneration and Good Corporate Governance Committee has carefully considered the issue and opines that the qualifications of the independent directors of the Company meet with the requirements of the Capital Market Supervisory Board. Their knowledge and experiences are appropriate with the business operation of the Company. They have expressed their comments and ideas in an independent manner as well as efficiently performed their duties as independent directors of the Company.

3. Members of the Nomination, Remuneration and Good Corporate Governance Committee should all be independent directors. Of all the five members of the Nomination, Remuneration and Good Corporate Governance Committee of the Company, three are independent directors. More than half of the members of the Nomination, Remuneration and Good Corporate Governance Committee are independent directors, so as the Chairman of the Committee. However, the members of the Nomination, Remuneration and Good Corporate Governance Committee who are independent directors are able to perform their duties in an efficient manner.

Intellectual Property Policy

The Company has a policy not to violate intellectual property rights, whether they be copyrights, patent or trademarks. Operational guidelines have been established clearly, for example, in terms of copyrights, the Company has a policy on the usage of the information system of the Company and subsidiary companies and regularly monitors the usage of various software programs to prevent the use of pirated software or the software that is not related to work.

Human Rights Policy

The Company fully respects the human rights and equality of staff. All staff of the Company, subsidiary companies and trade partners are treated fairly and equally and are not discriminated based on race, nationality, age, educational background or physical and mental disabilities. The personal rights and freedom shall not be violated directly or indirectly. The staff of the Company and subsidiary companies must treat each other with respect and behave themselves properly in accordance with the regulations of the Company and good traditions without causing a negative impact on the image of the Company. The topic of Human Rights has also been included in the Code of Business Conduct.

Code of Business Conduct

The Board of Directors' Meeting Ref. 5/2016 on 21 June 2016 considered and approved the Code of Business Conduct to be effective from 21 June 2016 until further notice. The Code of Conduct of Directors and Code of Conduct of Staff 2005 are invalidated. The Code of Business Conduct is prepared in accordance with good corporate governance principles for the benefit of the Company, shareholders, directors, staff and other stakeholders. It comprises 14 sections as follows:

- Section 1 Human and Labor Rights
- Section 2 Environment, Health and Safety
- Section 3 Anti-Corruption
- Section 4 Gifts and Entertainment
- Section 5 Conflict of Interest
- Section 6 Involvement in Political Activities
- Section 7 Information and Property
- Section 8 Disclosure of Information and Communication
- Section 9 Transaction of LPN
- Section 10 Trade Competition
- Section 11 Anti-Money Laundering
- Section 12 Code of Conduct of Directors
- Section 13 Code of Conduct of Staff
- Section 14 Receipt of Complaints and Whistleblower Protection

Environmental and Social Responsibility

The operation of property development business directly impacts the environment and society especially the development of large-scale projects. It can be seen that low quality properties usually cause serious environmental and social problems. The Company has thus given importance on business operation that is environmentally and socially responsible as well as incorporated the Corporate Environmental and Social Responsibility (CESR) into the business plan in order to pave the way towards sustainability. We do not only focus on CESR In Process along the thinking of “6 Green LPN” concept but also on CESR Out Process by supporting activities that promote “Togetherness, Care and Share” culture. The awareness on responsibility is raised among staff in all departments and cascaded to the residents of “Lumpini” community following the concept of “Corporate Environmental and Social Responsibility to Community Environmental and Social Responsibility”. A budget that is proportional to the sales volume of the Company is set aside to support the activities on this matter.

Moreover, the Company has established two organizations, the operation of which is separated from the core business operation of the Company but is partly related to the business processes. The purpose of the organizations is not to seek profits but to support the society. This is considered CESR As Process. The two organizations are L.P.N. Academy, the center for human resources development and knowledge sharing and Lumpini Property Service and Care Co., Ltd., the center for the development of quality of life of underprivileged women.

Section 10: Environmental and Social Responsibility covers the following:

1. Overall operational policy
2. Operation and report preparation
3. Environmentally and socially responsible business operation
4. CESR In Process, CESR Out Process and CESR As Process

The details are incorporated in Sustainability Report 2017 which is available for download at www.lpn.co.th under Investor Relations.

5. Prevention of involvement with corruption.

Anti-Corruption Policy

Corruption in this context refers to any types of bribery such as an offer or promise on money, asset or other inappropriate benefits from the government officers, government sectors or private sectors so that such person could proceed or disregard his/her function in order to acquire, retain the business or achieve any improper benefits in business transactions. Exception shall be applied in case of laws, regulations, customs, local traditions enable to do so.

In most cases, it means the transactions done between an operator and a government agency for the direct and indirect benefit of the operator. The ranking of the corruption problem in Thailand is at the top because of the lack of awareness of business ethics of the operators and the morality of the government officers. It seriously affects the growth of the economic system and image of the country. As a property developer that must involve with various government agencies, the Company has established the anti-corruption policy indicating that all processes of the operation must be strictly in compliance with law to avoid all sorts of negotiation during the process of requesting permission for construction, construction process, ownership transfer process or any other minor details involving a government officer. In case of a wrongdoing that is caused by negligence or unawareness, the wrongdoer shall be punished without exceptions.

The Board of Directors' Meeting Ref. 1/2014 on 13 February 2014 resolved to declare the intention to participate in the Private Sector Collective Action Coalition Against Corruption. In the Board of Directors' Meeting Ref. 6/2014 on 11 December 2014, anti-corruption policy is established for the directors, executives and staff of the Company and subsidiary companies to adhere to. The policy will also be included in the staff manual. New staff will be trained on the policy and all staff are to be tested on a regular basis. The summary of the anti-corruption policy of the Company is as follows:

1. Definition

Corruption means any types of bribery such as an offer or promise on money, asset or other inappropriate benefits from the government officers, government sectors or private sectors so that such person could proceed or disregard his/her function in order to acquire, retain the business or achieve any improper benefits in business transactions. Exception shall be applied in case of laws, regulations, customs, local traditions enable to do so.

2. Anti-Corruption Policy

- Director, Management Team and all LPN staff are prohibited from operating or accepting every type of corruption both in direct or indirect manner.
- The compliance with the Anti-Corruption Policy is needed to be reviewed regularly.
- The Anti-Corruption Policy and the implementation are reviewed in order to be in accordance with business changes, regulations and laws.

3. Operational Guidelines and Implementation

- 3.1 The Board of Directors and LPN staff at all level must strictly comply with the policy without any exceptions.
- 3.2 LPN staff must not ignore or neglect any corruption conditions involved directly with LPN. All staff must notify such act to supervisors or responsible persons.
- 3.3 LPN shall provide fairness and safeguard staff who informs corruption cases by applying Protection Policy for Complainant as stated in the Whistleblower Policy.
- 3.4 A person who commits the corruption will face disciplinary punishment without any exceptions.
- 3.5 LPN will disseminate the information, provide knowledge and build understanding with other people who involve with the operation of LPN so that those parties shall conform to the Anti-Corruption guideline.
- 3.6 LPN will regularly provide training and retain the Integrity in the CLASSIC values of the organization so that the staff is constantly aware of the Anti-Corruption Policy.
- 3.7 The Anti-Corruption policy is applied to Human Resources Management process starting from selection, recruitment, promotion, training, performance evaluation and benefits provided to staff. Every supervisor in every level must clearly communicate the policy to staff.
- 3.8 To stress the attention on process which incur a high risk in corruption, the Board of Directors, the Management Team and LPN staff at all levels must conform carefully in the following course of action:
 - Offering gifts or entertainment and hospitality activities must be complied with the Code of Conduct.
 - Granting contribution for charity or receiving the donation or aid must be transparent and in accordance with laws by confirming that such transaction shall not be claimed as a bribery act.
 - All types of bribery are prohibited in all business transactions. The business operation must be transparent and in alignment with related laws and regulations.

In 2016, the Board of Directors' Meeting Ref. 5/2016 on 21 June 2016 resolved to approve the new Code of Conduct as the best practice guideline for directors and staff. The former Code of Conduct of Directors and Code of Conduct of Staff prepared in 2003 are invalidated. The revised Code of Conduct is inclusive of anti-corruption and gift and entertainment policy. In addition, the announcement of the Executive Committee Ref. Sor Tor Mor 053/2559 Re: Donation and Sponsorship is issued as a guideline for executives and staff to comply with in relation to donation of money for charitable purpose and sponsorship.

Anti-corruption assessment is another tool to assess the sustainability of the anti-corruption implementation. The five progress indicators of the anti-corruption index are as follows:

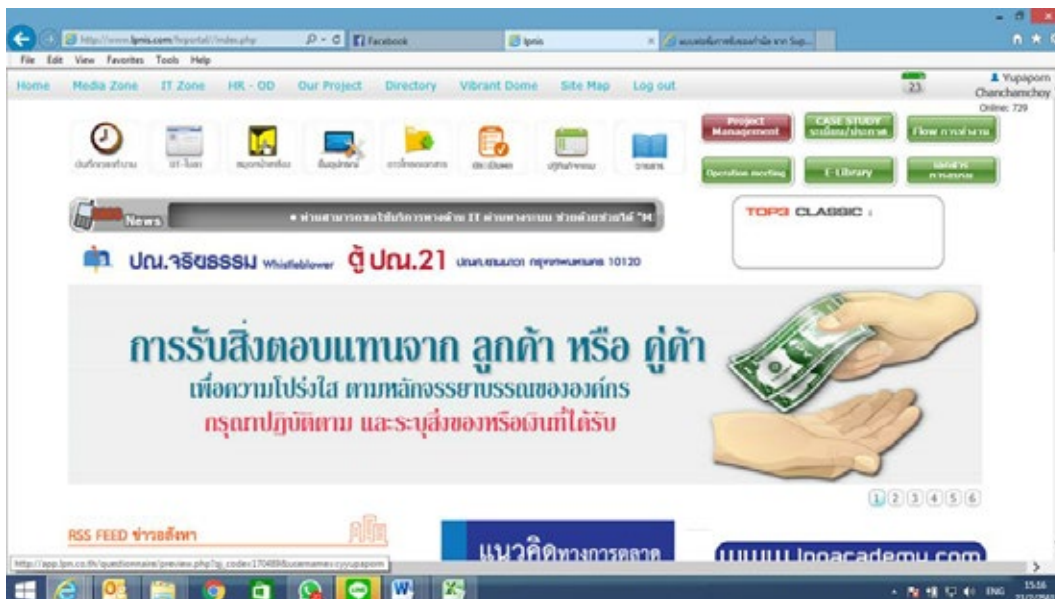
- Level 1 Committed: Indicating commitment of top executive and the organization with Board of Directors' resolution and policy not to involve with corruption.
- Level 2 Declared: Indicating determination by means of declaration to join the Private Sector Collective Action Coalition Against Corruption
- Level 3 Established: Indicating policy to oppose bribing government officials and those related to corruption as well as policy to communicate and educate employees regarding anti-corruption policy and practices.
- Level 4 Certified: Indicating an implementation audited by independent external organizations.
- Level 5 Extended: Indicating anti-corruption policy which extends to business partners, consultants, intermediaries and business representatives.

The Company has signed the declaration of anti-corruption intention with Private Sector Collective Action Coalition Against Corruption Council. In 2016, the Company has requested for Level 4 Certification. Thailand's Private Sector Collective Action Coalition Against Corruption Council's Meeting of Q4/2016 held on 9 March 2017 resolved to certify the Company as a member of Thailand's Private Sector Collective Action Coalition Against Corruption. The certificate will be effective for three years from the date of certification.

Assessment of Compliance with Anti-corruption Policy

The Company has encouraged staff to conform to anti-corruption policy through various means such as trainings for all levels of staff and orientation for new staff. After being trained, the knowledge of staff will be tested. In addition, the Company has evaluated the performance of staff, assessed corruption risks and revised anti-corruption measures on a regular basis. The policy has continuously been communicated to various groups of stakeholders to prevent an internal misconduct. It is indicated in the anti-corruption policy that all staff must not ignore or neglect any corruption conditions involved directly with the Company. The anti-corruption tool and guideline is disseminated to all staff to minimize the opportunity for corruption. Staff can notify the act of corruption or misconduct to the Company through various complaint channels.

Example of internal communication on anti-corruption measures



L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED
บริษัท เอส.พี.เอ็น. ดีเวลอปเม้นท์ จำกัด (มหาชน)

แบบฟอร์มการรับของกำนัล จาก Supplier และลูกค้า

ชื่อ * พลาตูด *
 ตำแหน่ง * โทรศัพท์ *
 หน่วยงาน *

1. การมีได้สิ่งของกำนัล
☐ จากความสัมพันธ์ / ไม่เกี่ยวข้อง
☐ ของเจ้าพนักงาน
☐ ของญาติ / ของกำนัล

2. ของกำนัลเป็นอะไร *
☐ ของกำนัล / ของเงิน
☐ ของเงิน / ของเงิน ไม่ระบุ
☐ เงิน
☐ ของกำนัลอื่น

3. ผู้รับแจ้งข้อมูลสิ่งของกำนัล *
☐ ของบริษัท
☐ ของลูกค้า

1. การรับใช้ได้รับของขวัญ

☐ เงินสด / เงิน / เช็ค / โฉนด / ใบเสร็จรับเงิน

☐ ของใช้ / ของเครื่องใช้ / ของเครื่องใช้

☐ ของใช้ / ของเครื่องใช้ / ของเครื่องใช้

2. ของที่ได้รับมาจาก

☐ ลูกค้า / ลูกค้า / ลูกค้า

☐ คู่ค้า / คู่ค้า / คู่ค้า

☐ คู่ค้า / คู่ค้า / คู่ค้า

3. มูลค่าของของขวัญที่ได้รับ

☐ น้อยกว่า 1,000 บาท

☐ 1,000 - 5,000 บาท

☐ มากกว่า 5,000 บาท

4. ชื่อของคนที่ให้ของขวัญ

5. ชื่อของคนที่รับของขวัญ

Accepting gifts from customers or trade partners, for transparency and compliance with the Code of Conduct of the organization, please declare gifts and amount of money received.

Policy on Protection for Employees Who Inform on or Disclose of Wrongful Conduct or Non-Compliance with Laws and the Code of Conduct (Whistleblower Policy)

The Board of Directors' Meeting Ref. 6/2014 on 11 December 2014 has resolved to approve the policy on the protection for employees who inform on or disclose of wrongful conduct or non-compliance with laws and the Code of Conduct (Whistleblower Policy) for compliance of the directors, executives and staff of the Company and subsidiary companies. The details are as follows:

1. Definitions

Complainant refers to employees of L.P.N. Development Public Co., Ltd. and the subsidiary companies of L.P.N. Development Public Co., Ltd. whether they be full-time employees, daily workers or employees who has a special hiring contract. Persons Handling Complaints refers to the directors, Audit Committee members, executive directors or one of the Managing Directors

2. Complaints or Information

The corruption or any action that violates the laws, regulations or the Code of Conduct that affects the reputation, image, value, financial status of the Company or conflicts with the business operation policy and is related to high-ranking executives.

3. Channels

- Complain verbally or in writing.
- Send an email to a person handling complaints or to director@lpn.co.th.
- Send a message via WhatsApp and LINE.

4. Guideline for Submitting Complaints

- The complainant may complain through more than one channel and does not need to disclose his/her identity. However, if he/she does disclose his/her identity, this would allow the Company to report him/her the outcome of the investigation concerning the matter of complaint.
- If the complainant choose not to disclose his/her name, he/she must provide sufficient factual details or clear evidence to show that there are grounds to believe that an action occurred in the business practices of the Company. He/she should also inform the Company of his/her contact details so that the Company is able to report him/her the outcome of the investigation concerning the matter of complaint. The complain shall be deemed top secret.

5. Procedure for Investigating Facts

- The person handling complaints will be the one to investigate the facts or may authorize a person or agency to investigate the facts.
- If the investigation reveals that a violation did occur and affects the reputation, value and image of the organization, the person handling complaints shall submit the matter to the Executive Directors Committee and the Audit Committee for consideration of courses of action in accordance with the Article of Association of the Company.

6. Protection of the Complainant or Informant

- The protection will be provided as soon as the complaint is submitted.
- The Company will regard the related information as secret and will disclose only so much of it as necessary to ensure the safety of the complainant.
- If the complainant believes that he/she will not be safe or incur harm, he/she may ask the Company to provide appropriate protection, or the Company provides such protection without the complainant's request if it is believed that danger or harm is likely to occur.

Receipt of Complaints and Whistleblower Protection

The Company provides the opportunity for staff to complain and will solve the issues of concern within a given timeframe. The staff who inform on or disclose wrongful conduct or non-compliance with laws and the Code of Conduct will be protected. Staff can submit a complaint, suggestion or comment through the following channels:

- Directly contact the Chief Executive Officer.
- Inform in writing via WhatsApp of the Chief Executive Officer.
- Submit a complaint/suggestion to the Suggestion Box that is put up in the Company.
- Send a letter to PO Box 21, Yannawa, Bangkok 10120.

The Compliance Unit will be responsible for submitting the issues to the Executive Committee for consideration.



Whistleblower Line

LPN PO Box 21, Yannawan, Bangkok 10120

In 2017, the total of five complaints are received. The facts are investigated and it is found that none of the complaints violate anti-corruption policy of the Company and the value of gifts are not of significance and does not cause any damage to the Company. The complaints are as follows:

- Three complaints on the violation of operational regulations and announcement of the Company. The maximum penalty is dismissal or forced resignation.
- One complaint on human resources management of an executive. As a result of the complaint, the management structure is to be revised as appropriate.
- One false allegation.

The Company gives importance to all complaints received from all channels and carefully investigates the facts. The conclusion of the investigation will be submitted to the Executive Directors Committee for consideration of courses of action and reported to the Audit Committee. The awareness of the Code of Business Conduct is also raised among staff.

Corruption Risk Assessment

The process of corruption risk assessment of all departments is as follows:

1. **Risk Assessment and Reporting:** All departments in the organization will assess risk in their department once every quarter. The information shall be compiled and presented to the Risk Assessment Committee for consideration.
2. **Risk Management:** The Risk Assessment Committee will assess, analyze and prioritize risks. Risk management guideline and strategy will be identified and proposed to the Audit Committee and the Board of Directors at least once a year.
3. **Communication:** Risk management guideline will be communicated to all departments for compliance and implementation.
4. **Risk Assessment and Management:** The outcome of risk assessment and management will be reported to the Audit Committee and Board of Directors of the Company.



Changes to the Management Structure

1994

- The Company was listed on the Stock Exchange of Thailand as a public company on 21 June 1994 with a Board of Directors comprising 16 persons as follows:

1. Mr. Chamlong	Ratanakul Serirengrit	Chairman of the Board of Directors
2. Mr. Pong	Sarasin	Vice Chairman of the Board of Directors
3. Mr. Pakorn	Thavisin	Vice Chairman of the Board of Directors
4. Mr. Tawechai	Chitasaranachai	Chief Executive Director
5. Prof. Siri	Keiwalinsrit	Independent Director
6. Prof. Mora	Boonyaphala	Independent Director
7. Mr. Thep	Roongtanapirom	Independent Director
8. Mr. Tirachai	Panchasarp	Director
9. Mrs. Jongjit	Thapanangkun	Director
10. Mr. Sirichai	Charoensakwattana	Director
11. Mr. Chalres	Yi Kwong Lee	Director
12. Mr. Somkiat	Tangthaworn	Director
13. Assoc. Prof. Dr. Somchai	Phakaphasvivat	Director
14. Mr. Tikhamporn	Plengsrisk	Managing Director
15. Mrs. Yupa	Techakraisri	Director and Deputy Managing Director
16. Mr. Pichet	Supakijjanusan	Director and Deputy Managing Director

1997

- Mr. Chamlong Ratanakul Serirengrit resigned from the position of the Chairman of the Board of Directors due to health problems. The Board of Director thus invited Mr. Mora Boonyaphala to take up the position of the Chairman of the Board of Directors.

1998

- Mr. Pakorn Thavisin resigned from the position of the Independent Director because of the tendency to have conflict of interest with the Company due to the economic situation. Assoc. Prof. Dr. Somchai Phakaphasvivat resigned from the position of a Director due to other business engagements. The Board of Directors, therefore, invited Mr. Vudhiphol Suriyabhivadh to take up the position of a Director and Independent Director of the Company.

2000

- In compliance with the regulations of the Stock Exchange of Thailand on corporate governance, the Board of Directors' Meeting on 1 February 2000 unanimously resolved to appoint an Audit Committee and establish the role and responsibilities of the Committee. The Audit Committee comprised the followings:

1. Prof. Siri	Keiwalinsrit	Chairman of Audit Committee
2. Mr. Vudhiphol	Suriyabhivadh	Audit Committee Member
3. Mr. Thep	Roongtanapirom	Audit Committee Member
with Mrs. Nawanuch Jintapitak as Secretary of the Audit Committee		

2001

- The Board of Directors' Meeting unanimously resolved to re-appoint the same Audit Committee members whose two-year term had come to an end.

2002

- The Board of Directors' Meeting resolved to propose to the Annual General Meeting of Shareholders to appoint Mr. Pakorn Thavisin as a Vice Chairman of the Board of Directors of the Company.

2004

- The Company encouraged the Board of Directors to attend various training courses of the Thai Institute of Directors Association (IOD) and the Stock Exchange of Thailand as follows:
 1. Director Certification Program
 2. Board Performance Evaluation
 3. Finance for Non-Finance Directors
 4. Director Accreditation Program
 5. CEO Performance Evaluation
 6. New COSO Enterprise Risk Management

2005

- Prof. Mora Boonyaphala passed away on 30 July 2005. The Board of Directors' Meeting Ref. 4/2005 resolved to appoint Mr. Pakorn Thavisin as a Chairman of the Board of Directors of the Company with effect from 11 August 2005.
- The Board of Directors appointed Mr. Amornsuk Noparumpa as an Independent Director with effect from 22 December 2005.
- The Board of Directors appointed the same Audit Committee for another term of office from 1 February 2006 to 30 April 2007. The Audit Committee comprised the following members:

1.	Prof. Siri	Keiwalinsrit	Chairman of the Audit Committee
2.	Mr. Thep	Roongtanapirom	Audit Committee Member
3.	Mr. Vudhiphol	Suriyabhivadh	Audit Committee Member
4.	Mr. Amornsuk	Noparumpa	Audit Committee Member

2006

- The Board of Directors' Meeting Ref. 2/2006 resolved to appoint Mr. Tikhamporn Plengsisuk as a Chief Executive Director to replace Mr. Tawechai Chitasaranachai who resigned with effect from 1 January 2006.
- Prof. Siri Keiwalinsrit and Mr. Tawechai Chitasaranachai were appointed as a Vice Chairman of the Board of Directors with effect from 25 April 2006.
- Mr. Weerasak Wahawisal was appointed as a Director with effect from 25 April 2006. Mr. Amornsuk Noparumpa and Mr. Weerasak Wahawisal were appointed as a Chairman of the Audit Committee and Audit Committee Member respectively in order to replace Prof. Siri Keiwalinsrit and Mr. Vudhiphol Suriyabhivadh who resigned with effect from 25 April 2006, with the term ending on 30 April 2007. The Audit Committee comprised the following members:

1.	Mr. Amornsuk	Noparumpa	Chairman of the Audit Committee
2.	Mr. Thep	Roongtanapirom	Audit Committee Member
3.	Mr. Weerasak	Wahawisal	Audit Committee Member
- Mr. Opas Sripayak was appointed as an Executive Director and Managing Director with effect from 25 April 2006.

2007

- The Board of Directors' Meeting Ref. 5/2007 on 8 November 2007 appointed a subcommittee to consider the remuneration for the Board of Directors, executives and employees.
- The Company organized the Annual General Meeting of Shareholders 2007 on 26 April 2007 and invited shareholders to visit Lumpini Place Narathiwas-Chaophraya after the meeting so that they would understand the business operation as well as development and project management direction of the Company. The visit received positive feedback from the shareholders.
- The Company continued to encourage the Board of Directors to attend various training courses of the Thai Institute of Directors Association (IOD) and Stock Exchange of Thailand as follows:
 1. Director Certification Program
 2. Director Accreditation Program
 3. Role of the Chairman Program
- The Company organized an orientation for new directors, presenting the overview of the business operation of the Company, vision, mission statement, strategies, risks and risk management as well as regulations, good corporate governance policy and director's ethics. New directors also visited a project of the Company in order to have an in-depth understanding of the business of the Company.
- The Company facilitated the performance evaluation of the Board of Directors in order to improve the performance of the Board of Directors on various topics as follows:
 1. Directors' Preparedness
 2. Strategy Setting and Policy Making
 3. Risk Management and Internal Control
 4. Preventing Conflict of Interest
 5. Financial reporting
 6. Board of Directors' Meeting
 7. Others i.e. the nomination and appointment of directors, consideration for remuneration and performance evaluation of managing directors.

2008

- The Board of Directors' Meeting unanimity to appoint previous committee for another term
- The Board of Directors' Meeting Ref. 3/2008 on 24 April 2008 resolved to:
 1. Appoint directors to take up various positions as follows:
 - 1.1 Mr. Pakorn Thavisin as a Chairman of the Board of Directors
 - 1.2 Prof. Siri Keiwalinsrit as a Vice Chairman of the Board of Directors
 - 1.3 Mr. Amornsuk Noparumpa as a Director
 - 1.4 Mr. Tikhamporn Plengsrisk as a Chief Executive Director and Chief Executive Officer
 2. Appoint the Audit Committee with a two-year term from 1 May 2008 -30 April 2010 as follows:
 - 2.1 Mr. Amornsuk Noparumpa as a Chairman of the Audit Committee
 - 2.2 Mr. Thep Roongtanapirom as an Audit Committee Member
 - 2.3 Mr. Weerasak Wahawisal as an Audit Committee Member
- The Board of Directors' Meeting Ref. 7/2008 on 6 November 2008 resolved to appoint the Nomination and Remuneration Committee comprising seven members as follows:
 1. Mr. Amornsuk Noparumpa as a Chairman of the Nomination and Remuneration Committee
 2. Mr. Tawechai Chitasaranachai
 3. Mr. Thep Roongtanapirom
 4. Mr. Weerasak Wahawisal
 5. Mr. Vudhiphol Suriyabhivadh
 6. Mr. Tikhamporn Plengsrisk
 7. Mr. Pichet Supakijjanusan

2009

- The Board of Directors' Meeting Ref. 2/2009 on 28 April 2009 resolved to appoint:
 1. Mr. Tawechai Chitasaranachai as Vice Chairman of the Board of Director and Nomination and Remuneration Committee Member
 2. Mr. Weerasak Wahawisal as an Audit Committee Member and Nomination and Remuneration Committee Member
 3. Mrs. Yupa Techakraisri as an Executive Director
 4. Mr. Opas Sripayak as an Executive Director and Managing Director
- In November 2009, Mr. Amornsuk Noparumpa and Mr. Thep Roongtanapirom attended the Role of Compensation Committee (RCC 9/2009) course of the Thai Institute of Directors Association.
- The Board of Directors' Meeting Ref. 7/2009 resolved to carry on the performance evaluation of the directors of the Company for the year 2009. The three categories of the evaluation were as follows
 1. Evaluation of the Board of Directors
 2. Evaluation of Individual Director
 3. Evaluation of the Chief Executive Officer (CEO)

2010

- The Annual General Meeting of Shareholders held on 8 April 2010 resolved to reappoint the directors who were to retire by rotation for another term of office as follows:
 1. Mr. Thep Roongtanapirom Director, Audit Committee Member, Independent Director and Nomination and Remuneration Committee Member
 2. Mrs. Jongjit Thapanangkun Director
 3. Mr. Tikhamporn Plengsrisk Director, Executive Director and Nomination and Remuneration Committee Member
 4. Mr. Pichet Supakijjanusan Director, Executive Director and Nomination and Remuneration Committee Member
 5. Mr. Kumpee Chongthurakit Director and Executive Director

2011

- The Annual General Meeting of Shareholders held on 31 March 2011 resolved to reappoint the directors who were to retire by rotation for another term of office as follows:
 1. Mr. Pakorn Thavisin Director, Chairman of the Board of Directors and Independent Director
 2. Prof. Siri Keiwalinsrit Director, Vice Chairman of the Board of Directors and Independent Director
 3. Mr. Amornsuk Noparumpa Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Independent Director
 4. Mr. Vudhiphol Suriyabhivadh Director, Audit Committee Member, Nomination and Remuneration Committee Member and Independent Director
 5. Mrs. Yupa Techakraisri Director and Executive Director

2012

- In the Annual General Meeting of Shareholders 2012 on 29 March 2012, Mr. Tirachai Panchasarp, Director, had announced that he wished not to continue being in the position of a director of the Company. Therefore, from 29 March 2012 onwards, there would be the total of 13 directors of the Company.
- The Board of Directors' Meeting Ref. 6/2012 on 23 August 2012 resolved to appoint the Corporate Environmental and Social Responsibility Committee which will be chaired by Mr. Pichet Supakijjanusan.
- The Board of Directors' Meeting Ref. 9/2012 on 14 December 2012 resolved to change the title of the "Nomination and Remuneration Committee" to be the "Nomination, Remuneration and Good Corporate Governance Committee", effective from 14 December 2012. The membership of the Committee remained unchanged.
- The Company withdrew its investment from Grand Unity Development Co., Ltd. by selling ordinary shares to Uni-Venture Public Co., Ltd.

2013

- Mrs. Yupa Techakraisri resigned from the position of the director of Grand Unit Development Co., Ltd. because the Company withdrew its investment in Grand Unity Development Co., Ltd. in 2012.

2014

- Mr. Thep Roongtanapirom resigned from the position of director, Audit Committee Member and Nomination, Remuneration and Good Corporate Governance Committee Member, effective from 1 August 2014. The Board of Directors' Meeting Ref. 4/2014 on 8 August 2014 resolved to appoint Mr. Khantachai Vichakkhana as a director and Nomination, Remuneration and Good Corporate Governance Committee Member in replacement of Mr. Thep Roongtanapirom, effective on 8 August 2014. His term of office will be that of the remaining term of Mr. Thep Roongtanapirom.
- Mr. Pakorn Thavisin resigned from the position of the director, Chairman of the Board of Directors and Independent Director, effective from 1 January 2015. The Board of Directors' Meeting Ref. 5/2014 on 12 November 2014 appointed the directors for various positions as follows:
 1. Mr. Pakorn Thavisin as Honorary Chairman
 2. Mr. Amornsuk Noparumpa as Chairman of the Board of Directors
 3. Mr. Vudhiphol Suriyabhivadh as Chairman of Audit Committee and Chairman of Nomination, Remuneration and Good Corporate Governance Committee
 4. Mr. Tawechai Chitasaranachai as Audit Committee Member
- The Board of Directors' Meeting Ref. 6/2014 on 11 December 2014 resolved to appoint Mr. Charan Kesorn as a director in replacement of Mr. Pakorn Thavisin, effective on 1 January 2015. His term of office will be that of the remaining term of Mr. Pakorn Thavisin.

2015

- The Company issued private placement debentures by the resolution of the Annual General Meeting of Shareholders 2010. The private placement debentures are unsubordinated and unsecured without a debenture holders' representative. It is offered for sale specifically to institutional investors or major investors at the amount of not exceeding two billion THB. In 2015, the Company issued private placement debentures twice at the combined amount of 850,000,000 THB (Eight Hundred and Fifty Million Baht Only).

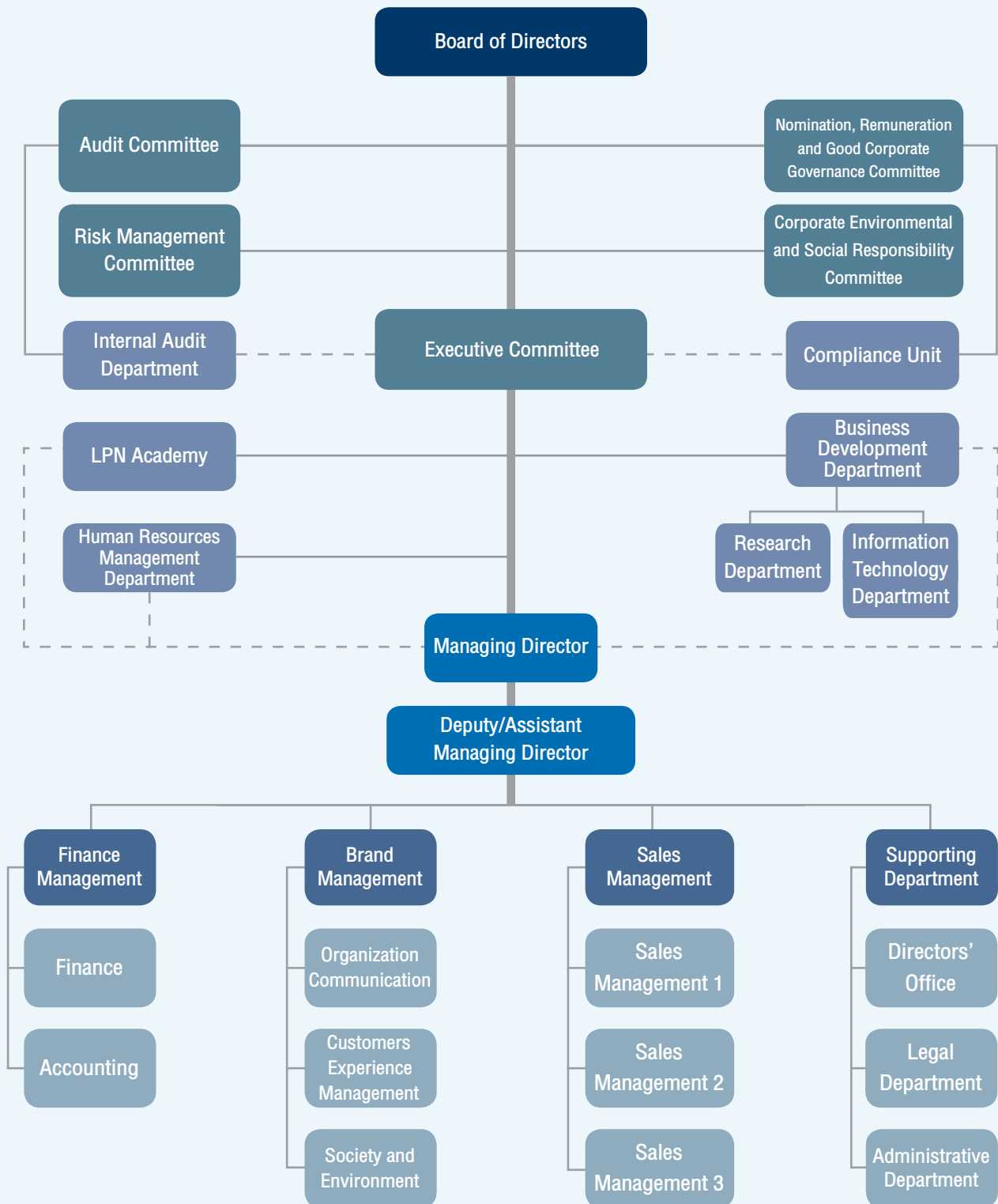
2016

- The Company issued five private placement debentures by the resolution of the Annual General Meeting of Shareholders 2010 at the combined amount of 750,000,000.- THB.
- The Board of Directors' Meeting Ref. 1/2016 on 11 February 2016 resolved to appoint Mr. Khantachai Vichakkhana, Director, as an Independent Director of the Company.
- The Board of Directors' Meeting Ref. 3/2016 on 31 March 2016 resolved to appoint Mr. Khantachai Vichakkhana, Director and Independent Director, as Audit Committee Member, effective from 1 May 2016.
- Mr. Tawechai Chitasaranachai, Director, resigned from the position of Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member, effective from 6 June 2016.
- Mr. Tawechai Chitasaranachai, Director, resigned from the position of Director and Vice Chairman of the Board of Directors of the Company, effective from 1 August 2016.

2017

- The Company issued three private placement debentures by the resolution of the Annual General Meeting of Shareholders 2010 at the combined amount of 1,000,000,000.- THB (One Billion Baht Only).
- The Annual General Meeting of Shareholders 2017 on 30 March 2017 resolved to amend Clause 3: Objectives of the Company in the Memorandum of Association. The objectives are increased from 46 to 54 objectives.
- The Board of Directors' Meeting Ref. 5/2017 on 6 July 2017 resolved to form a joint venture with Nye Estate Co., Ltd., Chewathai Public Co., Ltd., CH. Karnchang Real Estate Co., Ltd. and other shareholders who are natural persons to establish Kamala Senior Living Co., Ltd. The objective is to develop and manage a home for the elderly locating at Kamala subdistrict, Katu district, Phuket. The investment amount of the Company is 375,000,000 THB (Three Hundred and Seventy Five Million Baht Only), accounting for 25% of all investment of 1,500,000,000 THB (One Billion and Five Hundred Million Baht Only).
- The Board of Directors' Meeting Ref. 2/2017 on 9 February 2017 resolved to approve the business restructure of Lumpini Project Management Service Co., Ltd., a subsidiary company, as well as the decrease of shareholding from 99.93% to 52%. There would be a new shareholder. The investment structure is changed as follows:
 - Registered capital: 50,000,000 THB
 - Par Value: 5.00 THB
- Lumpini Property Management Co., Ltd., a subsidiary company in which the Company is holding 99.99% of share, increased the registered capital from 1,000,000 THB (One Million Baht Only) to 10,000,000 (Ten Million Baht Only).

Management Structure



Board of Directors

The Board of Directors of L.P.N. Development Public Co., Ltd., as of 31 December 2016 comprises 12 members according to the Company Registration Certificate of the Ministry of Commerce, all of whom are equipped with knowledge and experiences beneficial for the operation of the Company as follows:

- | | | |
|-------------------|----------------|--|
| 1. Mr. Amornsuk | Noparumpa | Chairman of the Board of Directors and Independent Director |
| 2. Prof. Siri | Keiwalinsrit | Vice Chairman of the Board of Directors and Independent Director |
| 3. Mr. Vudhiphol | Suriyabhivadh | Director and Independent Director |
| 4. Mr. Weerasak | Wahawisal | Director and Independent Director |
| 5. Mr. Khantachai | Vichakkhana | Non-Executive Director and Independent Director |
| 6. Mrs. Jongjit | Thapanangkun | Non-Executive Director |
| 7. Mr. Tikhamporn | Plengsrisk | Executive Director |
| 8. Mr. Pichet | Supakijjanusan | Executive Director |
| 9. Mrs. Yupa | Techakraisri | Executive Director |
| 10. Mr. Kumpee | Chongthurakit | Executive Director |
| 11. Mr. Charan | Kesorn | Executive Director |
| 12. Mr. Opas | Sripayak | Executive Director and Managing Director |
| With Ms. Somsri | Techakraisri | as the Company Secretary |

Membership of the Board of Directors

In compliance with good corporate governance and the balance of power among independent directors, non-executive directors and executive directors, the components of the Board of Directors of the Company as of 31 December 2017 are as follows:

1. Five Independent Directors (42%), namely,

- | | |
|-------------------|---------------|
| 1) Mr. Amornsuk | Noparumpa |
| 2) Prof. Siri | Keiwalinsrit |
| 3) Mr. Vudhiphol | Suriyabhivadh |
| 4) Mr. Weerasak | Wahawisal |
| 5) Mr. Khantachai | Vichakkhana |

As for independent directors, the Board of Directors' Meeting Ref. 4/2013 on 8 August 2013 had identified the qualifications of independent directors that are stricter than the qualifications required by the Capital Market Supervisory Board.

2. Six Non-Executive Directors (50%), namely,

- | | |
|-------------------|---------------|
| 1) Mr. Amornsuk | Noparumpa |
| 2) Prof. Siri | Keiwalinsrit |
| 3) Mr. Vudhiphol | Suriyabhivadh |
| 4) Mr. Weerasak | Wahawisal |
| 5) Mr. Khantachai | Vichakkhana |
| 6) Mrs. Jongjit | Thapanangkun |

3. Six Executive Directors (50%), namely,

- | | |
|-------------------|----------------|
| 1) Mr. Tikhamporn | Plengsrisk |
| 2) Mr. Pichet | Supakijjanusan |
| 3) Mrs. Yupa | Techakraisri |
| 4) Mr. Kumpee | Chongthurakit |
| 5) Mr. Charan | Kesorn |
| 6) Mr. Opas | Sripayak |

Authority to Sign

The directors who have the authority to sign on behalf of the Company are "Mr. Tikhamporn Plengsrisk or Mrs. Yupa Techakraisri or Mr. Pichet Supakijjanusan or Mr. Kumpee Chongthurakit or Mr. Opas Sripayak, providing two of the above five directors co-sign their names and the Company's seal is affixed."

Charter of the Board of Directors

The Board of Directors are representatives of shareholders and play a crucial role in determining the business direction, policy, vision, mission and strategy of the Company. Moreover, their duty is to ensure that the operation of the Company is in accordance with the objectives and goals for the creation of utmost benefits and economic value for shareholders and the Company. They also supervise and monitor the operation of the Management. The roles and responsibilities of the directors must be in accordance with law, Company's objectives, Article of Association and resolution of the Board of Directors and are stated in the Charter of the Board of Directors approved by the Board of Directors Meeting Ref. 5/2016 on 21 June 2016, effective from 21 June 2016.

Roles and Responsibilities of the Board of Directors

The Company has identified the roles and responsibilities of the Board of Directors based on Principles of Good Corporate Governance of the Stock Exchange of Thailand as well as the Code of Best Practices for Directors of Listed Company of the Securities and Exchange Commission as follows:

1. To perform the duty in accordance with the law, the objectives and regulations of the Company as well as the resolutions of the shareholders' meeting in the honest, prudent and responsible manners and to protect all the shareholders' interests equally.
2. To establish the vision, strategy, policy and direction of the operation of the Company and ensure that the operation of the Management is efficient and effective and in line with the policy so as to add the highest value to the Company and shareholders in the secure and sustainable manner.
3. To arrange the disclosure of information to shareholders, investors and all stakeholders in the correct, complete, transparent and timely manner.
4. To ensure the efficiency of the internal control and audit system.
5. To ensure the efficiency of the risk management and to follow up the outcome on a regular basis.
6. To ensure that the operation of the Company is in accordance with the Principles of Good Corporate Governance and to follow up the outcome on a regular basis.
7. To appoint a Company Secretary to be in charge of various activities of the Board of Directors and ensure that the Board of Directors' performance is in accordance with the law and related regulations.
8. To establish the Code of Conduct of the directors, executive directors and staff in order to be the baseline standard for the performance of the Company.
9. The Board of Directors could seek expert's opinion which is related to the business by hiring an external consultant at the expense of the Company.
10. To solve the problems of conflict of interests of the executives, directors and shareholders and the misuse of the assets of the Company and subsidiary companies.
11. To appoint subcommittees to support the work of the Board of Directors, approve the Charters of subcommittees and monitor and acknowledge the report on the operation of subcommittees.
12. To appoint Executive Committee and Chief Executive Director and identify the duties and responsibilities of the Executive Committee or assign one or more than one directors or other individuals to perform a duty on behalf of the Board of Directors.
13. To appoint Chief Executive Officer and Managing Director.
14. To appoint advisors to the Company.
15. To approve the appointment of high-ranking executives.
16. To consider and approve the financial statements, financial reports audited and/or reviewed by the auditors and approved by the Audit Committee.
17. To arrange a performance evaluation of the Board of Directors, subcommittees and Chief Executive Officer and follow up the outcome of the evaluation for consideration.
18. To consider the succession plan and development plan for high-ranking executives of the Company and subsidiary companies, arrange a performance evaluation annually and consider appropriate remuneration that is in accordance with the performance of the Company.
19. To report the acquisition of him/herself, spouse and children under legal age to the Board of Directors for acknowledgement and report the changes of the acquisition of him/herself, spouse and children under legal age to the Securities and Exchange Commission.
20. To report the conflict of interest, both direct or indirect in any contract or business executed by the Company during the financial year to the Board of Directors' Meeting.

21. To decide the date, time and venue of the shareholders' meeting as well as the agenda and the book-closing date and summarize the performance of the Company to be presented to the shareholders.
22. Follow up the followings:
 - 22.1 Follow up the progress of the strategic operation of subsidiary companies including business plans that may have significant impacts on the success of the strategy of the subsidiary companies or changes on the strategy of associated company.
 - 22.2 Monitor the operational performance against the target and estimation at least once every quarter. If the operational target is not reached, discussion must be made to alter both short-term and long-term target. Key performance indicators and competitive analysis must also be prepared.

Authorizing Power of the Board of Directors

The Board of Directors has the authority to approve various issues of the Company and subsidiary companies as established by law, Article of Association and resolution of the Annual General Meeting of Shareholders as follows:

- Strategic map, mission and vision of the Company
- Risk management policy
- Organization structure, goals of the Company and subsidiary companies
- Business plan and annual budget plan
- Annual and quarterly performance assessment
- Budget for land purchase
- Budget for investment in projects e.g. cost, income, gross profit, etc.

Board of Directors' Meeting

It is crucial for the directors of the Company to attend meetings and activities of the Company to acknowledge the information and jointly make decisions related to business operation. The date and time of the Board of Directors' Meeting is scheduled in advance to allow time for the Board of Directors to study the information before attending the meeting. The meetings of the Board of Directors in each year are as follows:

1. **Board of Directors' Meeting** Six Board of Directors' Meetings per year are scheduled in advance. It is to consider the performance, operational plan, policy and strategy, financial statements and other issues related to the Company and subsidiary companies. Ad-hoc meetings may be organized when urgent issues arise.
 - The agenda of each meeting is clearly identified. The Chairman of the Board of Directors and Chairman of Executive Committee will identify the meeting agenda and issues to be discussed. The opportunity is provided to directors or subcommittees to propose an issue to be included in the meeting agenda. The Directors' Office of the Company will send out the meeting invitation letter and documents to the directors at least seven days in advance to allow sufficient time for the directors to study the information. In each meeting, it will also be attended by the Management i.e. Managing Directors of subsidiary companies, Deputy Managing Directors of the Company and subsidiary companies and advisors to the Board of Directors to present relevant information and acknowledge the policy of the Board of Directors for effective and efficient operation.
 - There must be no less than half of all the directors attending the Board of Directors' Meeting to constitute a quorum. This is in accordance to No.15 of the Article of Association of the Company. The Chairman of the Board of Directors will chair the meeting and provide opportunities for the directors and other attendants to independently express their opinions.
 - The passing of a resolution in the meeting will be in accordance with the law i.e. the majority of votes. Each director will have one vote. However, though the quorum of the meeting is stated in the Article of Association of the Company, the Board of Directors realize the roles and responsibilities in managing the business for the utmost benefit of the shareholders and all stakeholders. Therefore, it is added that when a resolution is to be passed, there must be no less than two-thirds of all the directors of the Company to constitute a quorum in the Board of Directors' Meeting.
 - In all the meetings, the Board of Directors must give importance to conflict of interest by accurately, fully and transparently disclose all the information. The director having a conflict of interest in the agenda will have to leave the meeting room or give up the voting right on that matter. The period of each meeting is around 3-4 hours.

In all Board of Directors' Meeting, the Directors' Office will be responsible for the organization of the meeting as well as the evaluation of the efficiency of the meeting of the following ten topics:

1. The meeting invitation and notification has been delivered at least 7 days in advance.
2. The information received together with the invitation letter is complete.
3. Clarity and appropriateness of the meeting agenda
4. The meeting starts on time with effective time management.
5. Number of directors attending the meeting
6. Quality of the Management's presentation
7. Participation of the directors and quality of the discussion
8. Concern over shareholders' benefit and stakeholders
9. Clear resolution on each agenda item
10. Chairman's ability in meeting conduction and conflict management.

The result of the evaluation will be informed in the next meeting for improvement of the meeting.

After the meeting, the Directors' Office will be responsible for the preparation of the meeting minutes for revision of the directors and related persons. When the meeting minutes is revised and amended, the Directors' Office will present it to the next Board of Directors' Meeting for approval. The Chairman of the Board of Directors presiding over the meeting will sign the minutes to adopt the minutes. The hard copy of the adopted and signed meeting minutes will be systematically filed at the Directors' Office. The electronic version will also be filed together with other meeting documents for reference.

2. **Board of Directors' Meeting during Project Site Visit** The meeting during project site visit is scheduled twice a year for the director to get to know the projects developed by the Company and subsidiary companies better in terms of construction, sales and community management.
3. **Annual General Meeting of Shareholders** The meeting is scheduled once a year. In case that there is an urgent issue that needs approval from shareholders, the Board of Directors will schedule an Extraordinary Meeting of Shareholders. The Board of Directors of the Company will comply with Public Limited Company Act B.E. 2535 and Securities and Exchange Act B.E. 2535 and other related regulations in order to be in consistence with the law and good corporate governance principles.
4. **Non-Executive Directors Meeting** The meeting is scheduled once a year. It is the meeting of non-executive directors without the attendance of executive directors, managing directors or the Management for the non-executive directors to have the opportunity to have a meeting among themselves and discuss various issues independently. The suggestions or comments from the meeting will be proposed to the Management for consideration.

In 2017, eight Board of Directors' Meeting and one Annual General Meeting of Shareholders are organized. The details are as follows: (information as of 31 December 2017)

Meeting No.	Date/Month/Year		Agenda
1	12	January 2017	Considered the business plan in 2017
2	9	February 2017	Considered the financial statements 2016, the dividend payment and the date of the Annual General Meeting of Shareholders 2017
3	30	March 2017	Annual General Meeting of Shareholders 2017
4	30	March 2017	Considered the appointment of directors for various positions in subcommittees
5	11	May 2017	Approved the financial statements in Q1/2017
6	6	July 2017	Approved the joint investment with Nye Estate Co., Ltd. in the development of premium residence for the elderly on Kamala beach, Phuket province.
7	10	August 2017	Approved the financial statements in Q2/2017 and considered the interim dividend payment
8	9	November 2017	Approved the financial statements in Q3/2017
9	14	December 2017	Considered the performance in 2017

The details of the attendance of the directors are as follows:

No.	Name	Position	No. of Meeting Attended	Annual General Meeting of	%
1	Mr. Amornsuk Noparumpa	Chairman of the Board of Directors and Independent Director	8/8	1/1	100%
2	Prof. Siri Keiwalinsrit	Vice Chairman of the Board of Directors and Independent Director	8/8	1/1	100%
3	Mr. Vudhiphol Suriyabhivadh	Director, Chairman of Audit Committee, Independent Director and Chairman of Nomination, Remuneration and Good Corporate Governance Committee	8/8	1/1	-
4	Mr. Weerasak Wahawisal	Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director	8/8	1/1	100%
5	Mr. Khanchai Vijakkana	Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director	8/8	1/1	100%
6	Mrs. Jongjit Thapanangkun	Director	8/8	1/1	100%
7	Mr. Tikhamporn Plengsrisk	Director, Chief Executive Director, Chief Executive Officer, Nomination, Remuneration and Good Corporate Governance Committee Member and Chairman of Risk Management Committee	8/8	1/1	100%
8	Mr. Pichet Supakijjanusan	Director, Executive Director, Nomination, Remuneration and Good Corporate Governance Committee Member, Risk Management Committee Member and Chairman of Corporate Environmental and Social Responsibility Committee	8/8	1/1	100%
9	Mrs. Yupa Techakraisri	Director, Executive Director and Risk Management Committee Member	8/8	1/1	100%
10	Mr. Kumpee Chongthurakit	Director, Executive Director and Risk Management Committee Member	8/8	1/1	100%
11	Mr. Charan Kesorn	Director and Risk Management Committee Member	8/8	1/1	100%
12	Mr. Opas Sripayak	Director, Executive Director, Risk Management Committee Member and Managing Director	8/8	1/1	100%

Note: The number of meetings above does not include the meeting organized during the project site visit.

The Managing Directors of subsidiary companies and the Management will attend all Board of Directors' Meeting to report the performance of the companies, present relevant information and directly acknowledge the policy established by the Board of Directors for effective and efficient implementation.

Moreover, the Annual General Meeting of Shareholders 2017 is not only attended by directors and subcommittee members of the Company but also Managing Directors of subsidiary companies as well as high-ranking executives of the Company and subsidiary companies in order to present the information and report the performance of the Company to shareholders for acknowledgement.

In 2017, one Board of Directors' Meeting is organized during the project site visit for the directors to be informed of the progress of the projects and other details related to sales, marketing, construction and community management as follows:

Meeting No.	Date/Month/Year	Location
1	12 October 2017	Lumpini Place Bangna Km. 3 and Baan 365 (Industrial Ring Road)

The details of the attendance of the directors are as follows:

No.	Name	Position	No. of Meeting Attended	%
1	Mr. Amornsuk Noparumpa	Chairman of the Board of Directors and Independent Director	1/1	100%
2	Prof. Siri Keiwalinsrit	Vice Chairman of the Board of Directors and Independent Director	1/1	100%
3	Mr. Vudhiphol Suriyabhivadh	Director, Chairman of Audit Committee, Independent Director and Chairman of Nomination, Remuneration and Good Corporate Governance Committee	1/1	100%
4	Mr. Weerasak Wahawisal	Director, Audit Committee Member, Independent Director and Nomination, Remuneration and Good Corporate Governance Committee Member	-	-
5	Mr. Khanchai Vijakkana	Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director	-	-
6	Mrs. Jongjit Thapanangkun	Director	-	100%
7	Mr. Tikhamporn Plengsrisk	Director, Chief Executive Director, Chief Executive Officer, Nomination, Remuneration and Good Corporate Governance Committee Member and Chairman of Risk Management Committee	-	100%
8	Mr. Pichet Supakijjanusan	Director, Executive Director, Nomination, Remuneration and Good Corporate Governance Committee Member, Risk Management Committee Member and Chairman of Corporate Environmental and Social Responsibility Committee	-	100%
9	Mrs. Yupa Techakraisri	Director, Executive Director and Risk Management Committee Member	-	100%
10	Mr. Kumpee Chongthurakit	Director, Executive Director and Risk Management Committee Member	-	100%
11	Mr. Charan Kesorn	Director and Risk Management Committee Member	-	100%
12	Mr. Opas Sripayak	Director, Executive Director, Risk Management Committee Member and Managing Director	-	100%

Nomination, Appointment or Election of the Board of Directors

The Nomination, Remuneration and Good Corporate Governance Committee is responsible for nominating qualified candidates to take up the position of the directors who are suitable in terms of competencies, experiences and expertise in the profession, are equipped with leadership skills, vision, moral and ethics, have transparent professional background and are able to express their opinions freely. The Nomination, Remuneration and Good Corporate Governance Committee will nominate suitable candidates to the Board of Directors' Meeting for approval before presenting to the Shareholders' Meeting for appointment or election. In case that a director position of the Company becomes vacant not by rotation, the Nomination, Remuneration and Good Corporate Governance Committee may consider to nominate a suitable person to the Board of Directors' Meeting to be appointed as a director to fill the vacant position in accordance with the Articles of Association of the Company.

At present, the Board of Directors of the Company comprises directors who have different competencies, qualifications and expertise necessary for a property development company to establish a strategy, policy and efficient business operation as follows:

1. Engineering : Mr. Tikhamporn Plengsrisk and Mr. Charan Kesorn
2. Architecture : Mr. Pichet Supakijjanusan and Mr. Opas Sripayak
3. Management : Mrs. Jongjit Thapanangkun
4. Accounting-Finance : Mr. Vudhiphol Suriyabhivadh, Mr. Weerasak Wahawisal and Mrs. Yupa Techakraisri
5. Legal : Mr. Amornsuk Noparumpa, Prof. Siri Keiwalinsrit and Mr. Khanchai Vijakkana
6. Land : Mr. Amornsuk Noparumpa and Mr. Khanchai Vijakkana
7. Marketing : Mr. Kumpee Chongthurakit

The term of office of a director of the Company is in accordance with Section 3, Article 11 about the Board of Directors, of the Articles of Association which states that the Shareholders' Meeting is to elect a director according to the following criteria and process:

"In every Annual General Meeting, one-third of directors are to retire. If the number of the directors is not divisibly, the number of retiring directors is to be closest to the one-third ratio. The directors who are to retire from the position in the first and second year after the registration of the Company are to be determined by a draw. As for the following years, the directors who are in the position for the longest period of time are to retire. If the number of such directors is more than the number of those to retire, they are to draw. The retiring directors may be re-elected again."

Managers

The 11 high-ranking executives comprising the first four managers after the Managing Director and managers in the accounting and finance department as of 31 December 2017 are as follows:

1. Mr. Montien	Weerotai	Advisor, L.P.N. Academy
2. Mrs. Piyanuch	Naveenavakun	Assistant Managing Director, Internal Audit Department
3. Mrs. Noppawan	Kritsanarat	Assistant Managing Director, Horizontal Project Development Department
4. Ms. Saowanee	Angkoonpipat	Assistant Managing Director, Sales Management Department
5. Ms. Suwattana	Tang	Assistant Managing Director, Business Development Department
6. Mr. Saengchai	Luangchutamas	Assistant Managing Director, Horizontal Project Development Department
7. Mr. Nakul	Tangprasit	Assistant Managing Director, Legal Department
8. Ms. Suporn	Wongpairaj	Assistant Managing Director, Financial Management Department
9. Ms. Nittaya	Wongtavilarp	Assistant Managing Director, Brand Management Department
10. Mrs. Panadda	Kajornsilpa	Assistant Managing Director, Financial Management Department
11. Mr. Prapansak	Rakchaiyawan	Director, L.P.N. Academy

The roles and responsibilities of high-ranking executives of the Company are to ensure that the operation is in accordance with the policy, vision, mission, strategy and target established annually by the Board of Directors as well as to operate the business in accordance with the business plan and manage the budget approved by the Board of Directors.

The qualifications of the high-ranking executives of the Company are in compliance with the Notification of the Capital Market Supervisory Board No. TorChor. 23/2551 Re: Definition of "Executives" under Chapter 3/1 of the Securities and Exchange Act B.E. 2535 (1992) as Amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). All the nine high-ranking executives of the Company do not have prohibited characteristics as follows:

1. No criminal record in relation to offences against property
2. No history of transaction that causes conflict of interest with the Company

The directors and executives of the Company do not have distrustful characteristics stated in the Notification No. KorJor 8/2553 of the Securities and Exchange Commission Re: Concerning Stipulation on Distrustful Characters of Company's Director and Executive.

Company Secretary

The Board of Directors recognizes the importance of the roles and responsibilities of the Company Secretary who is to support the operation of the Company to be in accordance with the Principles of Good Corporate Governance and comply with rules and regulations of the Stock Exchange of Thailand and Securities Exchange Commission.

The Board of Directors has appointed Miss Somsri Techakraisri, Managing Director of Lumpini Property Management Co., Ltd. to take up the position of the Company Secretary and be responsible for coordinating between the Board of Directors and the Management, being in charge of and coordinating the work relating to laws and regulations on the Principles of Good Corporate Governance, ensuring compliance with the regulations and announcements of the Stock Exchange of Thailand and Securities and Exchange Commission, following up the result of the implementation of resolutions of the Board of Directors' meeting and shareholders' meeting and filing the documents as required by law. The qualifications and experiences of the secretary are disclosed in Form 56-1 and Annual Report.

Remuneration of Directors and Executives

Remuneration for Directors and Subcommittee Members

Remuneration for the Board of Directors and Subcommittee Members

The Nomination, Remuneration and Good Corporate Governance Committee is responsible for proposing the criteria and guideline for deciding remuneration for directors, subcommittee members and executives. The remuneration proposed will be considered from the comparison with remuneration of the same industry with more or less the same size, business expansion rate as well as the growth of the Company.

The reward for directors paid in 2017 is calculated from the growth of the business of the Company.

The Nomination, Remuneration and Good Corporate Governance Committee will present the remuneration rate for the directors, subcommittee members and reward for directors to the Board of Directors for endorsement and then to the Annual General Meeting of Shareholders for approval. The Board of Directors will decide the appropriate amount of the reward for directors to be paid. The directors will allocate the rewards as they deem appropriate. This will be effective from the date of approval from the Annual General Meeting of Shareholders until further notice. The subcommittees entitled for the remuneration are as follows:

1. Audit Committee
2. Nomination, Remuneration and Good Corporate Governance Committee

The Risk Management Committee and the Corporate Environmental and Social Responsibility Committee will not be entitled to receive any remuneration. There is no position fee for independent directors and non-executive directors either.

In 2017, the remuneration for the Board of Directors and subcommittee members are as follows:

1. Financial Remuneration

Remuneration for directors in 2017 for the performance of duty includes transportation fee, reception fee, per diem, meeting allowance and necessary expenses (Articles of Association, Section 3 on Directors, Article 18). The Annual General Meeting of Shareholders in 2017 on 30 March 2017 resolves to approve the remuneration at the amount of 5,790,000 THB and rewards for directors in 2017 for the performance in 2016 at the amount of 10,217,347 THB. The latter amount will be allocated by the Board of Directors.

Position	Remuneration (THB)		Reward for Directors for the Performance in 2016 Paid in 2017
	Monthly Remuneration	Position Fee	
Director	25,000	-	10,217,347 THB, similar to the total remuneration for directors in 2016
Chairman of the Board of Director	-	60,000	
Vice Chairman of the Board of Director	-	30,000	
Chairman of Audit Committee	-	45,000	
Audit Committee Member	-	35,000	
Chairman of Nomination, Remuneration and Good Corporate Governance Committee	-	7,500	
Nomination, Remuneration and Good Corporate Governance Committee Member	-	5,000	

Remuneration for the Member of the Board of Directors and Subcommittees in 2017

No.	Directors		Remuneration in 2017 (THB)	Reward for Directors Paid in 2017 (THB)
1	Mr. Amornsuk	Noparumpa	1,020,000	1,600,875
2	Prof. Siri	Keiwalinsrit	660,000	1,035,860
3	Mr. Vudhiphol	Suriyabhivadh	930,000	1,459,621
4	Mr. Weerasak	Wahawisal	780,000	1,224,198
5	Mr. Khanchai	Vijakkana	780,000	565,015
6	Mrs. Jongjit	Thapanangkun	300,000	470,845
7	Mr. Tikhamporn	Plengsrisk	360,000	565,015
8	Mr. Pichet	Supakijjanusan	360,000	565,015
9	Mrs. Yupa	Techakraisri	300,000	470,845
10	Mr. Kumpee	Chongthurakit	300,000	470,845
11	Mr. Charun	Kesorn	-	-
12	Mr. Opas	Sripayak	-	-

Note: 1. The reward for directors in 2017 is the reward for the performance in 2016 which is approved by the Annual General Meeting of Shareholders 2017 on 30 March 2017.

2. Mr. Opas Sripayak, Managing Director, is the director and executive director by position and is an employee of the Company so he is not entitled to monthly remuneration and reward for directors as a director and executive director of the Company.
3. Mr. Charan Kesorn is the director and Managing Director of Pornsanti Co., Ltd., a subsidiary company, and is an employee of the subsidiary company so he is not entitled to monthly remuneration and reward for directors as a director of the Company.
4. The five independent directors of the Company, namely, Mr. Amornsuk Noparumpa, Prof. Siri Kewalinsrit, Mr. Vudhiphol Suriyabhivadh, Mr. Weerasak Wahawisal and Mr. Khanchai Vijakkana, are not independent directors or take up any positions in subsidiary companies. Therefore, there are no other remunerations paid apart from the position fee in the Board of Directors and subcommittees and reward for directors as appeared in the above table.

2. Non-Financial Remuneration

Non-financial remuneration comprises group life insurance and annual medical check-up. The Company does not have any policy related to ESOP/EJIP/Warrant.

Remuneration for Executive Directors and Chief Executive Officer

1. Remuneration for Executive Directors

The Nomination, Remuneration and Good Corporate Governance will consider the remuneration for executive directors and the bonus for executive directors and propose to the Board of Directors for approval. The remuneration is based on the business performance of the Company, the operation in accordance with the policy of the Board of Directors as well as the overall economic and social situation. The information of the current year and the past and the ability to develop the business and improve the operation of the Company in each year will be taken into consideration.

2. Remuneration for Chief Executive Officer

The Nomination, Remuneration and Good Corporate Governance will consider the remuneration and bonus for the Chief Executive Officer. The remuneration considered is for both short-term and long-term. There are clear consideration processes. The consideration for the short-term remuneration will be based on the business performance of the Company in each year. It will be considered whether the performance is in accordance with the policy and business plan established by the Board of Directors. The performance of the Company will also be compared with that of other business operators in the real estate sector. As for the consideration for the long-term remuneration, it will be based on the ability to develop, improve the efficiency of operation and provide solutions to problems in a timely manner. The result of the performance evaluation of the Chief Executive Directors conducted by the Board of Directors will also be taken into account.

3. Remuneration for Managing Director

The Managing Director of the Company has grown from within the organization and works on a day-to-day basis. The Executive Committee will consider the remuneration for the Managing Director and propose to the Nomination, Remuneration and Good Corporate Governance Committee and then to the Board of Directors for approval. The consideration for short-term and long-term remuneration will be based on the overall economic situation and remuneration of the current year and the past. The consideration process is as follows:

1. Consider from the duties the responsibilities of the Managing Director assigned by the Board of Directors each year.
2. Consider from the performance and compliance with policy, business plan and goals of that year.
3. Consider from the ability to develop the business and improve the efficiency and performance of the Company.

The remuneration policy for the Managing Director of subsidiary companies who are also employees of the Company is similar to that of the Company.

In 2017, the remuneration for the five executive directors, Chief Executive Officer and Managing Director comprises the followings:

1. Financial Remuneration

It is the management fee and bonus at the total amount of 27,644,732.48 THB. The details are as follows:

No.	Name	Total Remuneration in 2017
1	Mr. Tikhamporn Plengsrisuk	6,867,461.59
2	Mr. Pichet Supakijjanusan	5,922,461.59
3	Mrs. Yupa Techakraisri	5,765,384.65
4	Mr. Kumpee Chongthurakit	4,040,384.65
5	Mr. Opas Sripayak	5,049,040.00

Note: 1. Mr. Tikhamporn Plengsrisuk is the executive director, Chairman of Executive Committee and Chief Executive Officer.

2. Mr. Opas Sripayak, Managing Director, is the director and executive director by position and is an employee of the Company so he is entitled only to monthly remuneration and bonus as an employee. He is not entitled to monthly remuneration and reward for director as a director and executive director of the Company.

2. Non-Financial Remuneration

Non-financial remuneration comprises medical insurance and annual medical check-up. The Company does not have any policy related to ESOP/EJIP/Warrant.

Remuneration for High-Ranking Executives

The Executive Committee will consider the remuneration and bonus for high-ranking executives of both the Company and subsidiary companies. The consideration is based on business performance of the Company, implementation of the tasks assigned by the Board of Directors, Executive Committee and the Chief Executive Officer. There are short-term and long-term remunerations. The consideration for the short-term remuneration is based on the annual profit of the Company. It is the ability to generate profit of high-ranking executives who are responsible for cascading the policy established by the directors to staff of all levels. As for the long-term remuneration, it will be considered based on the Key Performance Indicators (KPIs) of the line of work under their responsibilities as well as the Individual KPIs in the performance evaluation. The remuneration will be established in consistence with the performance of the Company.

High-ranking executives of the Company in 2017 (as of 31 December 2017) refer to the followings:

1. Mr. Opas Sripayak, director and Managing Director of L.P.N. Development Public Co., Ltd. who is an employee and does not receive a monthly remuneration and reward for directors as a director or executive director of the Company.
2. Mr. Charan Kesorn, director of the Company and director and Managing Director of Pornsanti Co., Ltd., a subsidiary company, does not receive a monthly remuneration and reward for directors as a director of the Company.
3. Deputy Managing Directors, Assistant Managing Directors, Accounting Manager and Finance Manager above.

In 2017, the remunerations paid for the total of 23 high-ranking executives are as follows:

1. Financial Remuneration

Details	Amount (THB)
Remuneration (salary)	49,708,680.00
Bonus	17,409,282.00
Provident Fund	2,801,923.60
Social Security Fund	185,250.00
Other remunerations	8,120,454.00
Total	78,225,589.60

2. Non-Financial Remuneration

- Non-financial remunerations include medical insurance and annual medical check-up.
- Mr. Opas Sripayak, Managing Director, is the director and executive director of the Company by position as well as an employee of the Company. Therefore, he is entitled to a provident fund as an employee but not as a director of the Company.
- Mr. Charan Kesorn, director of the Company, is the director and Managing Director of Pornsanti Co., Ltd., a subsidiary company. Therefore, he is entitled to a provident fund as an employee but not as a director of the Company.
- The Company does not have any policy related to ESOPEJIP/Warrant.

Personnel

Number of Staff and Remuneration

The structure of human resources management of the Company and subsidiary companies is centralized in order to create unity and development in the same direction under the supervision of the Chief Executive Officer and the Chairman of the Executive Committee. Staff of the Company and subsidiary companies are always able to request for a transfer to advance their career.

The consideration for the remuneration of staff is based on the inflation rate, GDP as well as reference information from the remuneration survey in the property development and construction business group and the performance of the Company. In accordance with the policy of the Company, the remuneration for staff is paid in the form of salary, per diem and bonus and is based on the performance of the Company in each year to reciprocate the commitment and collaboration of all staff that play a vital role in achieving the goal of the Company.

Policy on Remuneration Paid to Staff of the Company and Subsidiary Companies

The Executive Committee and Managing Directors of the Company and subsidiary company will consider the remuneration for staff to encourage them to efficiently perform their duties in line with the annual business plan. It is stated in the policy that the overall remuneration must be consistent with the performance of the Company both in the short-term i.e. annual profit which is as a result of the ability to generate profit of the Company and commitment of all staff and in the long-term. The overall remuneration for staff will be calculated from the performance evaluation of staff. Based on balanced scorecard principles, corporate KPIs and strategic map are established as performance indicators. KPIs of each department are also identified. Strategic KPIs and operational KPIs are established to ensure that the business operation is in accordance with the business plan. Quarterly meetings are organized in each department to review the work plan. There are also individual KPIs to evaluate the performance of individual staff according to their responsibilities. The supervisor and staff will conduct the 360-degree evaluation together twice a year. The consideration for the remuneration and promotion of staff will be based on the result of the performance evaluation. The monitoring and evaluation of staff performance is conducted twice a year to ensure that individual performance of staff is in accordance with the goal of the organization.

The information compiled from the evaluation will be used for other human resources purposes such as consideration for bonus and promotion, salary raise and development of staff especially the talented ones and successors. It is to encourage staff to perform and build new generation of executives who will drive the organization forward.

In 2017, there are the total of 3,461 employees in the Company and subsidiary companies (including 19 high-ranking executives) which can be divided into different lines of work as follows (as of 31 December 2017) :

- Business Development	38 persons
- Finance Management	58 persons
- Brand Management	42 persons
- Sales Management	148 persons
- Support Unit	39 persons
- Internal Audit	6 persons
- Human Resources Management	15 persons
- L.P.N. Academy	17 persons
- Premium Brand Business Unit	5 persons
- Lumpini Property Management Co., Ltd.	1,016 persons
- Lumpini Project Management Service Co., Ltd.	155 persons
- Lumpini Property Service and Care Co., Ltd.	1,862 persons
- Pornsanti Co., Ltd.	39 persons
- Lumpini Wisdom and Solution Co., Ltd.	21 persons

Total Remuneration (including 27 high-ranking executives) is as follows:

Details	Amount (THB)
Remuneration (salary)	669,801,784.16
Bonus	148,000,000.00
Provident Fund	22,660,485.85
Social Security Fund	19,934,408.00
Other remunerations	241,739,444.29
Total	1,102,136,122.30

During 2012-2017, there has been no significant change in the number and staff and labor dispute.

Staff Development Policy

In 2017, the Company stresses the importance of building leadership competency of executive staff, developing coaching skills of managers and developing professional competency of operational staff in their line of work. The information on business growth plan, creation and recruitment of successors, appointment and transfer, annual performance evaluation and remuneration will be systematically linked with the data of the Human Resources Department for the efficiency of human resources management and development. Capacity of staff, the most valuable resources of the organization, will enable the Company to become “value organization” in a sustainable manner. The Company has established L.P.N. Academy as the center for development and training for staff of the Company and subsidiary companies.

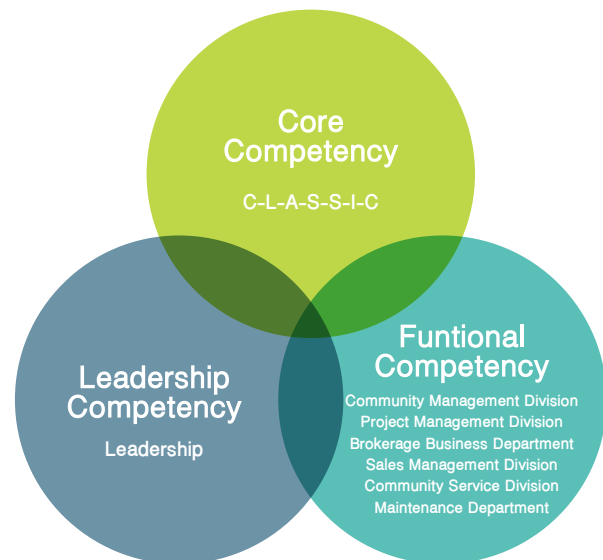
In 2017, L.P.N. Academy has organized the following trainings for staff of the Company and subsidiary companies:

Competency-Based Development

The core mission of LPN Academy is to develop the capacity of staff with their line managers to encourage them to be enthusiastic and eager to develop themselves in terms of knowledge, skills, attributes or attitude to be of the standard expected by the organization. The assessment of capacity is done annually in different forms to assess whether the behavior of each individual reflects each aspect of capacity and how. The objective is to find a gap and prepare individual training and development plan to close that gap. It is also a tool that line managers can use to develop their team.

The competency-based development comprises the three following aspects:

1. Core Competency Development or C-L-A-S-S-I-C refers to the development of knowledge, skills and qualifications that everyone in the organization should have. Such knowledge, skills and qualifications are regularly trained and staff are encouraged to apply what they learn to their everyday work. The assessment has also continuously been done to build the traits that will support the organization to achieve its goal, mission and vision.
2. Functional Competency Development refers to the development of knowledge, skills and qualifications that staff in each department should have so that they can perform their duties and responsibilities in their line of work to achieve the target.
3. Leadership Competency Development refers to the development of management knowledge, skills and qualifications that are necessary for staff at executive and managerial level who are responsible for managing a team.



Outcome of Leadership Competency Development

The development of leadership competency is very crucial to the success of the organization as leaders are directly responsible for leading and motivating a team to achieve the target. L.P.N. Academy has developed the leadership competency of middle to high-level executives (level 8-13) in seven aspects of competency. In 2017, L.P.N. Academy has continually developed coaching culture and innovative mindset of staff through The Seeds project. System thinking skills has also been developed via A3 tools to improve thinking skills, operational process and summary of business performance. Therefore, the scores in “people” aspects have improved.

Development and training

In 2017, the trainings organized are as follows:

1. Managerial and leadership course

The Company has prepared a development and training plan to develop the knowledge and skills that are appropriate with staff level. The focus is on the development of knowledge, skills and competency in management of work, team of staff and individual. It is also to build leadership and develop leadership competency to meet the proficiency level expected by the organization. In the development plan, the training courses can be categorized into two types as follows:

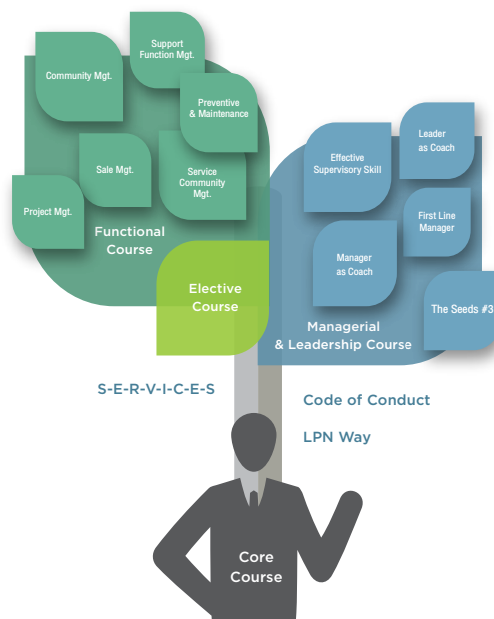
Core Course

the course focuses on building a good attitude towards LPN operational standard such as LPN Way, Code of Conduct, LPN Services Culture, social responsibility and participation in organization development towards sustainability.

Managerial Course

the course focuses on the development of management knowledge, skills and competency and coaching such as Systemative Planning & Effective Presentation with A3 Report and The Seeds Idea Suggestion season 2 by the Management trainings are conducted in four levels as follows:

- High-level executive development plan (Level 11-13)
- Middle-level executive development plan (Level 8-10)
- Entry level manager development plan (Level 5-7)
- Operational staff development plan (Level 2-4)



2. Functional Course

It is the training course that aims to develop the knowledge and skills of staff in accordance with the operation of the Company. The emphasis is put on promoting the knowledge, skills and qualifications of staff. The weakness, strength, operational performance in the previous year and professional necessity is analyzed and the training course is designed for each type of work i.e. Sale-Transfer-Brokerage Business, Project Management, Community Management, Maintenance Work, Community Service and Support Function.

3. Elective Course

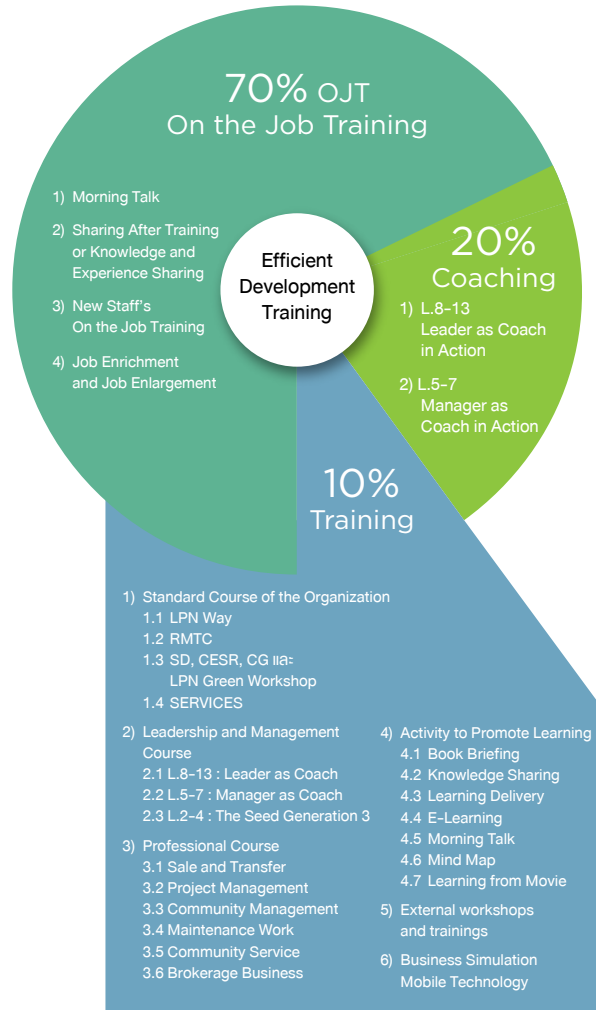
It is the course that builds the knowledge and skills of staff in all departments. The staff are able to choose which topic they would like to learn such as English for Communication, Mind Map, Happiness at Work, etc.

The Learning Ratio of

70 : 20 : 10

The learning ratio of 70:20:10 has been applied in the planning of staff development and training plan. It also includes on the job training and learning from interaction with others in order to apply the knowledge learned in classroom to actual workplace.

- 70 refers to learning from job-related experiences at the workplace.
- 20 refers to learning from society and interaction with others, knowledge sharing, coaching or advice given through social media.
- 10 refers to learning from trainings and workshops.



Outcome of the Development and Training

In 2017, the Company aims to create learning and development opportunity for no less than 85% of staff. They must attend development training of no less than 56 hours/person/year. In 2017, the average training hours of staff is 80 hours/person and can be categorized by level and gender as follows:

Staff	Female		Male	
Training Hours	Total	Average	Total	Average
- High-ranking executive (L.11-13)	1,078.50	119.83	844.00	140.67
- Middle-ranking executive (L.8-10)	5,517.94	149.13	5,266.60	150.47
- Entry level manager (L.5-7)	19,305.84	76.61	12,866.60	71.09
- Operational staff (L.2-4)	20,292.40	49.61	13,688.52	40.98

Level	Category	No. (Persons)	Total Training Hours	Average Training Hours
11-13	High-ranking executive	15	1,922.50	128.17
8-9	Middle-ranking executive	72	10,784.54	149.79
5-7	Entry level manager	433	32,172.44	74.30
2-4	Operational staff	743	33,980.92	45.73

Gender	No. (Persons)	Total Training Hours	Average Training Hours
Male	556	32,665.72	58.75
Female	707	46,194.68	65.34
Total	1,263		

Development of Trainers in the Organization

In 2017, L.P.N. Academy organizes 20 training courses that are led by 45 trainers of the Company. The learning from the courses can be applied to the operation of the Company. The courses also help revise the knowledge and skills learned. For example, CMTC, Mind Map, A3 Report Presentation Technique, Condominium Act in Community Management, English for Communication, Preparation of Financial Documents of Juristic Persons, I-Prop System, Legal Knowledge in Community Management, Condominium Unit Cleaning (Maid), Preliminary Knowledge in Community Management, New Staff Orientation, Development of Mentor, Information Technology for Sale-Transfer-Community Management Work, Development Course for P&M and LPN Services which is the course that develops internal trainers and prepare them to be ready as the trainers of LPN Service Training Course.

E-Learning

In 2017, the Company plans to develop L.P.N. Academy website together with the Information Technology Department. The website serves as another channel for learning and helps make it easier for staff to register in training courses. It is also used as a tool to assess the knowledge and understanding of staff after being trained. Moreover, the Company has come up with a plan to increase and develop online learning materials to be more interesting and useful by adding more learning topics. Online learning will be promoted to increase learning opportunity which is more conveniently accessible for staff. Overall, the average of 1,243 staff participate in online learning, accounting for 98% of all staff.

Knowledge and Experience Sharing with the Public and Educational Institutions

The Company provides an opportunity for educational institutions, government agencies and private organizations to learn about project development and management concept of the Company in order to cascade the knowledge to the society at large. In 2017, the total of four study groups have visited the Company, two of which are governmental agencies and two are private organizations and associations. There are the total of 150 participants. The topics of interest are as follows:

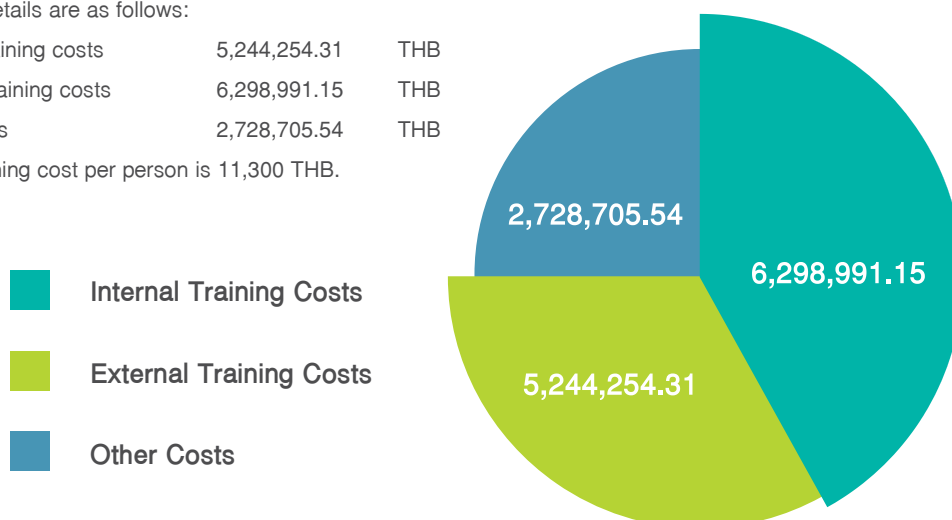
- Community management and environmental management (three study groups)
- Project design management and construction management (one study group)

Budget for Training, Development and Seminar

In 2017, the Company supports the budget of 14,271,951 THB for development, training and seminar events through L.P.N. Academy. The details are as follows:

- Internal training costs 5,244,254.31 THB
- External training costs 6,298,991.15 THB
- Other costs 2,728,705.54 THB

The average training cost per person is 11,300 THB.



Promotion of Environmental and Social Responsibility Knowledge of Staff

The business operation of the Company is environmentally and socially responsible. The Company strives to develop our staff to be proud of and have confidence in the value of the organization as well as to take part in giving back to the society. The Company commits to provide environmental and social knowledge to staff. The development plan and topic of each year will be determined by the Management and changed in accordance with the current circumstances in the country.

In 2017, L.P.N. Academy has organized trainings for staff and executives. The environmental and social knowledge is directly provided in some trainings. In others, the topic is included as part of other courses. For example, the topics of Environmental Management Training will be changed each time to be suitable for the line of work of staff attending that training such as green space management (Green), environmental management and cleaning (Clean) and energy conservation (Lean). The total of 64 training hours are organized.

In addition, environmental and social responsibility is established as crucial strategy for business operation. 6 Green Workshop is organized to brainstorm ideas and prepare operational plan. Project management is done in collaboration with trade partners or LPN Team. Compliance with LPN Green Standard Checklist and environmental and social operation will be reported in a monthly meeting. The executives of the Company also participate in establishing a policy and providing environmental and social knowledge to staff working in project management as well as executives and staff of LPN Team in 12 trainings.

Provision of Knowledge on Anti-Corruption Measures

It is required that the directors, executives and staff of the Company and subsidiary companies must strictly comply with anti-corruption policy and measures of the Company. The knowledge on anti-corruption measures are provided and communicated to staff all through the year via trainings, signboards and e-mails. The topics include:

1. Anti-corruption policy approved by the Board of Directors' Meeting Ref. 6/2014, effective on 11 December 2014.
2. Policy on Protection for Employees Who Inform on or Disclose of Wrongful Conduct or Non-Compliance with Laws and the Code of Conduct (Whistleblower Policy) approved by the Board of Directors' Meeting Ref. 6/2014, effective on 11 December 2014.
3. Code of Business Conduct approved by the Board of Directors' Meeting Ref. 5/2016 on 21 June 2016. It includes the policy on anti-corruption, gifts and entertainment and anti-money laundering for all staff to comply with.
4. The announcement Ref. Sor Tor Mor 053/2559 Re: Donation and Sponsorship is issued as a guideline for directors and staff of the Company and subsidiary companies to comply with.

The Board of Directors' Meeting Ref. 5/2016 on 21 June 2016 resolved to approve the new Code of Business Conduct as the best practice guideline for directors and staff, effective from 21 June 2016 until further notice. In addition, the announcement of the Board of Directors Ref. Sor Tor Mor 053/2559 Re: Donation and Sponsorship is issued as a guideline for executives and staff of the Company and subsidiary companies to comply with in relation to donation of money for charitable purpose and sponsorship. The Code of Business Conduct is included in the orientation for new staff.

In 2017, the following trainings are organized:

1. The training on anti-corruption is organized for one hour for current staff. Revision can also be done on the E-Learning system. As for new staff, the training on anti-corruption is included for one hour as part of the orientation session.
2. Four trainings on the Code of Business Conduct and compliance with law and regulations are organized for the staff of the Company and subsidiary companies for the total of 12 hours with the participation of 1,248 staff.

Code of Conduct

Code of Conduct L.P.N. Development Public Co., Ltd.

Definition

Code of Conduct of L.P.N. Group	refers to the good practice for business operation of L.P.N. Group, hereinafter referred to as “Code of Conduct.”
Company	refers to L.P.N. Development Public Co., Ltd.
L.P.N. Group	refers to 1. L.P.N. Development Public Co., Ltd. 2. Subsidiary companies of L.P.N. Development Public Co., Ltd.
Subsidiary company	refers to companies or juristic persons in which L.P.N. Development Public Co., Ltd. directly or indirectly holds more than 50% of shares with voting rights.
Director	refers to directors of L.P.N. Development Public Co., Ltd.
Executive	refers to L.P.N.’s Managerial staff at Level 5 and higher Staff refers to staff of L.P.N.
Consultant	refers to persons who are not staff and are appointed by the Board of Directors or executive directors of the Company.
Stakeholder	refers to persons who are involved with L.P.N. such as directors, staff, shareholders, customers, competitors, creditors, society and environment.
Misconduct	refers to any actions that violate laws, rules or regulations and are done for the benefit of oneself or others.
Corruption	refers to any types of bribery such as an offer or promise on money, asset or other inappropriate benefits from the government officers, government sectors or private sectors so that such person could proceed or disregard his/her function in order to acquire, retain the business or achieve any improper benefits in business transactions.
Giving or receiving a bribe	refers to an offer or receipt of gifts, rewards or other benefits for oneself or others in order to commit dishonest or illegal action or violate the Code of Conduct.
Donation	refers to an amount of money given for religious, educational, public benefit or charitable purposes.
Sponsorship	refers to an amount of money given to promote the business, brand or reputation of the Company.
Important Information	refers to information related to the business operation of L.P.N. Should such information be wrongfully and inappropriately disclosed, it may have significant impact on the business operation of L.P.N., share price or the decision-making of investors, for example, information in the financial statements, information related to investment in projects, information on dividend payment that has not yet been disclosed to the Stock Exchange of Thailand, etc.
L.P.N.’s Property	refers to all types of properties i.e. movable properties, immovable properties, tangible properties, intangible properties or any other properties owned or kept by L.P.N.
Intellectual Property	refers to Copyrights, patents, trademarks and trade secrets.

Human and Labor Rights

Human Rights and Equal Treatment

Definition

Human rights refers to basic rights of every human being to be protected from discrimination due to differences in physical and mental aspects, race, nationality, religion, gender, language, age, skin, education, social status or any other traits.

Principle

L.P.N. realizes and fully respects the dignity of human beings and equality of all people without any discrimination. All staff of the Company and subsidiary companies must treat each other and all stakeholders with respect and behave themselves properly in accordance with the regulations of the Company and good traditions without causing a negative impact on the image of the Company. Furthermore, L.P.N. has realized the importance of labor so it treats the employees in compliance with labor laws and relevant regulations on a fair basis, whether they be Thai or immigrant workers.

Guideline

1. Treat each other with respect and fairness on inclusive basis. Do not consider difference in race, religion, nationality, gender, age, education background, physical and mental aspects or any other social statuses. Personal rights and freedoms must not be violated directly or indirectly.
2. Take great care at work to prevent risk in human rights violation in business operation.
3. Monitor business activities to prevent human rights violation and report to supervisor or Human Resources Management Department when cases of human rights violation are found.
4. Do not discriminate against religious beliefs or practices and treat everyone fairly in assignment, promotion, remuneration and transfer without discrimination.
5. Treat migrant workers properly as follows:
 - Take actions to overcome language barriers by providing a translator and putting up signs in their native language to convey important messages related to safety, rights, hygiene, etc.
 - Support fair employment of migrant workers such as providing legally required wages and benefits for the good quality of life of migrant workers.
 - Promote rights, liberty and well-being of migrant workers as required by law and regulations and provide safe, hygienic and well-maintained accommodation to migrant workers.

Threats and Harassment

Principle

L.P.N. commits to create pleasant and respectful work environment for all staff such as between colleagues, supervisors and subordinates and staff and customers to promote good relationship in the workplace.

Guideline

The Company believes in a good working atmosphere for best efficiency without any forms of harassment. Various forms of harassment include:

1. Verbal harassment such as distortion, accusation and damage to reputation.
2. Physical harassment such as threat and assault.
3. Visual harassment such as aggressive messages and offensive action or pictures.
4. Sexual harassment such as courtship, being taken advantage of or physical or verbal sexual abuse.

Environment, Health and Safety

Environment

Principle

L.P.N. establishes a policy to protect the environment in all operational processes, starting from real estate development, community management, land procurement, environmentally responsible product design, management of environmental impacts, using appropriate technology to reduce environmental impacts from business operation as well as raising environmental and social awareness of staff.

Guideline

1. Comply with law, standards and regulations on environment such as design and construction process in order to prevent or minimize environmental impacts.
2. Make the most of resources and use resources efficiently such as water, electricity and construction materials to reduce environmental impacts.
3. Provide appropriate assistance and support on environmental management to L.P.N. projects and surrounding communities.
4. Disclose environmental information in an accurate and transparent manner via appropriate channels.
5. Establish a Corporate Environmental and Social Responsibility Committee to identify and review environmental measures in all processes.

Health and Safety

Principle

L.P.N. gives importance to health and safety of all staff.

Guideline

1. Comply with laws, standards and regulations on health and safety in order to prevent or minimize possible impacts.
2. Regularly examine the safety of the workplace, provide safety equipment to staff and organize fire drill annually.
3. Organize activities to promote health and well-being of staff such as annual medical check-up, exercise sessions and annual retreat.
4. Identify a medical doctor of the Company to provide healthcare consultation service and treat staff who may have or have health problems.

Anti-Corruption

Definition

Corruption refers to any types of bribery such as an offer or promise on money, asset or other inappropriate benefits from the government officers, government sectors or private sectors so that such person could proceed or disregard his/her function in order to acquire, retain the business or achieve any improper benefits in business transactions. Exception shall be applied in case of laws, regulations, customs and local traditions enable to do so.

Donation refers to an amount of money given for religious, educational, public benefit or charitable purposes.

Sponsorship refers to an amount of money given to promote the business, brand or reputation of the Company.

Principle

The business operation of L.P.N. must be done in a rightful, transparent and auditable manner. Related laws and regulations and anti-corruption policy of L.P.N. must be strictly complied with. All staff must not take any actions that will impact the reputation and image of L.P.N. regarding corruption issues.

Guideline

1. Do not commit or accept all forms of corruption directly or indirectly.
2. Must be careful with operational process with high risk such as sale and marketing, land and asset procurement, construction process, human resources management process, contract execution, giving and receiving gifts and donating or giving sponsorship, etc.
3. Arrange giving of donation and financial support in a transparent way and in compliance with the laws.
4. Arrange giving of sponsorship carefully. It must be straightforward and in accordance with the business objective for the positive image and reputation of the Company. The sponsorship must also be given on behalf of the Company only.
5. Must be careful with giving or receiving gifts and organizing reception. The giving or receiving of gifts must be in accordance with the regulations of the Company.
6. Must not ignore or neglect any corruption conditions involved directly with L.P.N. All staff must notify such act to supervisors or responsible persons and offer their cooperation in the investigation process.
7. Must be careful when doing transactions with person, juristic person or any organization involved with corruption accusation.
8. The procurement process must be strictly in accordance with the established procurement regulations of L.P.N. to prevent procurement corruption.

Gifts and Entertainment

Principle

The Company strives to build a strong and sustainable relationship with customers, shareholders, trade partners and business partners of the Company. The virtue and reputation of the Company are the basis for such strong relationship. As a result, staffs are not permitted to receive monetary or non-monetary gifts from others, to request for or take a bribe or loan or special treatment which may affect a business decision of the staff on behalf of the Company. The exchange of gifts or a reception could be done as appropriate for business purposes and for the maintenance of business relations. Staff may accept non-monetary gifts on formal occasion according to the custom of each locality and relevant laws. The value of the gift must be appropriate and must not create a motivation for unfair decision making.

Guideline

1. Do not accept or give valuable items, service, reception or other benefits that may cause influence or motivation in decision making and unfair treatment or unfair benefit for the giver.
2. When giving or receiving gifts or reception to business partners, it should be ensured that the value is appropriate to the occasion and complies with the laws, regulations or custom in each locality.
3. Avoid exchanging valuable gifts or expensive gift exchanges which are too frequent or the case which may imply support or obligations towards each other. If in doubt of the appropriateness of a gift acceptance, services, benefits or any gestures, staff should consult their supervisor.
4. Giving or accepting reception must be appropriate to the occasion and custom or in compliance with a business contract. When a reception is organized, the expenses must be appropriate.
5. Keep records of the expenses as evidence of the value of the items, service or reception, so that they can be examined later.
6. Be careful for the case of offering items, services and reception to the supervisor or accepting items, services and reception from the subordinate. Such giving and accepting of gifts must not create motivation leading to unfair decision making.
7. If you have been assigned or permitted by your supervisor to provide an assistance to an outside agency, you may receive items, reception or other benefits in return. Such items must be in accordance with the guidelines or standards that agency has identified.

Conflict of Interest

Principle

L.P.N. is determined to do the right things. Therefore, staff must aim for the utmost benefit of L.P.N., comply with the laws and ethics and avoid action that can create a conflict of interest both internally and externally that may affect any decision and performance.

Guideline

1. Avoid getting involved in transaction with parties having relation with you such as being a family member or close relative.
If your family members are involved with or become shareholders of any business which may cause conflict of interest with L.P.N., you must inform the Executive Committee in a written format.
2. Must not conduct a business that would compete with the business of L.P.N. Avoid being a shareholder with decision-making authority or being a director or executive of a business that competes with or resembles the business of L.P.N.
3. Avoid conflict of personal interests and that of L.P.N.'s in connection with business partners and any other persons.
4. Both during the employment and after employment ends, staff must not disclose confidential information or information that may have significant impact on L.P.N.
5. Avoid conducting other business for personal interests that may affect your performance in or the image of L.P.N. such as becoming a director or advisor of other companies, organizations or business associations, except being approved by the Executive Directors.
6. Must not ask for a loan from business partners of L.P.N. except from financial institutions as this may influence your performance as the representative of L.P.N.
7. Must not seek benefit from the information acquired from your position or responsibility.
8. Must not search for information, contact or trade any securities or assets on a regular basis for one's own or other people's benefits and not for L.P.N.'s benefits during working hours.

Involvement in Political Activities

Definition

Political Contributions refers to a monetary or non-monetary contribution directly or indirectly made to a political party, politician, persons involved with politics or political force for unfair treatment or business advantage. This does not include the freedom of staff to exercise their political rights by participating in a political activity without any involvement with the Company or claiming that it is done on behalf of the Company.

Principle

The business operation policy of L.P.N. is to remain politically neutral. The Company will not be involved with any political activities and/or any activities organized with the objective of providing political assistance such as giving fund or resources of L.P.N. to directly or indirectly support a political party, political group, persons with political influence or candidates of any kind in local, regional or national levels.

Nonetheless, L.P.N. realizes that political rights is the fundamental rights of a citizen and recognizes the freedom of staff to exercise their political rights in the constitution such as voting or belonging to a political party. Staff also have the rights to participate in a political activity which must be legal and must not affect L.P.N.

Guideline

1. Exercise the political rights on your behalf and avoid taking any action that will make other people believe that it is done on L.P.N.'s behalf.
2. Avoid any act that others might construe as signifying L.P.N.'s involvement in or support or preference for a political action, political party, political group or persons with political influence.
3. Not wearing L.P.N. uniform or using any L.P.N. symbols that would lead others to believe that you are a staff of L.P.N. while engaging in any type of political activity or event involved with any political party.
4. Refrain from expression of political opinions at the workplace or during working hours as this may lead to conflict in a workplace.

Information and Property

Personal Information

Principle

L.P.N. respects the personal freedom and rights of staff. Personal information of staff such as biographical data, educational background, financial status, health-related data, criminal record, professional experiences, numbers or codes that would reveal the identity of a person, finger prints, photographs or other data must be protected and not be used, disclosed or transferred to other parties. Privacy violation is regarded as a disciplinary misconduct and violation of the Protection of Personal Information Act, except for the case that it is the duty honestly done, in compliance with the law or for common interest.

Guideline

1. Do not use, disclose or transfer personal information of staff or other persons without the consent from such person.
2. A person in charge of storing information held or maintained by L.P.N. must protect personal information of staff and businessrelated parties.

The use, disclosure or transfer of personal information of staff or other persons could be done for usual work as necessary, on legitimate basis or for common interest.

Recording, Reporting and Information Keeping

Principle

L.P.N. emphasizes the management of information in the organization. The information must be accurately recorded and reported in accordance with the established criteria. It must also be in compliance with the related announcements, rules, regulations and laws.

The information must be kept in a safe storage and can be used when needed.

Guideline

1. The record of information and reporting must be done in an accurate and timely manner. All accounting items, minor or major, must be compiled. All types of information of the Company must be accurate, in accordance with the standard, transparent and in compliance with the criteria, announcement, rules and regulations of L.P.N. or the law such as submission of information to the Human Resources Management Department, preparation of expense report, working time record, record of customers' information, record of income, record of financial items and other items and record of investment or general information of the Company. Information distortion and error in the record or report preparation are considered as violation of the Code of Conduct.
2. The reporting of information must be accurate, transparent and according to the facts.
3. Important documents and confidential information should be kept by special procedures established for each level or type of information. It must be ensured that internal information and information relating to business stakeholders such as customers and trade partners are safely and appropriately stored.
4. Storage of information should be done in accordance with the regulations established by L.P.N. or the law. It must be done carefully and systematically to facilitate easy access.

When the period for storage of information or documents has expired, the staff responsible should ensure that the data or documents are destroyed in the manner appropriate for each type of document and in compliance with law (if applicable), for example, destroying accounting documents.

5. The information of the Company that has not yet been disclosed to the public must not be disclosed except it is required by law or approved by high-ranking executives.

The confidential information is inclusive of the information of the customers, products, services, work plan, strategy, operational process and operation system. Staff must not use the information known or prepared as a staff of the Company for their own benefit or for the benefit of others. The personal information of staff, information on remuneration and benefits and medical information must be kept confidential. Such information could only be disclosed to internal or external persons when it is absolutely necessary to do so. The staff responsible for keeping such personal information must carefully comply with the established policy and strictly keep the information confidential.

6. Only the responsible staff has the rights to access the files, whether they are kept electronically in a computer or in other forms.
7. Unauthorized staffs are not permitted to access, duplicate, distribute, delete, destroy or change the information, change the password or take any other actions that would cause a damage to the information. The Company will monitor compliance with related laws and regulations. The company has assigned the Human Resources Department and Heads of Departments to monitor compliance with related laws and regulations to ensure appropriate behavior. The revision and improvement of the Code will be done accordingly to the suitability of the business environment.

Insider Trading

Principle

The use of inside information which is important information must be appropriately done in compliance with the law and good corporate governance principles. It must take into account the possible impacts on the stakeholders. The information must not be used for personal benefits.

Guideline

1. Must not use important inside information that has not been disclosed to the public regarding securities trading at any time since it may affect the securities of the Company and will have advantage over outsiders.
2. Staff who are the four top level executives after the Managing Director as stated in the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand i.e. executives who have access to and are aware of important information, accounting staff who are responsible for preparing financial statements and staff of other departments that are related to disclosure of information such as Directors' Office must not buy or sell the securities of the Company during the period of one month prior to the disclosure of the financial statements to the public or during the period prior to the disclosure of other information that may affect the share price of the Company.
3. Avoid giving advice or opinion on securities of the Company or buying or selling Company stock unless the Company has assigned such advice-giving as a part of your work.
4. Staff knowing the information that has not been disclosed to the public must not trade the Company's securities and must not give advice for other persons to do so.
5. Staffs are prohibited from disclosing or conveying corporate information to unauthorized persons, including their own family members, relatives and friends.

Use and Maintenance of Company's Property

Principle

L.P.N.'s property must be efficiently used for the full benefit. Staff must protect the property from loss, damage or personal use for themselves and other people.

Guideline

1. Must protect and take care of L.P.N.'s property and prevent it from damage or loss.
2. Must not misuse L.P.N.'s property or use the property illegally.

Use and Maintenance of Information Technology System

Principle

L.P.N. emphasizes that information technology is used efficiently and safely according to L.P.N.'s policy and regulations. The system will be protected from infringement or use without permission.

Guideline

1. Electronic information and information technologies are properties of L.P.N. The use of electronic equipment and information must be in compliance with L.P.N.'s policy and regulations and the laws. Executives and staff must not take action that violates L.P.N.'s policy and regulations and the laws.
2. Only authorized executives and staff have access to information, whether it is in electronic or other forms.

3. Staff must avoid using the information technology and information in system that may violate the right of other users or affect the efficiency of the operation of the system.
4. Do not use the system to access or to send information that is against good ethics, gamble-related, affects national security or violates other people's rights.
5. Use the system according to the authority granted and keep password confidential and do not consent other people to use your password to access the system.
6. Avoid opening files from unknown source and using data recording tool that has been used with a computer suspicious of virus infection or malware.
7. Avoid installing programs and configuration of the system that may affect security of the system. If you have any issue or find abnormality in the system, you have to contact IT helpdesk right away.

Use and Maintenance of Intellectual Property

Principle

L.P.N. regards intellectual property i.e. copyrights, patent, trademark and trade secrets as valuable assets of L.P.N. Executives and staff must strictly comply with the established policy and protect L.P.N.'s intellectual property from unauthorized use or distribution.

Furthermore, staff must not violate the intellectual property rights of others. Operational guidelines have been established clearly, for example, in terms of copyrights, the Company has a policy on the usage of the information system of the Company and regularly monitors the usage of various software programs to prevent the use of pirated software or the software that is not related to work.

Guideline

1. The use of information must be within the scope of the duty and responsibility assigned only.
2. Staff must protect L.P.N.'s intellectual property from infringement and disclosure without permission.
3. Staffs are obliged to report to a supervisor or related department when they observe any actions that violate intellectual property rights, trade secrets and information of L.P.N. or others.
4. The usage of various software programs of L.P.N. staff is monitored to prevent the use of pirated software or the software that is not related to work.
5. Any innovations created or come up with while being on duty as L.P.N. staffs are regarded as the property of L.P.N. unless it is clearly stated in a written contract that the ownership of the innovation will belong to the staff who creates it.
6. Staff must not violate, use or distribute intellectual property, trade secrets or information of other persons except they are the owner of such property or information.
7. Staff must not duplicate, adapt or do anything with the intellectual property of L.P.N. whether it is for their own benefit or for the benefit of others except for the case that a written permission is obtained from L.P.N.
8. When the employment is terminated, staff must hand intellectual properties and/or trade secrets as well as the work they create as L.P.N. staff over to the Company.

Disclosure of Information and Communication

Disclosure of Information

Principle

L.P.N.'s disclosure of information is based on transparency, accuracy and completion. It must be in compliance with the law and fair whether the information is disclosed verbally, at a press conference, in a written format or any other manner.

Guideline

1. Disclosure of information that has not been disclosed to the public via any channels must be done by authorized persons such as the Company's director, executive director or Managing Director as the case may be. The person disclosing the information must ensure that it is done with great care, accuracy and completeness in a timely manner. Actions must be taken to ensure that all stakeholders sufficiently and fairly receive the information.
2. As for the disclosure of other information, it must be ensured that the information disclosed is based on facts and is accurate and clear without the intension or the possibility of tempting other people to misunderstand the information.

Communication

Principle

L.P.N. honestly and transparently conducts its business and communicates to internal and external audiences. The marketing communication of brand and the use of L.P.N. logo are communicated to the government sector, the customers and the society at large via appropriate communication channels. The communication is accurately done, takes into account fairness to all stakeholders and must not cause any damages on L.P.N. Also, L.P.N. listens to the opinions and needs of the stakeholders.

Guideline

1. Provide accurate and complete information on the products and services.
2. The communication must be socially and environmentally responsible.
3. Do not exaggerate the quality of products and services. The marketing communication such as advertisement and public relations must be based on facts and accurately and fairly done.
4. Avoid the marketing communication that directly compares the products and services of L.P.N. with those of the competitors.
5. Avoid communicating messages that could lead to social conflict such as the nation, religion and monarchy as well as political opinions, opinions on gender or any other matters that contradict morals, traditions and cultures.
6. Do not over exaggerate to make consumers misunderstand the quality of products, services or other qualifications of L.P.N., except for using the technique that enables the consumers and the public to realize that it is not true but is developed for advertisement purposes. It must be clearly stated that it is not true.
7. Use corporate logo accurately with the permission of the responsible department and avoid using the logo for personal benefit.
8. Must not be ignorant and always monitor any communication that involves the organization or may affect the image and reputation of the organization as well as the misuse of the logo.
9. When disseminating or expressing personal opinion online, staff should indicate that this is their personal opinion and not an opinion expressed as a staff of L.P.N.

Transaction of L.P.N.

Connected Transactions with Subsidiary Companies

Principle

The connected transactions between the Company and subsidiary companies must be done in compliance with related laws and regulations as well as the regulations established by the Company.

Guideline

1. Carefully study the regulations, processes and authority before making any transactions.
2. Comply with the guidelines on the approval of connected transactions, related party transactions or transactions with possibility of conflict of interest for the utmost benefit of the Company and subsidiary companies. Such transactions must also be done in compliance with the law.
3. Connected transactions must be fairly and reasonably done in accordance with the general terms and conditions.

Transaction with External Parties

Principle

The transactions with external parties must be done in compliance with the related rules, regulations and laws and strictly approved by L.P.N. especially in terms of asset acquisition and retirement.

Guideline

1. Study and comply with the policy and guidelines for interacting with each group of stakeholders.
2. Strictly comply with procedures established in procurement and recruitment regulations. The priority should be given to legal entities rather than persons, except in cases where special expertise is required from particular individuals or for the benefit of L.P.N.
3. The transaction must take into consideration the market value and price. It must not be biased, unfair or illegal.
4. Avoid making transactions that may have social and environmental impacts or defame L.P.N. although such transactions are beneficial for L.P.N.

Trade Competition

Principle

The policy of L.P.N. is to conduct the business with ethics and honestly and fairly comply with the rules and laws on trade competition. The Company engages in a friendly competition with the competitors in order to support each other in a way that will not damage the business of or relationship with one another.

Guideline

1. Do not search after secret information of competitors or take dishonest, illegal or unethical action to acquire such information of competitors.
2. Do not take any action that will bring about unfair competition or trade monopoly.
3. Do not make any agreements with the competitors or other persons that would reduce or limit trade competition.
4. Do not take any actions that will damage the reputation of the competitors.

Anti-Money Laundering

Principle

L.P.N. complies with the guidelines and laws related to the prevention of money laundering. L.P.N. will not accept transfers or conversions of assets or support such actions insofar as they are related to criminal activities and will prevent anyone using L.P.N. as a channel or instrument for the dispersion or concealment of illegally obtained assets or income.

Guideline

1. When engaging in a transaction or agreement with new trade partners, individuals or legal entities and noticing a suspicious action, staff must use caution in making such transaction and ensure that the money is legally obtained.
2. Do not make a transfer to an unknown account or an account that does not belong to the other party or trade partner. Do not accept a suspicious payment.
3. If you notice an unusual transaction or suspicious action, immediately report to your supervisor.

Code of Conduct of Directors

The directors of the Company must understand their roles and responsibilities as a director of the Company and must honestly and carefully perform their duties by taking into account the utmost benefit of the Company and fairness towards shareholders and stakeholders in order for the shareholders, investors and the public to be confident in the standard of the business operation of the Company.

Apart from the above Code of Conducts, the roles, duties and responsibilities of the directors of L.P.N. are as follows:

1. Honesty, Fairness and Integrity

Directors must perform their duty with honesty, adhere to the truth and do not discriminate based on race, religion, gender, marital status or physical disabilities. Directors will adhere to the truth and will not cause any misunderstandings directly or indirectly, will not tell lies or take false action and will not cause any misunderstandings by not speaking or not taking any action.

2. Independence

Directors must make a decision and perform their duty independently by not prioritizing personal interests, rewards and cash or non-cash remuneration over the independence to make use of factual and reasonable information in their performance.

3. Personal Transactions and Confidentiality

Personal transactions and other businesses of directors must be separated from the performance as a director of L.P.N. Directors must not use the name of L.P.N. in personal transactions or other businesses, must not involve in the business that will damage the reputation L.P.N. and do not disclose confidential information of the customers, staff and the operation of the Company to the third party except when such disclosure is agreed by L.P.N. Director must not misuse the information received as a director.

4. Disclosure of Benefits

Directors must disclose any benefits from their own business or other businesses including anything that will cause conflict of interests or could lead to conflict of interests with the Company. Any operations directors have with L.P.N. must be appropriate in order to avoid conflict of interests which may happen or be understood as being happened.

5. Compliance with Law

Directors must comply with laws, rules and regulations which are related to the business operation and will not take advantage of the loopholes in the laws, rules and regulations for unjust personal benefit or benefit of L.P.N.

6. Equal Opportunities to Shareholders

Directors must maintain shareholders' interests as being trusted and consider the benefits of other stakeholders to L.P.N.

7. Roles and Responsibilities of the Board of Directors and Directors of Subsidiary Companies

7.1 Duty to L.P.N.

- Dedicate their time fully to perform their duty as a director of L.P.N. and act in accordance with the Principles of Good Corporate Governance and the Code of Conduct of the Company.
- Employ independent discretion in the corporate governance.
- Be responsible to the shareholders and consider the benefits of other stakeholders by adhering to the Code of Conduct and abide by laws.
- Recruit high-ranking executives who are competent and able to fully dedicate themselves for the benefit of L.P.N.
- Ensure that the Management reports important issues of L.P.N. in order for the operation to be efficient.
- Inform the Board of Directors in a written format when he/she becomes a director of other companies, organizations or associations. Such position must not conflict with the interests of L.P.N. and the performance of the duty or being a shareholder in any business must not cause conflict of interests with the business of the Company.

7.2 Duty to Shareholders

- Ensure that the financial status and the management of L.P.N. are accurate and appropriate to entail suitable rewards to the shareholders.
- Ensure that L.P.N. has disclosed important information to all shareholders equally in the complete, accurate, factual, timely and transparent manner.
- Ensure that L.P.N. equally gives importance to and respect the rights of all shareholders.
- Ensure that L.P.N. explains the details of the performance and financial status of the Company in accordance with the disclosure of information principles.
- Ensure that L.P.N. gives importance to the recommendations from shareholders and apply the good ones for the benefit of the operation of the Company.

7.3 Duty to Staff

- Treat all staff fairly and do not discriminate anyone because of the difference in race, religion, nationality, gender, age, education background or personal affection.
- Listen to opinions or recommendations of staff and consider applying them for the benefits of the Company.
- Do not violate rights or individual liberty of staff directly or indirectly.

7.4 Duty to Other Stakeholders

- Ensure that L.P.N. complies with related laws and regulations.
- Ensure that L.P.N. gives importance to any impacts on other stakeholders, community, society and environment.

8. Discretion in the Performance

- 8.1 Attend all Board of Directors' meetings and inform the Company in advance if unable to attend.
- 8.2 Research about the environment which may impact the business of L.P.N.
- 8.3 Study any related laws, rules or regulations which involve with the performance as a director of the Company.
- 8.4 Spend sufficient time to carefully consider the information in advance.
- 8.5 Consider and give independent opinions. In case that any directors disagree with the meeting resolution, such directors could request that the disagreement be recorded in the Board of Directors' Meeting minutes.
- 8.6 Encourage communication between the Board of Directors and the Certified Public Accountant (CPA) in order to ensure that the performance of the CPA is independent and efficient and to ensure the cooperation from the Management and Internal Audit Department.
- 8.7 Perform the duty as a director in accordance with related laws, rules and regulations as well as business standards and ethics.
- 8.8 When in doubt, the Board of Directors could ask for more information or explanations from the Management or adviser of L.P.N.
- 8.9 Directors, including family members, must not take any action which may cause doubts about their honesty and fairness by requesting or accepting money, gifts or other benefits from partners of the business of L.P.N. such as constructors and businessmen except in the occasion of a traditional festival but the gifts must not be unreasonably or uncommonly expensive.

9. Conflict of Interest

- 9.1 Must not exploit the power of the director position to seek personal benefit or benefits of their intimates either directly or indirectly.
- 9.2 Inform the Company without delay in case of the followings:
 - Acceptance of the position of director or adviser of other companies.
 - Directors and family members are involved with or are shareholders of any businesses which may cause conflict of interests with L.P.N.
 - Have interests directly or indirectly in any contracts made with L.P.N. Directors must identify the nature of the contract, name of the parties and interests in the contract.
 - Hold assets or debentures of L.P.N. Directors must identify the assets as well as any changes.

- 9.3 Avoid any conflict of interests. In case of conflict of interests, the director must consider not to participate in the discussion or to refrain from casting a vote in such agenda or be absent from the meeting in the agenda or refuse to accept the related meeting document or resign from the position of the direction if the conflict is of significance.
- 9.4 Executive Directors must be careful about conflict of interests which may occur during the performance in the Management and the performance as a director who is trusted by shareholders.
- 9.5 Directors should not be involved with the purchase/sell of the shares of L.P.N. for short-term investments.

10. Use of the Information of L.P.N.

- 10.1 Must not use the information received as a director of L.P.N. unjustly.
- 10.2 Must not disclose information such as the information on business confidentiality or information which may affect the business to external parties.
- 10.3 Must not purchase and sell shares while withholding the information which may affect share price if disclosed to the public.
- 10.4 Maintain confidentiality of L.P.N. be careful not to leak any documents or confidentiality of the Company to others or to unrelated persons which may cause damages to the Company.
- 10.5 Must not use internal information for personal benefit or benefit of others especially if such information is important to the changes of the value of the assets which are not yet disclosed to the public.
- 10.6 Must not reveal any information which are not yet disclosed to the public and may affect the Company's share price. Such information includes:
- Profit forecast
 - Issuance of new securities
 - Loan
 - Possible merge of businesses
 - Important changes in performance
 - New investment projects
 - Liquidity problems

Code of Conduct of Staff

Section 1-11 of the Code of Conduct above has been established as a guideline for staff's action and a preliminary standard for ethical behavior of L.P.N. staff. It is one of the mechanisms to remind the staff to be cautious. However, L.P.N. has also established a Code of Conduct for Staff which is the compliance with laws, duties and responsibilities so that staff would be careful and will not do anything that violates the regulations, standards or rules that could be harmful to the Company's reputation and image.

Compliance with Law and Regulations of L.P.N.

All staff are responsible for familiarizing themselves with and obey the Code of Conduct as well as other policies of the Company which are issued later on.

1. Law and Regulations of the Company

- Staff must obey all the laws and regulations of L.P.N.
- The violation or the request to others to violate the laws, resolutions of the shareholders, resolutions of the Board of Directors, policies, regulations, rules, orders or policies of L.P.N. by claiming that it is to increase the profit of L.P.N. or any other reasons are not justifiable.
- Staff must perform their duty with honesty by taking into consideration the interests of L.P.N. in spite of the appearance of any loopholes in the regulations, rules and orders of L.P.N.
- Staff must report the violation of L.P.N.'s policies or suspicious behavior immediately and cooperate in the following investigation of such violation.
- Staff must show leadership and comply with L.P.N.'s policies or any other related regulations.

2. Securities Exchange Law and Insider Trading

- Staff must strictly comply with the regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, Capital Market Supervisory Board and other related laws which include the equal disclosure of information to shareholders or the public.
- The use of internal information which is not yet disclosed to the public or shareholders for the personal trading benefit is considered unethical.

Gambling, Drinking and Drugs

1. Staff are not permitted to possess, buy, sell, transport, drink or use alcoholic drinks, drugs or controlled substance (except medicine prescribed by a doctor) while at work or doing business for L.P.N. Staff are only allowed to have alcoholic drink in appropriate amount at the workplace only during a party or any other occasions which are approved by high-ranking executives.
2. All kinds of gambles are prohibited during working hours or within the premises of L.P.N. or the premises that are under the responsibility of L.P.N.
3. Other Jobs or External Activities L.P.N.'s staff must not be employed by other companies or do any external activities that are not related to L.P.N. while being employed by L.P.N. or being on duty.
4. Duty and Responsibilities of Staff
 - 4.1 Duty to L.P.N.
 - Maintain the reputation of L.P.N.
 - Be honest.
 - Comply with rules, regulations and disciplines of L.P.N.
 - Maintain good attitude, be proud of L.P.N. and do not dispraise the Company.
 - Inform related agency of any situation which may affect L.P.N., misbehavior and illegal behavior in order to prevent and solve the problem.
 - Make use of L.P.N.'s property for the best benefit.
 - Perform the duty to their full capacity, be prudent, prompt, hard-working and reasonable and give importance to the interest of L.P.N.
 - Be punctual and make full use of the working hours for the benefit of L.P.N.
 - Refrain from voting or resolving in a meeting in the case which may entail conflict of interests.
 - Comply with the Principles of Good Corporate Governance of L.P.N.
 - 4.2 Duty to customers
 - Treat customers with respect, provide quick and correct services and treat all customers equally.
 - Strictly keep customers' information confidential.
 - Be trustworthy to customers.
 - Avoid the situation which may cause conflict of interests with customers.
 - 4.3 Duty to shareholders
 - Aim to build growth base on actual capacity so that shareholders are rewarded sustainably from efficient performance and for good performance of L.P.N.
 - Respect the rights of shareholders in receiving necessary information to equally assess L.P.N. and disclose the performance and financial status of the Company as required by the Stock Exchange of Thailand and the Securities and Exchange Commission.
 - Treat all shareholders equally in shareholders' meeting.

4.4 Duty to supervisors and colleagues

- Cooperate and assist each other.
- Respect the supervisor.
- Care for the well-being of and have compassion for supervisees.
- Educate and pass on professional knowledge to colleagues.
- Avoid accepting gifts with high value from colleagues and supervisees.
- Avoid gossiping about personal issues or information of colleagues.
- Treat the supervisor and colleagues with politeness and good human relations.
- Avoid taking credit from others' work.
- Maintain a good attitude and do not make false and unfair accusations against the supervisor or colleagues.

4.5 Duty to themselves

- Be a moral person and behave appropriately. Avoid all kinds of gambles.
- Be truthful to yourself and others.
- Always develop knowledge and capacity in order to increase working skills.
- Perform duty with honesty. Do not dishonestly seek for benefits for their own interests.
- Refrain from using assets, equipment and working hours of L.P.N. for personal benefit.
- Refrain from showing off their position or relations with L.P.N. for political benefits or to support any political parties.

Receipt of Complaints and Whistleblower Protection

Receipt of Complaints

L.P.N. provides the opportunity for staff to complain, express their opinions and report a misconduct, corruption and illegal and unethical behaviors as follows:

1. Communication channels for submitting complaints

- 1.1 Complain verbally or in writing via email, WhatsApp and Line of the Chief Executive Officer or the authorized person or send an email to director@lpn.co.th
- 1.2 Send a letter to PO Box 21, Yannawa, Bangkok 10120.

2. Compilation of information and investigation of complaints

- 2.1 When a complaint is submitted, the person receiving the complaint must inform the Chief Executive Officer to take action.
- 2.2 If the complaint is complicated and involves many departments in L.P.N., the receiver of complaint must make a proposal to the Chief Executive Officer to appoint a "Fact-Finding Committee" to investigate the issue.
- 2.3 After the facts are compiled, if the person handling complaint opines that there is a reason to believe that a corruption, misconduct or illegal action is committed by staff, he/she shall submit the matter to the Chief Executive Officer to assign the Human Resources Management Department to appoint an "Investigation Committee."
- 2.4 The receiver of complaint must inform the outcome of the investigation to the complainant. In case that the complainant choose to disclose himself/herself and a misconduct does occur and has significant impact on the reputation, value and image of the Company, the issue must be submitted to the Executive Committee and Audit Committee to consider a course of action or a punishment in accordance with the regulations of L.P.N.

Policy on Protection for Employees Who Inform on or Disclose of Wrongful Conduct or Non-Compliance with Laws and the Code of Conduct (Whistleblower Policy)

1. The protection will be provided as soon as the complaint is submitted.
2. The Company will regard the related information as secret and will disclose only so much of it as necessary to ensure the safety of the complainant.
3. If the complainant believes that he/she will not be safe or incur harm, he/she may ask L.P.N. to provide appropriate protection, or L.P.N. may provide such protection without the complainant's request if it is believed that danger or harm is likely to occur.

Unethical behavior

All staff and executives must comply with the Code of Conduct. The unethical behaviors which are regarded as the violation of the Code of Conduct are as follows:

1. Violate the Code of Conduct.
2. Encourage or advise others not to comply with the Code of Conduct.
3. Ignore and neglect the action that violates the Code of Conduct.
4. Fail to cooperate in the investigation or obstruct the fact-finding procedure or the investigation of a violation of the Code of Conduct.

This Code of Conduct is approved by the Board of Directors' Meeting Ref. 5/2016 of L.P.N. Development Public Co., Ltd. on 21 June 2016 and will be effective from 21 June 2016 until further notice. The Code of Business Conduct of the Board of Directors and the Code of Conduct of Staff in 2005 are no longer in force.

Announced on 21 June 2016.



(Mr. Amornsuk Noparumpa)

Chairman

L.P.N. Development Public Co., Ltd.

Internal Control

Internal Control

The Board of Directors of the Company establishes sufficient internal control as well as risk management system by analyzing and assessing both internal and external factors that may affect the business operation of the Company. It is also ensured that the operation of the Company is efficient and in accordance with the goal, objectives and related laws and regulations. Anti-corruption policy is established and communicated to staff at all level for acknowledgement and strict compliance with the policy. The audit and report of audit results to the Board of Directors are regularly conducted.

The Board of Directors has assessed the internal control system based on the report on the result of the assessment of the Audit Committee using the assessment form on the adequacy of the internal control system of the Securities and Exchange Commission of Thailand which is in line with internal control international standard of The Committee of Sponsoring Organizations of the Treadway Commission (COSO). Five aspects with 17 subtopics of the internal control system of the Company are assessed as follows:

1. Organization Control

- Internal control activities including financial audit and operation in compliance with related laws and regulations are established.
- The structure of the reporting line, distribution of power and appropriate designation of responsibilities under the supervision of the Board of Directors are established.
- The Board of Directors is independent from the Management and has the responsibility to oversee and audit internal control system in order for the organization to efficiently and effectively achieve its goal in the business plan.
- The organization gives importance to corporate governance and ethics of staff, both of which are identified as organizational values which all staff must strictly adhere to.
- The Company demonstrates commitment in personnel development. L.P.N. Academy plays an important role in identifying capacity development plan for staff to promote the Company as a learning organization and to respond to future business expansion. In 2017, the Academy organizes a training on the Code of Business Conduct for all staff. It is also included in the orientation of staff.

2. Risk Assessment

- Vision, mission and objectives of the Company are clearly established in the business plan. The risks associated with the achievement of the objectives of the Company are assessed.
- The Risk Management Committee is established to efficiently manage risks. It will be the responsibility of each department to manage and control risks to be at the acceptable level.

3. Operation Control

- The organization prepares an operational manual for all departments to be used as a reference. The Executive Committee is responsible for ensuring compliance with the policy of the Company.
- The organization ensures that the assets are appropriately maintained and resources are used effectively. Anti-corruption measures for all operational activities are also in place.
- The Internal Audit Department has implemented the monitoring system for the process with a risk of corruption. Related operational systems are also improved.
- The Whistleblower policy is established to protect the informant who exposes wrongdoings that violate the Code of Conduct, rules and regulations of the Company or incidents of corruption.

4. Information and Communication System

- The organization develops information and communication technology to support all the operational processes and gives importance to secure information system and electronic filing system.
- The organization communicates the information internally to ensure that all staff are aware of the objectives, responsibilities, risks and internal control of the organization.

- The network of internal communication channels is established and monitored to ensure that the information received is accurate and reliable for the Management to be able to make timely decisions.
- The organization provides communication channels for external parties enabling them to communicate possible impacts on the organization or suggestions about the products and services to the organization to facilitate the development of new innovations.

5. Monitoring System

- Meetings are organized to follow up and assess the internal control system to ensure the completion and appropriateness of internal control activities.
- The organization assesses and adjusts internal control activities to be in accordance with the present situations through electronics channels and communicates to staff at all levels and the Executive Committee as appropriate.

Risk Management

The Board of Directors of the Company has established the Risk Management Committee comprising the Executive Committee to be responsible for identifying the policy and risk management measures to be inclusive of all processes in the business plan. Related risks on various aspects have been taken into consideration and analyzed during the preparation of the business plan to be used as a guideline for the establishment of risk management strategy. The risks are assessed, monitored, controlled and reported to the Board of Directors on a quarterly basis.

The risks associated with the operation of the Company are as follows:

1. Strategic Risk
2. Financial Risk
3. Operational Risk
4. Compliance Risk
5. Corruption Risk

The Risk Management Committee has held a joint meeting with the Management and high-ranking executives to monitor and assess the management of risks to be at an acceptable level, revise the strategy to be in line with the present situation when affected by internal or external factors. During the past few years, the performance of the Company has continuously suffered negative growth. In 2017, business strategy has thus been revised. One of the revised strategies is to allow subsidiary companies to generate additional income from other organizations. For example, Lumpini Project Management Co., Ltd. takes part in risk management by starting providing comprehensive real estate development service to other organizations, not just project management service like before. Important policies of the company are also communicated to all staff via various communication channels, enabling the Company to manage risks efficiently. The Board of Directors' Meeting Ref. 2/2018 on 14 February 2018 provided comments on the internal control system and risk management as appears in the report as follows:

Comments of the Board of Directors of the Company on Internal Control System

In the Board of Directors' Meeting Ref. 2/2018 on 14 February 2018, the Board of Directors assesses the internal control system from the report on the assessment of the sufficiency of internal control system of the Securities and Exchange Commission. The Audit Committee agrees that the internal control system of the Company is in accordance with internal control international standard of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in all five aspects, namely, organization control, risk assessment, operation control, information and communication system and monitoring system. The Board of Directors opines that the internal control system of the Company in terms of transactions with major shareholders, directors, executives or related persons is sufficient. The allocation of human resources is sufficient to ensure effective operation.

In 2017, the training on Code of Business Conduct is organized for all staff and executives. It is the guideline for best practice and is in accordance with anti-corruption guideline. The Company has also established special communication channels both within and outside the organization in a written format and a Whistleblower policy to protect the informant providing information on any wrongdoings that violate the law and Code of Conduct (Whistleblower Policy).

As for internal control of other issues, the Board of Directors opines that the internal control of the Company is also sufficient. Moreover, the auditor of the Company, Mr. Nopparuek Pitsanu Wong from D.I.A. International Auditing Co., Ltd. who is the auditor of the quarterly financial statements and the financial statements of 2017 does not recognize any insufficiencies of the internal control system of the Company.



(Amornsak Noparumpa)
Chairman

Internal Accounting Control System Report

Dear Board of Directors, L.P.N. Development Public Co., Ltd.

D.I.A. International Co., Ltd. ("D.I.A. International") has audited the financial statements of L.P.N. Development Public Co., Ltd. ("The Company") for the year ending 31 December 2017 and has presented the audit report dated 14 February 2018 to the Board of Directors. Please kindly be informed that in order to audit the above financial statements in accordance with the generally accepted accounting standard to opine that the financial statements accurately reflect the financial position and the operational performance in line with the generally accepted accounting standard, D.I.A. International has studied and assessed the efficiency of the internal accounting control system of the Company as necessary for the benefit of formulating the proper scope of the audit work. D.I.A. International does not find any significant error in the internal accounting control system that will significantly affect the opinion on the financial statements as of 31 December 2017.

The Management of L.P.N. Development Public Co., Ltd. has been responsible for arranging internal accounting control system and ensuring strict compliance with the regulations. It requires an estimation and discretion in considering the expected benefits as well as costs associated with the use of such control system. Such internal control system has provided reasonable assurance to the Management.

However, please be informed that D.I.A. International does not audit all the accounting items but has randomly done so. Furthermore, the objective of the study and assessment of the efficiency of the internal accounting control system is for the benefit of the auditing of the above financial statements. As a result, D.I.A. International is unable to point out all the errors there may be in the internal control system of the Company.

D.I.A. International would like to thank the staff of the Company for offering their cooperation in the auditing.



Mr. Nopparuek Pitsanuwong
Certified Public Accountant No. 7764
14 February 2018

Legal Dispute

The Company does not have any legal dispute which would have significant negative impact on the business operation of the Company.



6

Promoting Innovation and Integration

Constantly developing and adapting to changes

Real Estate Business Trend 2018

The Thai government has published a policy setting out the development plan to enhance the competitive ability and economic growth of the country in an attempt to escape the middle-income trap. Long-term “Thailand 4.0” strategy is implemented to transform Thailand into a value-based economy. Large-scale public transport network has been extended and the Eastern Economic Corridor Project (EEC) is developed. The above factors have impacted real estate development in the long term. As for short-term, it is speculated that the real estate business situation will remain unchanged from 2017. The residential condominiums with the price of 2-3 million THB will still be the main products developed in the market. The project location will be along the extended BTS Green Line and Red Line as well as MRT Orange, Pink and Yellow Lines, the construction of which started in 2017. Projects located in central business district such as Sukhumvit, Asoke, Prompong and Ekkamai are continuously developed. It is expected that the selling price will be increased as a result of higher land and construction costs. The average selling price may be as high as 3-5 million THB per unit. At the same time, it is likely that residential condominiums with the price of lower than one million THB per unit will not be developed because of the problem of household debts.

Real estate business situation is not only affected by land price and project development location but also an increase in minimum wage. It is expected that construction costs in Bangkok will be increased around 150-200 THB per square meter. Prefabricated building construction system and construction technology from abroad will thus be more widely adopted. During the past few years, there are more collaborative and joint venture projects between Thai and foreign business operators with the objectives of transferring technology, creating a joint marketing plan or distributing the products to foreign customers who want to buy assets for investment in Thailand.

In the past, the development of residential property only focused on the sale and delivery of products to the customers. Property developers did not give much importance on after-sale services or comfort of the customers. But at present, the focus of residential condominium development is shifted to distinctive design of the project and units and convenient facilities to respond to the lifestyle of the residents. Anyhow, most real estate developers lack the expertise to provide comprehensive building and community management services to the residents. Here is where Lumpini Property Management Co., Ltd., a subsidiary company of the Company, comes into play. The company provides comprehensive community management services to other real estate developers to generate additional income for the Company.

The other factor that will affect real estate development business is the law and regulations. The new real estate tax law will have both positive and negative impacts on the overall property development business. Business operators may have to carry a heavier tax burden. But at the same time, landowners who do not have the ability to carry the tax burden are compelled to sell land at a lower price. This situation helps supplying more plots of land into real estate market.

The other trend that is worth noting is the development of large-scale projects comprising many buildings for mixed-use purpose, namely, department stores, hotels, office buildings and residential buildings. Major investors in the market have announced their intention to develop such projects in the coming years, resulting in concerns of many parties over the impacts of these mixed-use projects in the future.

In 2018, the Research Department of the Company speculates that the number of new condominium units launched will be more or less the same or slightly increased from 2017 as a result of various factors. There will be no significant change. It is estimated that there will be around 65,000-70,000 new condominium units launched and 55,000-60,000 condominium units completed and registered.

Business Operation Direction in 2018

The household debt problem starting in 2014 has resulted in constant increase in loan rejection rate as well as stringent loan approval criteria of financial institutions especially among middle to lower-middle income earners who are the main target customers of the Company. Therefore, the year 2017 is identified as the “Year of Shift”. The main target customers is shifted from middle to lower-middle income group to middle to upper one. Moreover, the location for project development is changed from peripheral area to central business districts. The project size is reduced to be suitable with the new target group. The sale, marketing, distribution channel and brand image are improved. Real estate services of subsidiary companies are provided to projects developed by other developers. Consequently, the sales volume of the Company in 2017 increased 88% or from 8.5 billion THB in 2016 to 16 billion THB in 2017. The income from services increases around 10%. It can be said that the Company is able to successfully meet the target. The year 2018 will thus be identified as the “Year of Change”. The changes will be as follows:

1. The change in the structure of the Board of Directors.
2. The change in the structure of the executives and the Management.
3. Products and target group will be diversified.
4. The income will be directly and indirectly increased from businesses that are related to the core business of the Company.
5. Product and Service Development Center will be established to enhance research and development capacity to add value to the “product” and “service”.

The targets in 2018 are as follows:

1. The target of the gross income from sale is 12 billion THB.
2. The target of the sales volume is 20 billion THB.
3. The target of new projects launched is 12-15 projects with the combined value of 18 billion THB.
4. The inventory will be liquidated and restored to a normal level within the end of 2018. The target of the sales volume and income from sale is 4.8 billion THB.
5. The gross profit will be increased from 2017 to be at the rate of 30% as before.
6. The business operation will be in adherence to 6 Green LPN concept to achieve sustainable development.

It is strongly believed that 2018 will be another step away from the “business downturn” and the beginning of the New S Curve and sustainable development.

Risk Factors

The Board of Directors of the Company resolved to establish the Risk Management Committee on 17 February 2011, comprising executive directors and managing directors of the Company and subsidiary companies. The Risk Management Committee is to organize a series of meeting and report the risk management result to the Board of Directors at least once every quarter. The risk management framework of the Company comprises establishment of risk management policy and guideline, risk assessment and management and reporting of the outcome of risk management to the Board of Directors. The Company has identified risks that may affect the operation in the future as follows:

Financial Risk

Risk from strict home loan approval criteria of financial institutions

Since the end of 2014, household debt has become the major problem of Thailand's economy and real estate sector. As house and condominium prices are high, around 80% of customers buying condominium units in projects developed by the Company need to apply for loan from financial institutions. The strict home loan approval criteria of financial institutions has directly affected the income as well as inventory of the Company, resulting in soaring marketing, sales and maintenance costs, all of which are direct costs.

Furthermore, overinflated inventory has indirectly affected financial costs because of the money lost in unsold products. Usually, around 5-10% of loan application of customers whose credit is managed by the Company is rejected. The rejection rate is subject to the situation, timing and group of customer in each price range. In 2017, the loan rejection rate of customers of the Company is similar to that in 2016.

Preventive Measure and Solution

1. Still focus on middle to upper income group of customers to avoid the problem of household debts.
2. Set down payment and installment rate to be appropriate and similar to installment loan rate of financial institutions. The down payment will be collected at the rate of 10-20% depending on the project and construction period.
3. Establish a process and assign a team to solve the problem of retail loan rejection in a concrete manner. When a customer reserves to buy a condominium unit, their credit history and record of unpaid debts or late payment will be checked with the National Credit Bureau. The record is the determining factor for loan approval during down payment installment period. The customer's credit management team will follow-up with the customers, provide them with relevant information and send a reminder when the payment is overdue in order to develop their financial discipline. It is also to improve their credit history and ability to repay. Three months before the handover of condominium units, the Ownership Transfer Department will invite all customers to submit loan application to financial institutions. Should loan application of any customers be rejected, the Ownership Transfer Department and financial institution will give advice to help solve the problem of the customers during the period of three months above. If the problem remains unsolvable, the Company will extend the down payment installment period to retain the customers. The sales volume will be a backlog that will become an income of the Company in the future.
4. Seek collaboration from financial institutions in establishing problem-solving measures and team in order to create a win-win situation for all three parties i.e. the Company, customers and financial institutions.
5. In case that the customers have been cooperative but their loan applications are still rejected, the Company will cancel the to buy-to sell agreement and offer a full refund. The condominium unit will immediately be resold at a higher price to compensate for the expenses paid.

Strategic Risk

Risk from fierce competition in the sales of middle to high priced products

Since business operators start developing products to match the needs of customers in the middle to upper income group, the competition in the market, especially residential condominiums developed along mass transit route, has become more severe. This may lead to a problem of oversupply and overinflated inventory.

Preventive Measure and Solution

1. Conduct a meticulous research on the dynamics of demand and supply in the market to find a gap in the market before deciding to buy plots of land for project development.
2. Establish project development concept and marketing strategy that is outstanding from competitors by focusing on “product value” and “service value” of all products.
3. Avoid developing projects in the area where unsold projects are located.
4. Actively manage direct and indirect costs. Cost management is one of the core competencies of the Company.

Risk from Land Procurement and Cost Control

“Location, location, location” is the real estate mantra. It is said that location is the key to success in real estate business. Nowadays, plots of land with location, price and size appropriate for the development of residential condominium projects are scarce. The prices of some plots of land are simply too high to develop a project that will attract the main target customers of the Company. While extending transportation systems are reaching new potential locations for residential condominium development, land prices in all locations are constantly rising as a result of more severe competitive situation. Without proper management and preparation, it could become the main obstacle for project development in the future.

Preventive Measure and Solution

1. Procure land through various sources such as land brokers and announcements on print and online media. Compile information on plots of land that are considered by the Company to create land information data warehouse for price comparison and collect information on physical features of land for future reference.
2. Develop project in phases to minimize risks. The size of each phase should be relevant to the demand in each period. Developing projects in phases will enhance the flexibility in land procurement for project development.
3. Buy plots of land and keep them in land bank for project development in the future. In the past, the Company would only buy land when we are going to develop a project in order to minimize compliance risks and enhance the flexibility and efficiency of financial management. But the circumstances have changed. The Company may need to revise the policy and consider buying plots of land that are suitable for project development in the future, do not have compliance risk and do not affect the financial management of the Company.

Operational Risk

Risk from revenue concentration in Q4

The income target from the sale of residential condominiums in the first nine months is approximately 5.5 billion THB from the overall target of 11 billion THB, deriving from sales and ownership transfer of condominium units in the inventory. The other 50% of income will be derived from projects under construction which are scheduled to be completed and transferred in mid-November. However, in the event of an occurrence of a force majeure, the construction might be delayed and the Company might not be able to deliver and transfer the ownership of condominium units to the customers in 2018.

Preventive Measure and Solution

1. Closely monitor and control the construction process to prevent an occurrence of a force majeure which can affect project's completion date.
2. Proceed with other aspects of the operation while the construction is ongoing. It will help speed up the overall operational processes. For example, the Company is to manage loan application for customers at least three months before the construction is completed.
3. Closely coordinate with related government agencies to ensure smooth and timely operation.
4. Strengthen the quality control system to ensure that customers are satisfied and that condominium units can be handed over to customers after the first inspection.

Risk on Environmental and Social Impacts Awareness

The development of large-scale real estate projects directly impacts the society, environment and neighboring communities. Without preventive measures, neighboring communities may be affected by the construction of the projects, leading to a lawsuit and court order to halt the construction. The business operation of the Company will then be seriously affected both in terms of business planning and image of the organization.

Preventive Measure and Solution

1. Incorporate environmental and social responsibility into the strategic map of the Company and intensify the environmental and social operation. Raise awareness of staff and monitor and follow up the environmental operation.
2. Establish Community Relations Department to be directly responsible for managing relationship with surrounding communities during construction and after the handover of the project and carefully select location for project development to minimize environmental impacts.

Compliance Risk

Risk from Violation of Regulations

The development of real estate projects is related to various regulations which are very complicated. The failure to comply with the regulations may bring about serious damages on the operation of the Company. For example, a plot of land is bought but it is not suitable for project development or the construction of condominium buildings are not in compliance with the regulations, etc.

Preventive Measure and Solution

The Company assigns the Legal Department and Research Department to monitor the changes in the regulations and ensure that the legal database is up-to-date. The importance is also given to strict compliance with the regulations.

Misconduct and Corruption Risk

Misconduct Risk

The major misconduct risk of real estate business associates with land purchase for project development, the value of which is as high as 20-30% of the project value, and the procurement process for contractors for the construction of condominium projects, the value of which is as high as 40-50% of the project value. Without proper monitoring system, the misconduct could seriously damage the organization.

Preventive Measure and Solution

1. In case of land procurement, make public announcement through the channels provided by the Stock Exchange of Thailand after the ownership has already been transferred to demonstrate the transparency of the process.
2. In case of procurement of contractor for construction of condominium projects, the prices must be compared before approval.
3. For both land procurement and procurement of contractor for construction of condominium projects, hire independent appraisers to compare prices before approval.

Corruption Risk

At present, corruption is the national problem that needs to be tackled by the collaboration of all sectors. The operation of property development business involves contacting different government agencies. There is a risk of corruption and incompliance with regulations in exchange for special treatment or favor.

Preventive Measure and Solution

1. Strictly comply with regulations and rules to avoid judicial discretion.
2. Establish the operational timeframe and procedure in accordance with the regulations of related government agencies. The timing should be appropriate and not too pressing.



7

Striving to Become a “Value Organization”

Creating not only a home but also a quality
community under “Lumpini” brand to be a true
“Livable Community For All”

Business Operation of Each Product Line

Business Operation

Type of Products and Services

The Company and subsidiary companies conduct a business in two business groups i.e. real estate development business and service business. The details are as follows:

Real Estate Development Business

The business is conducted by:

1. L.P.N. Development Public Co., Ltd.
2. Pornsanti Co., Ltd.

L.P.N. Development Public Co., Ltd. operates real estate development business with the aim to sell residential condominium projects targeting middle to lower-middle income earners. In 2017, the target group of customers is expanded to include middle to upper-middle income earners. The differentiation strategy in creating uniqueness in terms of products and services is applied. The condominiums units and common area of the projects developed by the Company are developed under “LPN Design” concept. The common area is specially designed as a co-living space for the residents of all age groups, whether they be children, young people, working people or the elderly. The design of the condominium units is universal so as to accommodate the needs of the independent elderly. Moreover, after-sale service in the form of community management under “Livable Community” strategy has been developed. It is later developed into “Livable Community For All” strategy with an emphasis on the quality of life of the residents of all age groups. The strategy helps create the uniqueness of the Company and builds confidence among customers. Cost leadership strategy is also applied and becomes the strength of the Company enabling its competitive advantage. The Company has identified the position of each product for clarity and consistency with the needs of the target group. The products of the Company are categorized into two groups, namely, the first city home and the second home as a vacation home. The target group of the second category is the customers of the Company who wish to buy a vacation home.

1. The First City Home

Apart from developing residential projects in Bangkok and peripheral area, the Company has also developed projects in other provinces i.e. Udonthani, Chonburi, Petchaburi and Pattaya during the past few years. As for projects developed in Bangkok, Udonthani and Chonburi, the brand positioning is as follows:

“The Lumpini”



It is the premiere brand developed for the special occasion of the 24th year of operation of LPN. The project is situated on the highest potential location in Soi Sukhumvit 24 surrounded by full convenient facilities. The design of the building is Y-shaped in which all condominium units are able to enjoy the view of Bangkok. It is perfect for simple and yet luxurious living in the heart of Sukhumvit 24 Road.

“Lumpini Suite”



It is the high-end brand developed to respond to residential needs of business owners or high-ranking executives who are in search of the most comfortable living and are able to afford expensive residences. The location for the development of such projects, therefore, is in central business district near major transportation systems such as BTS, MRT and expressways. The project is fully equipped with convenient facilities. The number of units is minimal so the residents are able to enjoy the highest standard of living and privacy.

“The Selected by L.P.N.”



It is the middle to high-end brand that develops the product value to match the lifestyle of the young generation. The Selected Kaset-Ngarmwongwarn by L.P.N. is the first project developed under this brand. It is located on Ngarmwongwarn Road between Kaset Nawamin and Bangkhen intersection and is opposite to Kasetsart University. The target customers are students of Kasetsart University. The project is developed as a campus condominium with New LPN Design. The condominium units are designed for double occupancy. Co-working spaces are available as well as other common areas such as Suan Ruam Jai, multifunctional rooms, meeting room and indoor and outdoor fitness area.

“Lumpini Place”



It is the upper-middle brand developed for people who are working at the managerial level aged 30–40 years old. The project location is in densely populated area and near main streets. It may be in or around central business districts and is conveniently located near modern transportation system. The project is fully equipped with convenient facilities for everyday life. “Lumpini Place Sathorn” on Narathiwat Road is the first project developed under this brand. The condominium units with the size of 30 and 60 square meter are initiated under “LPN Design” concept which focuses on the functionality of space. “Lumpini Place” is the model of City Condo, the residential condominium projects along BTS and MRT route with the price of around one million THB developed by the Company in 2001. City Condo projects are successful and positively received by the customers since it meets the needs of the working people in the city.

“Lumpini Park”



It is the upper-middle-range brand developed for large-scale community. “Suan Ruam Jai”, a community park which is a common area where family members and residents of the projects can do activities together, is initiated to add value to the product and service. It is in line with the concept of creating a “Livable community” in which the residents live together in harmony under “Togetherness, Care and Share” culture. The pilot project is Lumpini Park Pinklao.

“Lumpini Ville”



It is a mid-range brand developed from “Lumpini Place” for young professionals and middle-level managers with the age of not over 35 years old who look for convenience in transportation and private residence. The project is located in densely populated area and near work place and convenient facilities such as department stores, schools, etc. “Lumpini Ville” brand is thus an alternative for young people who want to live a life of their own while still maintaining a close bond with their family.

“Lumpini Megacity” and “Lumpini Mixx”



It is the brand for various groups of customers developed by the Company in 2011. “Lumpini Megacity Bangna” is a large-scale project situated on Bangna-Trad road near work place, expressways and convenient facilities such as Central Bangna, Mega Bangna and IKEA Thailand. The project comprises 4,000 condominium units in five residential buildings with 18, 28 and 29 stories in height. Since the price offered is affordable, the project has become immensely successful.

As for Lumpini Mixx, the pilot project is “Lumpini Mixx Teparak-Srinakarin”, which is situated in a high potential location with connections to major public transportation systems. There are no other residential condominium projects developed in the area so it is a blue-ocean location. The project is equipped with full convenient facilities.

“Lumpini Center” and “Lumpini CondoTown”

LUMPINI Center

LUMPINI CondoTown

ROM KLAO - SUVARNABHUMI

It is the lower-middle-range brand focusing on building a residence for a great quality of life of those who just start their career and are freelancers. The locations of the projects will be in the fringe of urban-outer area which is densely populated. This is a large group of people who are in need of a residence. It is the flagship of the residential condominium development of the Company in order to be the first quality home and the starting point for those who are about to start their lives and build a family.

“Lumpini Township”

LUMPINI Township

RANGSIT - KHLONG 1

It is the lower-end brand developed to create an opportunity of owning a home at the affordable price for the low-income target group. The “Livable Township” strategy is initiated and the first project developed on a 100-rai plot of land in Rangsit is “Lumpini Township Rangsit-Klong 1.” There are around 10,000 units with the size of 21.50-26.00 square meter. The project is fully equipped with convenient facilities such as recreational area, community mall and convenient stores to enhance the quality of life as well as great environment and society for the residents.

2. The Second Home as a Vacation Home

In addition to the development of urban residential condominiums, the Company has initiated the development of the second home as a vacation home for the customers. The pilot project is developed in Pattaya, Chonburi Province and Cha-am, Petchaburi Province.

“Lumpini ParkBeach”

LUMPINI PARK BEACH

CHA - AM

It is the upper-middle brand developed from “Lumpini Park” which combines the atmosphere of Suan Ruam Jai with the liveliness of the seaside atmosphere. The first project developed is “Lumpini ParkBeach Jomtien” on Jomtien Beach, Pattaya. All the condominium units in the projects are designed to face the ocean so the residents can enjoy the beautiful view. The price is also extremely affordable and the project is a convenient two hour drive from Bangkok. Moreover, community management service, which is the strength of the Company, is offered to the residents in Pattaya. Since the project is well-received, the Company has decided to develop another project of the same brand in Cha-am, Petchaburi Province in 2015.

“Lumpini Seaview Jomtien”

LUMPINI SEAVIEW

JOMTIEN

It is the brand in the mid-range for the working professionals with the age of not over 35 years old who would like to buy a vacation home by the beach. “Lumpini Seaview Jomtien,” is the first project developed in Pattaya, not far from “Lumpini ParkBeach Jomtien” which is the first resort condominium of the Company. It is designed as an affordable vacation home for the customers in the middle-income range who are the target customers of the Company. The residents of the project can enjoy panoramic view of the ocean. The project is managed under the “Livable Community” concept. Various services are provided for the convenience of the residents.

Pornsanti Co., Ltd. (PST) is the developer of horizontal real estate projects such as single house, townhouse and commercial building. The company is also responsible for the management of commercial property for rent i.e. commercial unit in residential condominium projects as well as shops in community malls. It supports the total solution service policy which aims to provide convenience in daily life of the residents. Apart from adding value to the projects, properties for rent also create recurring income for the Company.

Service Business

It is the policy of the Company to provide after-sale service to the customers in all projects. Three subsidiary companies are established to provide services related to property development as follows:

1. **Lumpini Property Management Co., Ltd. (LPP)** provides after-sale services to the customers as follows:



Community management

focuses on the value of service delivered after the project is handed over to the customers via “Livable Community” strategy which is developed into “Livable Community For All” strategy. It is to uphold the reputation and values of the projects developed by the Company. Professional community management team and condominium juristic person committee will manage the property, budget, quality of life, environment and safety of the residents in the project under F-B-L-E-S+P strategy. In 2017, the company will also provide community management service to external communities as well.



Residential property for rent

focuses on managing residential condominium units that the buyers (investors) wish to rent out or sell. The renters are also carefully selected to ensure the quality of life and safety of all the residents in the community.



Parking space management

focuses on managing parking space in large-scale office buildings that have a large number of parking spaces and are assets of the Company. It also provides services on rental, parking fee collection and maintenance for the convenience and safety of the customers and visitors.

2. **Lumpini Project Management Service Co., Ltd. (LPS)** provides project management and construction service to the Company and subsidiary companies. The company is supported by more than 20 companies in LPN Team. In 2017, the business base is expanded to include provision of construction management service to external organizations. The emphasis is put on construction management in order to deliver product values to customers as well as costs control and management, speed of completion, environmental responsibility and safety of construction workers and related parties under “Q-C-S-E-S+P” strategy.
3. **Lumpini Property Service and Care Co., Ltd. (LPC)** provides full services in community including cleaning and reception service. In 2017, the company will not only provide services to the projects developed by the Company but also to external parties. The recruitment will be done among underprivileged women, persons with disabilities and elderly people. The company is aiming to become a social enterprise.
4. **Lumpini Wisdom and Solution Co., Ltd. (LWS)** is responsible for providing product research and development services to the Company and subsidiary companies. The company also provides consultation and research services on green operation, sustainable development and Building Information Modeling (B.I.M.) to the Company and other domestic and international organizations outside LPN Group.

Marketing and Competition

Marketing of Products and Services

1. Marketing Strategy

Apart from focusing on the ability to compete in the market, the Company also emphasizes the marketing strategy which is different from project to project on various aspects as follows:

- **Research:** The Company establishes a guideline and direction of project management, chooses a location and analyzes target group of customers through survey and data collection so that the products can be released into the market properly. Moreover, after the residents have already moved in, the information on the residents living in various projects is compiled. Their lifestyle and needs will be analyzed to develop a product and service that match the customers' needs.
- **Selling Price Establishment:** The basic factor for selling price establishment is the selling price of the competitors' projects located in the same neighborhood in the market. Also, the Company gives importance to the direct and indirect project costs control which is another variable that allows the Company to establish appropriate selling price while also maintaining the planned returns of investment even in severe competitive situation.
- **Marketing Communication:** The Company will survey the market and analyze competitors before establishing a market communication plan to communicate with target customers. The Company focuses on communicating, advertising and promoting the projects directly to the target group of customers who have dispersed around the project area. Customers who used to visit the projects are also communicated to via big and small advertisement billboards and direct mails. Special offers are also available to motivate the customers to reserve to buy a condominium unit at the launching event. The marketing communication of the Company has always been effective and enables the Company to maintain very low marketing expenses which is around only 1% of the income from sales.
- **Customers' Experience Management:** In order to provide services to the customers, the Company designs the standard of the touch points to impress the customers and create impressive experiences. Any recommendations or complaints of customers will be responded to. Activities will also be organized on a regular basis to build relationship with customers. All of the above have built confidence in the brand and enabled the customers to proudly make a referral to others. The success of this strategy can be seen from the sale of new projects launched, most of which is a result of referral which has been increasing every year. On average, 50% of the sale volume of a project is from referral.
- **Organizational Image Management Through Brand Communication:** The Company has analyzed and searched

for the identity of "Lumpini" brand. From a study conducted with all groups of stakeholders, it is found that the true identity of the brand is the "Real Pleasure of Living." Brand communication strategy has continuously been planned. As a result of the implementation of "Livable Community" strategy, later developed into "Livable Community For All" strategy, which focuses on the quality of life of the residents of all age groups in great society and environment and "Togetherness, Care and Share" culture of living as well as the delivery of product and service values, the target customers have a strong confidence in "Lumpini" brand. The projects developed by the Company have always been well-received in terms of the sales volume.

2. Marketing

The marketing, marketing communication and marketing activities have been in place especially during the opening of new projects when there is the highest number of customers visiting the projects. Marketing activities include:

- **Direct Mail and SMS:** When new projects are launched, the Company will send out a direct mail and SMS to the customers to promote the projects and offer special discount on the project opening day. Interested customers can contact the Sales Department or visit the show units at the projects as stated in the direct mail.
- **Advertisement and Promotion:** The advertisement and promotion are done through various media with the emphasis on the area surrounding the project, department stores, internet, text messages, billboards and magazines. The Company will select highly efficient media which directly reaches the target group.
- **Exhibition Booth:** It is the proactive approach to public relations with the focus on having an exhibition booth at department stores close to the project location and business center or at the House and Condo Show which is organized annually in order to reach the target group of the projects.
- **Online Media:** Internet, mobile applications, social media and online marketing tools are new channels for marketing which has been widely accepted by the consumers as the channel which is able to directly reach the consumers 24 hours a day with low cost in comparison to other marketing media. The Company has developed online media as a channel to communicate project information and progress to the customers in a timely and convenient manner.
- **Special Offer:** Special offer is available to customers who reserve to buy condominium units at the opening of the project such as special price which is offered only on the opening day or free furniture, kitchen set or air-conditioners, etc.



3. Target Group of Customers

The target group of customers of the Company is the people who are looking for a residence that is conveniently located in a densely populated area, not far from transportation system or expressways and equipped with convenient facilities. It includes the people of all age groups i.e. children, young people, working people and the elderly who are middle to low-income earners and are currently live in a rented house, apartment or live with their parents but wish to have a place of their own to build a new family. From 2011, the Company has developed new projects to serve the needs of the customers in the middle to low-income group who are looking for a vacation home by the beach or with an ocean view. The projects are developed in Pattaya and Cha-am.

4. Customer Characteristics

The customers are categorized by the characteristics and purpose of buying/renting as follows:

- **Customers by Characteristics**

1. **Suspects:** are the target customers who have never visited any projects but the Company has their contact information and is able to contact them.
2. **Prospects:** are the target customers who have visited the projects developed by the Company and the Company has their contact information.
3. **Customers:** are the customers who have already reserved to buy a condominium unit.
4. **Co-owners:** are the customers who have already transferred the ownership of a condominium unit and become a joint owner.

- **Real Estate Project Buyer** The customers in this group are individuals who buy condominium unit mainly for residential purpose. At present, the number of customer base in this group is more than 100,000 people, some of whom are from referral as a result of trust in “Lumpini” brand. According to the data collection of the Research and Development Department, the customers can be categorized by the buying objectives and behaviors into six groups as follows:

1. Group of buyers for their first home - who are at the start of their career and in need of owning a quality residence with reasonable price.
2. Group of buyers for their second home - who needs a residence located in the business center to save traveling expenses and time.
3. Group of buyers for expansion of their family - who own a business near the project location and look for a residence which is nearby or who are looking to expand the family of their children in the future.
4. Group of buyers for their children - who look to buy a condominium that is close to an education institution that their children are going to.
5. Group of buyers for investment - who want to make a long-term investment in a property. This could be in the form of buying a condominium to rent it out because the projects of the Company are in good locations and the return of investment rate of rental is higher than the interest rate.
6. Group of profit speculators - who want to make a short-term investment. They could be customers who are paying installments for down payment or those who are selling the condominium units before the ownership is transferred.

- **Real Estate Lessees** Real estate lessees can be divided into two groups as follows:
 1. Rental for Residential Purposes: The majority of this group of customers is Thai and foreign high-ranking executives with high income level who are looking for a residence not far from work. Projects of the Company can respond well to the needs of this group of customers.
 2. Rental for Commercial Purposes: This group of customers runs a variety of business in the Company's condominiums. The Company aims to build a network of retail business in the condominiums in order to provide full services to customers as well as expand to other sources of income than that from sale.
- **Real Estate Service Receivers** The service received is community management which is operated by Lumpini Property Management Co., Ltd. The communities managed will only be those fully developed by the Company in order to build a positive image of the Company. It is also a strategy to create uniqueness in terms of service.

5. Sale and Sale Channel

The selling method of the Company is direct sale by the Sales Team of the Company which comprises salespersons who are experienced and have very good knowledge and understandings of the products and services of the Company. The team will provide information and recommendations for customers for their decision. The staff of other departments such as Accounting Department and Administrative Department can also act as salespersons during the launch of new projects as they are regularly trained about the product and basic sale technique.

Moreover, the Company gives importance to the decoration of the sale office which is the main channel of sale, as well as the presentation of the show unit and the site to create a good impression and confidence in visitors.

6. Status and Ability to Compete

At present, the real estate business has become more competitive both for horizontal and high-rise projects. Apart from major business operators listed in the Stock Exchange of Thailand, other operators also start gaining increasing share in the property market. However, the strategy of the Company is to specifically focus on the middle to upper-middle income group of customers who are in need of buying the first home. Community management under “Livable Community” strategy is the force that is driving the organization forward. Also, it is the policy of the Company to build a home at the affordable price for the customers. Therefore, the Company remains one of the major business operators, commanding the market share of almost 13%.

Furthermore, the customer base of the Company has been expanded to create opportunity for growth. The location of project development is expanded from central business district to the fringe of outer-urban area such as Rangsit and other provinces. The Company increases its ability to compete to maintain the market share by:

- **Being a Leader in Cost:** Cost Leadership is the strength of the Company. The executives of the Company comprise experienced architects and engineers who deeply understand cost issues. The business alliances have been working with the Company for so long that they understand the direction and share the same goal of ensuring the efficiency of construction. The construction of a large number of projects is completed in a timely and efficient manner. All of these factors lead to new innovations which are unique to the Company.
- **Building Product Differentiation:** To ensure utmost customer satisfaction, the Company chooses to differentiate its products by designing the products under “LPN Design” concept which focuses on the design of small scale condominium units to be fully equipped with facilities and able to respond to the lifestyles of the residents. Such condominium units need low maintenance and have good ventilation system. These are the innovation of condominium design which has continuously been researched and developed and become the model for the products of other companies. The Company also build a differentiation in terms of services with the emphasis on the after sale service i.e. community management under “Livable Community” strategy which is developed into “Livable Community For All” strategy and focuses on the quality of life of the residents of all age groups.

1. Provision of Products and Services

The main products of the Company in 2017 are residential condominiums for the target group in the middle to uppermiddle income range who are in need of quality residence with reasonable price which is safe, equipped with facilities and locates near public transportation system or expressways. In order to respond to the competitive situation of the market, laws and changing costs, the Company has established a project development guideline and processes as follows:

- **Survey the demands in the market in various locations** both in Bangkok and peripheral areas as well as in provinces with high economic growth rate. The information received from the survey will be used to decide project locations in order to expand the customer base and locations of projects. The market situation, competitors, demand and supply and economic and social situations at the time will also be surveyed.
- **Analyze the project**, plan marketing goal, consider to purchase a land and analyze the location, shape, size, surroundings, regulations of the government which can affect the project as well as competitors to decide the characteristics, size, development process and product value of the project based on the returns of investment, the suitability of the location and the format of project development.
- **Plan and design the project to be in line with the survey result** by selecting quality architects and project consultants who understand the concept of the Company. The architects and engineers are very important since their performance will directly affect the costs especially indirect costs such as the sale space to land ratio which reflects the efficiency in design. Indirect cost control is one of the cost leadership strategies of the Company to maintain its ability to compete in the market.
- **Produce project development plan, financial plan, project financing plan**, sale management and marketing plan as well as community management after handover plan.
- **Prepare the team and decide manpower** for the management of the project i.e. sale team, construction team, ownership transfer and handover team and community management team.
- **Manage sale and marketing work** as follows:
 - Planning of sale i.e. sale price establishment, planning of customer payment and provision of sources of loan

during the ownership transfer period by considering the financial institution which offers highest benefit to the customers, sale target set up and sale team training.

- Preparation of marketing plan i.e. advertisement and promotion plan to reach the target group, production of sale materials, schedule and sale opening process.
- **Manage construction work with the following stages:**
 - Coordinate with and provide project information to all stakeholders i.e. government agencies and especially neighboring communities who will be directly affected by the development.
 - Prepare the Environmental Impact Assessment report for the approval of the Office of Natural Resources and Environmental Policy and Planning and seek approval for the construction from related departments respectively.
 - Prepare the construction plan and select a contractor. The construction period up to the project launch is limited to 18 months for high-rise buildings and 12 months for the buildings that are not higher than eight stories in height. The Company has developed the construction system and technique and used readymade materials. A subsidiary company is responsible for managing and controlling all process of the construction according to the roles and responsibilities assigned.
 - Report project progress to customers on a regular basis.
- **Assess and follow-up the sale result** and profits of the project by producing a summary report as an information and case study for the next project of the Company.
- **Manage the community after the handover** under “Livable Community For All” strategy with an aim to create a good quality of life for the residents and be responsible for the environment and society.

2. Production Capacity and Volume

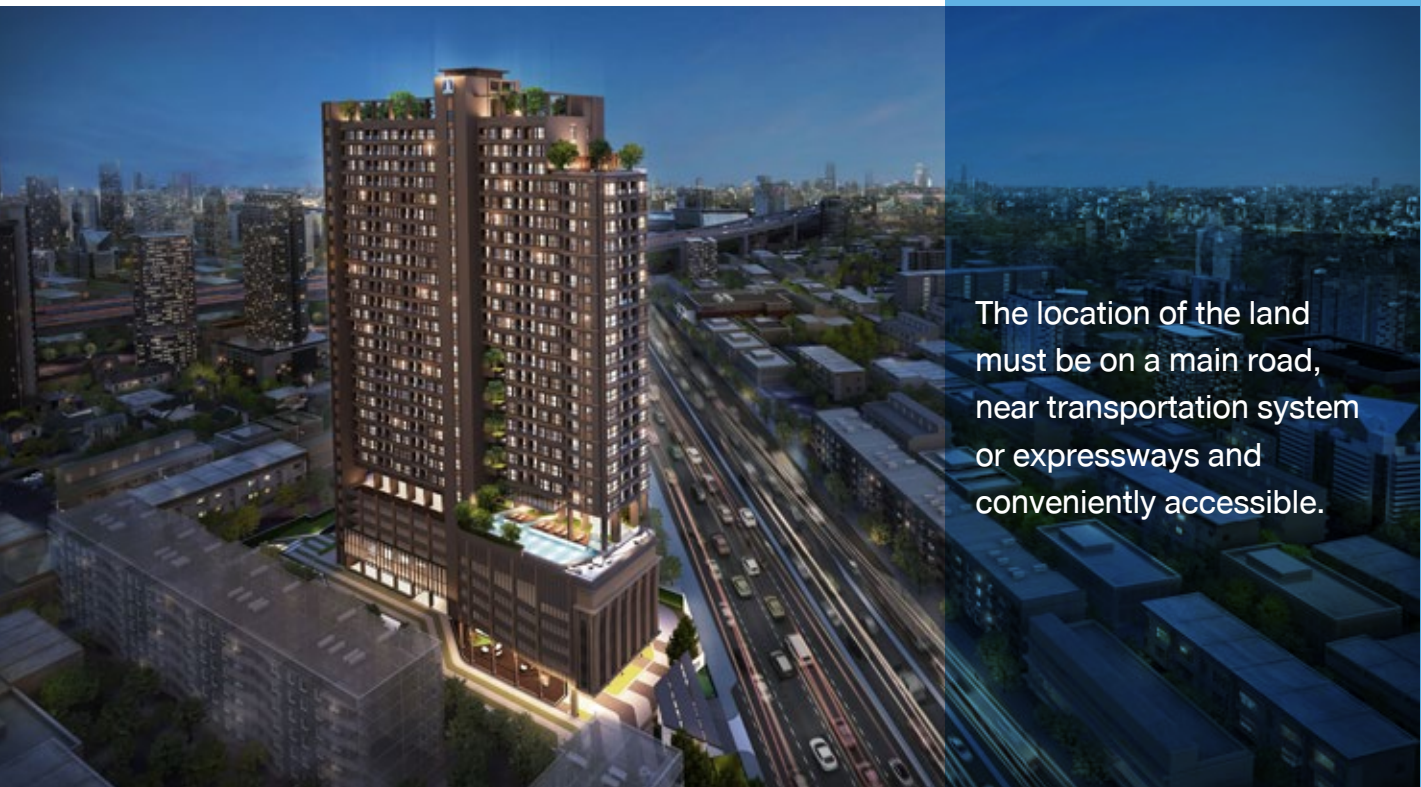
The Company does not have the production capacity and volume directly but hires construction contractors who are business alliances and have been working closely with the Company (they are referred to as LPN Team) with experiences appropriate for each project to carry on the construction work. A subsidiary company is responsible for managing and controlling construction work closely and arranging an auction and a price investigation to decide a proper cost of the construction. A construction package deal

including materials and wage will be agreed to reduce the risk of the cost fluctuation in construction materials and supplies. In addition, the policy of the Company is not to depend only on one contractor but will arrange separate auctions for each type of work such as foundation piles, structure, ceilings, windows, aluminum and electricity and water supply system to reduce risks and indirect costs. All contractors will coordinate with each other for speedy and quality construction. The main contractor and subsidiary company will be the coordinators of all the works. In some cases, the Company will purchase some materials directly such as elevators which have high purchase volume and require services from the seller directly. The process above has been followed efficiently both in terms of costs and timing as a result of the strengths and reliability of the alliances (LPN Team). This is considered to be the competitive advantage of the Company.

3. Provision of Raw Materials

The Company hires construction contractors who are business alliances of the Company with experiences appropriate for each project to carry on the construction. A construction package deal including materials and wage will be agreed to reduce the risk of the cost fluctuation in construction materials and supplies. However, the land for project development is the most important raw material. The Company determines the following factors as criteria for the provision of a plot of land to be developed:

- **The location of the land** must be in densely populated area on a main road, equipped with full facilities, near workplace or large scale communities, near transportation system or expressways and conveniently accessible.
- **The width and shape of land** must be suitable and in line with the Building Control Act for the best use of the land. It also has to be in accordance with the land use regulations.
- **Land price** must not be higher than 30% of the project costs so that the Company would be able to maintain the selling price and return of investment to be in accordance with the policy and competitive strategy of the Company.
- **The provision of land is also done by publishing an announcement on the Company's website to directly contact the owner of the land or through a broker or offering to buy from a financial institutions and Thai Asset Management Cooperation (TAMC).** The Company establishes a Department to be directly responsible for seeking and checking land qualifications. The Company will inform the Stock Exchange of Thailand when a land is purchased to ensure transparency. Land appraisal will be done by an independent appraiser to double check the price of the land. The value of all plots of land the Company purchases is lower than the appraised value.



The location of the land must be on a main road, near transportation system or expressways and conveniently accessible.

Details of completed projects

Details of Completed Projects Information as of 31 December 2017

Details of Completed Projects of L.P.N. Development Public Co., Ltd.

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
Residential condominium							
1	Lumpini Place (Soi Kraisi)	1-3-26.00	19	1	34	408.00	1991-1994
2	Siphaya Riverview	2-0-16.60	31	1	310	1,100.00	1994-1998
3	Lumpini Center Building A-H	12-2-26.00	7, 8	20	1,765	857.00	1999-2002
4	Lumpini Place Sathorn Building A-D	3-2-52.60	9	4	603	726.00	2001-2002
5	Lumpini Residence Sathorn	0-1-99.00	9	1	37	95.00	2002-2003
6	Lumpini Center Ladprao 111 Building A-G	6-2-17.00	8	7	856	663.00	2002-2004
7	Lumpini Place Suanplu-Sathorn	2-2-22.50	9	2	281	372.00	2002-2003
8	Lumpini Place Rama 4-Sathorn	2-0-38.00	9	2	231	405.00	2002-2003
9	Lumpini Place Narathiwas 24	2-0-25.00	9	2	190	353.00	2002-2003
10	Lumpini Ville Mary-Sathorn	2-3-65.00	9	2	300	457.00	2003-2004
11	Lumpini Place Rama 3-Charoenkrung	2-3-79.00	9	2	312	485.00	2003-2004
12	Lumpini Place Narathiwatrachanakarin	2-2-11.20	9	2	233	481.00	2003-2004
13	Lumpini Suite Sukhumvit 41	1-2-78.00	9	2	159	486.00	2003-2004
14	Lumpini Place Rama 3-Riverview	3-0-65.10	19	1	497	1,031.00	2004-2005
15	Lumpini Center Sukhumvit 77	6-2-30.20	9	5	872	898.00	2004-2005
16	Lumpini Ville Phahol-Sutthisarn	5-0-76.90	21	2	861	1,408.00	2004-2005
17	Lumpini Center Nawamin	3-2-65.70	8	3	442	389.00	2005-2006
18	Lumpini Ville Sukhumvit 77	4-3-29.80	23	3	987	1,561.00	2004-2006
19	Lumpini Place Pinklao	3-0-33.00	22	1	580	1,107.00	2005-2006
20	Lumpini Ville Thailand Cultural Center	12-2-63.00	8	9	1,324	1,956.00	2005-2006
21	Lumpini Place Narathiwat-Chaophraya	9-0-72.00	29	3	1,306	3,598.00	2005-2007
22	Lumpini Place Pahol-Saphankwai	7-1-68.00	29	2	1,093	2,237.00	2006-2007
23	Lumpini Place Pinklao 2	3-3-83.30	26	1	651	1,138.00	2006-2007
24	Lumpini Place Ratchada-Thaphra	6-2-26.00	29, 4	3	898	1,650.00	2006-2008
25	Lumpini Ville Ramkhamhaeng 44	4-2-56.00	23	2	827	1,304.00	2006-2008
26	Lumpini CondoTown Bodindecha-Ramkhamhaeng	32-3-28.00	8	14	3,445	3,074.00	2007-2008
27	Lumpini CondoTown Ramindra-Laksi	13-0-40.00	8	7	1,568	1,272.00	2007-2008
28	Lumpini Ville Ramindra-Laksi	7-2-58.30	14	1	1,271	1,388.00	2007-2008
29	Lumpini Ville Prachachuen-Phongphet	7-3-83.80	19	2	958	1,360.00	2007-2009
30	Lumpini CondoTown Rattanaibes	19-0-59.10	8	8	1,944	1,796.00	2007-2009
31	Lumpini Suite Pinklao	3-1-67.00	21	1	547	1,353.00	2007-2009
32	Lumpini Ville Ramkhamhaeng 26	10-2-74.00	8	5	998	1,388.00	2008-2009
33	Lumpini Place Rama 8	9-3-4.40	13	2	1,131	1,956.00	2008-2009
34	Lumpini Suite Rama 8	1-3-55.90	12	1	182	518.00	2008-2009

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
35	Lumpini Place Ramindra-Laksi	4-1-96.30	14	1	516	925.00	2009-2009
36	Lumpini Place Rama 9-Ratchada Phase 1	6-0-19.00	25, 30	2	1,165	2,910.00	2008-2010
37	Lumpini Ville Bangkhae	1-2-68.00	22	1	271	318.00	2009-2010
38	Lumpini Ville Rasburana-Riverview	5-0-38.80	29, 31	2	1,028	1,317.00	2009-2010
39	Lumpini CondoTown Nawamin-Ramindra Building A, B	6-1-51.58	25	2	1,120	1,028.00	2009-2010
40	Lumpini CondoTown Bangkhae	7-3-94.00	8	4	795	702.00	2010-2010
41	Lumpini CondoTown Nawamin-Ramindra Building C	3-1-29.50	25	1	739	732.00	2009-2010
42	Lumpini Ville Ladprao-Chokchai 4	7-1-70.00	18	2	1,026	1,438.00	2009-2010
43	Lumpini Place Rama 9-Ratchada Phase 2	5-0-95.00	29, 24	2	1,165	2,649.00	2009-2010
44	Lumpini CondoTown Nawamin-Ramindra Building D	3-3-5.00	24	1	709	576.00	2010-2011
45	Lumpini Park Pinklao	12-0-11.20	30	2	2,702	3,793.00	2009-2011
46	Lumpini Place Rama4-Kluaynamthai	4-1-4.00	26	1	887	1,580.00	2010-2011
47	Lumpini Place Ratchayothin	15-1-78.00	20	4	1,827	3,217.00	2010-2011
48	Lumpini CondoTown Nida-Serithai	6-2-00.00	5, 8	4	598	472.00	2011-2012
49	Lumpini Ville Lasalle-Bearing	7-1-58.00	15, 20	4	1,032	927.00	2011-2012
50	Lumpini CondoTown Nida-Serithai 2	7-2-46.50	5, 8	6	696	590.00	2011-2012
51	Lumpini Park Riverside-Rama 3	14-1-42.10	3, 5, 36	4	2,405	5,963.00	2010-2012
52	Lumpini Ville Pibulsongkram-Riverview	3-1-41.70	27	1	768	952.00	2011-2012
53	Lumpini Ville Pattanakarn-New Petchaburi	13-2-96.80	8	7	1,489	1,761.00	2011-2012
54	Lumpini Ville Chaengwattana-Pakkred	6-0-75.00	32	1	1,622	1,754.00	2011-2012
55	Lumpini CondoTown North Pattaya-Sukhumvit	7-0-66.80	32	2	1,448	1,305.00	2011-2012
56	Lumpini CondoTown Ramindra-Ladplakao	9-3-46.40	8	4	1,035	1,046.00	2011-2012
57	Lumpini Ville Sukhumvit 109-Bearing	6-2-0.00	8	4	742	952.00	2011-2013
58	Lumpini Megacity Bangna	17-2-29.00	18, 28, 29	5	4,046	4,466.00	2011-2013
59	Lumpini ParkBeach Jomtien	*19-1-33.00	30	1	1,846	4,254.00	2011-2013
60	Lumpini Ville Naklua-Wongamart	12-2-65.90	20, 28, 30	3	2,168	2,914.00	2011-2013
61	Lumpini Ville Sukhumvit 77 (2)	6-1-46.00	16, 18	4	956	1,197.00	2012-2013
62	Lumpini CondoTown Chonburi-Sukhumvit	37-2-25.00	8	19	4,101	2,743.00	2012-2013
63	Lumpini Ville Ramkhamhaeng 60/2	8-0-89.40	15, 25	3	1,212	1,503.00	2012-2013
64	Lumpini Condotoon Ramindra-Ladplakao 2	4-3-78.00	8	2	532	563.00	2013-2014
65	Lumpini Ville Onnut-Ladkrabang	11-3-40.00	8	4	1,118	1,091.00	2013-2014
66	Lumpini Ville Prachachuen-Pongphet 2	10-0-80.70	32	2	1,395	2,027.00	2011-2014
67	Lumpini Ville Onnut 46	14-2-30.90	8	7	1,450	1,436.00	2014-2014
68	Lumpini Ville Onnut-Pattanakarn	15-3-0.00	8	7	1,594	1,948.00	2014-2014
69	Lumpini Seaview Jomtien	*19-1-33.00	30	1	1,154	1,303.00	2014-2014
70	Lumpini Place Udon-Posri	13-1-53.50	14	3	1,370	2,114.00	2013-2014
71	Lumpini Place Suksawasdi-Rama 2	4-0-18.00	32	1	750	1,100.00	2013-2015
72	Lumpini Place Srinakarin-Huamark Station	7-1-77.00	25	1	1,613	3,000.00	2013-2015
73	Lumpini Park Rattanaibbes-Ngarmwongwam	14-2-75.60	29, 30	5	2,826	4,000.00	2012-2015

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
74	Lumpini Park Rama 9-Ratchada	9-3-90.30	24	1	1,540	2,600.00	2013-2015
75	Lumpini Ville Onnut-Ladkrabang 2	10-3-69.00	8	4	1,043	1,100.00	2014-2015
76	Lumpini Township Rangsit-Klong 1 (Phase 1)	*89-1-10.70	8	16	3,472	2,400.00	2013-2015
77	Lumpini Place Borom Ratchachonni-Pinklao	6-1-0.00	25	1	992	1,660.00	2014-2015
78	Lumpini CondoTown Romklao-Suvarnabhumi	18-1-82.00	8	7	1,959	1,564.00	2014-2016
79	Lumpini Park Nawamin-Si Burapha	15-1-61.40	15	7	1,831	2,248.00	2014-2016
80	Lumpini ParkBeach Cha-am	15-2-95.00	4	10	413	1,091.00	2015-2016
81	The Lumpini 24	3-0-96.70	8, 46	2	436	3,175.00	2013-2016
82	Lumpini Township Rangsit-Klong 1 (Phase 2)	*89-1-10.70	8	18	3,674	2,748.00	2016-2016
83	Lumpini Park Petchakasem 98 (Phase 1)	*19-0-79.50	20, 21	2	1,352	1,850.00	2014-2016
84	Lumpini Ville Nakhon In Riverview	8-0-51.00	26	1	1,544	2,078.00	2015-2016
85	Lumpini Mixx Thepharak-Srinakarin	22-2-53.00	8	7	2,041	1,893.00	2015-2016
86	Lumpini Ville Sukhumvit 76-Bearing Station	8-2-70.00	8	4	895	1,100.00	2015-2017
87	Lumpini Ville Ratchaphruek-Bang Waek	11-1-87.00	8	5	1,085	1,300.00	2016-2017
88	Lumpini Seaview Cha-Am (Building B)	*7-1-81.00	20	1	453	570.00	2016-2017
89	Lumpini Place Bang Na Km.3	5-3-10.5	8	3	609	1,000.00	2017-2017

* Combined size of all phases

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
Office building							
1	Lumpini Tower	2-3-33.00	38	1	113	2,118.00	1989-1992
2	L.P.N. Tower	1-2-42.00	18	1	76	564.00	1989-1992
3	L.P.N. Mini Office	0-0-90.00	7	1	1	29.00	1994-1994
Horizontal building							
1	Ban Lumpini Bang Bua Tong (townhouse)	36-1-31.20	-	-	704	725.00	1994-1996
2	Ban Lumpini 2 Bang Bua Tong (commercial building)	2-1-84.90	-	-	35	97.00	1997-1999
3	Lumpini Center (commercial building)	1-1-81.20	-	-	23	62.00	1999-2000

Details of Completed Projects of Pornsanti Co., Ltd.

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
Residential condominium							
1	P.S.T. Condoville Tower 1, 2	6-2-78.70	22	2	1,548	1,944.00	1990-1994
2	P.S.T. Cityhome	4-1-34.20	29	1	764	1,480.00	1994-1999

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
Office building							
1	P.S.T. Mini Office	4-1-35.00	7	5	10	131.00	1992-1993
2	Commercial Building Phahol-Sutthisarn 2	0-1-87.00	5	1	1	44.00	2009-2010
3	Home Office Pinklao	0-1-58.00	4	1	1	36.00	2010-2011

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
Horizontal building							
1	Commercial Building Cultural Center	0-1-50.00	-	-	5	41.00	2007-2007
2	Commercial Building Nawamin	0-0-34.30	-	-	1	12.00	2007-2007
3	Townhome Ramindra-Laksi	0-0-82.00	-	-	4	16.46	2008-2009
4	Commercial Building Phahol-Sutthisarn 1	0-0-49.00	4	1	1	10.00	2009-2010
5	Lumpini Town Place Ratchayothin-Sena	6-3-39.00	3	-	71	375.00	2011-2012
6	Lumpini Town Residence Ladprao Station	4-0-79.40	3	-	46	423.00	2011-2012
7	Lumpini Town Place Sukhumvit 62	9-0-22.00	3	-	73	470.00	2013-2014
8	Lumpini TownVille Srinakarin-Bearing	7-2-61.00	3	-	93	340.00	2013-2014
9	Lumpini Town Residence Bangna-Srinakarin	4-1-60.00	3	-	27	220.00	2013-2014

Details of Current Projects Information as of 31 December 2017

Details of Current Projects Under Development (L.P.N)

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Buildings	Number of Units	Project Value (million THB)	Development and Construction
Residential condominium							
1	Lumpini Ville Rasburana-Riverview 2	6-1-82	8	4	696	900.00	2017-2018
2	Lumpini ParkBeach Cha-Am 2	4-1-26	4	4	124	430.00	2017-2018
3	Lumpini Park Phetkasem 98 (Phase 2)	*19-0-79.50	20, 21	1	1,354	1,850.00	2016-2018
4	Lumpini Ville Phra Nang Klao - Riverview	9-2-52.5	8	4	905	1,000.00	2017-2018
5	Lumpini Suite Phetchaburi - Makkasan	3-0-71.1	35	1	636	2,700.00	2017-2018
6	Lumpini Suite Din Daeng - Ratchaprarop	2-2-25.5	30	1	491	1,750.00	2017-2018
7	The Selected Kaset-Ngamwongwan	2-3-5.58	20	1	307	1,000.00	2017-2018
8	Lumpini Park Phahon 32	4-0-11.2	30	1	546	2,000.00	2017-2019
9	Lumpini Place Ratchada-Sathu	2-2-26.1	35	1	543	1,500.00	2017-2019
10	Lumpini Place Rama3 - Riverine	3-2-43.2	35	1	719	1,700.00	2017-2019

* Combined size of all phases

Details of Current Projects Under Development (Pornsanti)

No,	Project	Size (rai-ngarn-wa)	Height (Floor)	Number of Units	Project Value (million THB)	Development and Construction
Horizontal building						
1	Baan Lumpini Suanluang Rama 9 (Phase 1)	10-0-70.25	3	38	437.00	2013-2016
	Baan Lumpini Suanluang Rama 9 (Phase 2)	9-0-69.12	2, 3	37	420.00	2016-2017
	Baan Lumpini Suanluang Rama 9 (Phase 3)	6-2-63.63	2	29	283.00	2017-2018
2	Baan Lumpini Townville Suksawasdi-Rama 2	14-0-42.90	2	143	472.00	2014-2016
3	Baan Lumpini Townville Chaengwattana-Tiwanon	10-1-94.50	2	122	300.00	2015-2016
4	Baan Lumpini Townville Permsin-Watcharapol (Phase 1)	10-2-22.68	2	130	332.00	2015-2017
	Baan Lumpini Townville Permsin-Watcharapol (Phase 2)	10-2-4.92	2	125	329.00	2017-2019
5	Baan Lumpini Townville Ratchapruek-Nakornin	12-1-68.1	2	142	372.00	2015-2017
6	Baan Lumpini Townville Rangsit-Klong 2 (Phase 1)	9-2-85.96	2	134	241.00	2016-2018
7	Baan Lumpini Townville Ratchapruek-Pinklao (Phase 1)	6-1-7.82	2	66	176.00	2017-2018
8	Baan Lumpini Townville Ladpladuk-Bangpai Station (Phase 1)	8-1-69.15	2	111	223.00	2017-2018

Projects Pending Ownership Transfer Information as of 31 December 2017

No.	Completion Year	Project	Number of Units	Project Value (million THB)	Income Recognition	
					2018	2019
1	Before 2018	Other projects	483	582.90	582.90	
1	2018	Lumpini Ville Rasburana-Riverview 2	281	413.95	413.95	
2		Lumpini ParkBeach Cha-Am 2	13	60.58	60.58	
3		Lumpini Park Phetkasem 98 (Phase 2)	241	288.33	288.33	
4		Lumpini Ville Phra Nang Klao - Riverview	257	262.40	262.40	
5		Lumpini Suite Phetchaburi - Makkasan	539	2,364.46	2,364.46	
6		Lumpini Suite Din Daeng - Ratchaprarop	279	940.27	940.27	
7		The Selected Kaset-Ngamwongwan	305	956.29	956.29	
1	2019	Lumpini Park Phahon 32	86	295.87		295.87
2		Lumpini Place Ratchada-Sathu	303	897.31		897.31
3		Lumpini Place Rama3 - Riverine	136	328.79		328.79
			2,923	7,391.15	5,869.18	1,521.97

Assets Used in Business Operation

Significant Fixed Assets

No.	Assets L.P.N. Development Public Co., Ltd.	Location	Space (sq.m.)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets for Investment							
1	Lumpini Tower	Rama 4 Road	5,625.56	116.69	250.59	Market Price	TB, BAY, BBL
2	L.P.N. Tower	Ratchadapisek Road	799.56	14.14	55.71	Market Price	TB
3	Siphraja Riverview	Yotha Road	4,409.44	14.18	119.07	Market Price	-
4	Lumpini Place Sathorn	Narathiwasratchanakharin Road	184.14	6.56	10.80	Market Price	-
5	Lumpini Residence Sathorn	Narathiwasratchanakharin Road	2,238.55	65.39	104.12	Market Price	-
6	Lumpini Ville Sukhumvit 77	Onnut Road	176.81	4.67	9.23	Market Price	-
7	Lumpini Place Pinklao	Boromrajchonanee Road	36.95	1.53	2.38	Market Price	-
8	Lumpini Place Pinklao 2	Boromrajchonanee Road	311.13	10.90	20.22	Market Price	-
9	Lumpini Suite Pinklao	Boromrajchonanee Road	339.80	15.85	27.22	Market Price	-
10	Lumpini Park Pinklao	Boromrajchonanee Road	479.19	14.02	23.48	Market Price	-
11	Lumpini Ville Thailand Cultural Center	Pracha U-Thit Road	99.28	3.52	5.31	Market Price	-
12	Lumpini Place Narathiwas-Chaophraya	Rama 3 Road	614.16	24.59	35.76	Market Price	-
13	Lumpini Place Phahol-Saphan Kwai	Pradipat Road	120.52	4.17	8.64	Market Price	-
14	Lumpini Ville Ramkamhaeng 26	Ramkamhaeng Road	239.44	5.54	13.17	Market Price	-
15	Lumpini Ville Ramindra-Laksi	Ramindra Road	50.53	2.18	2.80	Market Price	-
16	Lumpini Place Ramindra-Laksi	Ramindra Road	258.92	9.34	14.24	Market Price	-
17	Lumpini CondoTown Rattanathibes	Rattanathibes Road	252.37	6.65	10.42	Market Price	-
18	Lumpini Suite Rama 8	Aroonamarin Road	230.92	8.81	13.97	Market Price	-
19	Lumpini Place Rama 8	Aroonamarin Road	204.51	5.83	8.82	Market Price	-
20	Lumpini CondoTown Bangkhae	Bangkhae Road	72.31	1.82	2.90	Market Price	-
21	Lumpini Ville Rasburana	Rasburana Road	487.32	14.32	23.39	Market Price	-
22	Lumpini Ville Ladprao-Chokchai 4	Ladprao Road	163.18	4.17	8.32	Market Price	-
23	Lumpini Place Ratchayothin	Paholyothin Road	97.79	4.91	6.83	Market Price	-
24	Lumpini Place Rama 4-Kluaynamthai	Rama 4 Road	173.74	6.83	11.32	Market Price	-
25	Lumpini Park Riverside-Rama 3	Rama 3 Road	200.91	5.85	14.07	Market Price	-
26	Lumpini CondoTown Nida-Serithai	Serithai Road	153.30	4.82	6.92	Market Price	-
27	Lumpini Ville Pattanakarn-New Petchaburi	Pattanakarn Road	476.39	16.23	33.52	Market Price	-
28	Lumpini Ville Pibulsongkram-Riverview	Pibulsongkram Road	88.91	3.38	5.07	Market Price	-
29	Lumpini Ville Chaengwattana-Pakkred	Chaengwattana Road	296.66	11.74	16.97	Market Price	-
30	Lumpini CondoTown Nida-Serithai 2	Serithai Road	149.91	5.71	8.28	Market Price	-
31	Lumpini CondoTown North Pattaya-Sukhumvit	Sukhumvit Road	193.05	6.45	9.11	Market Price	-
32	Lumpini CondoTown North Pattaya-Sukhumvit (Minimall)	Sukhumvit Road	935.16	34.48	44.83	Market Price	-
33	Lumpini Megacity Bangna	Bangna Road	445.59	15.73	24.47	Market Price	-
34	Lumpini Ville Naklua-Wongamart	Pattaya-Naklua Road	338.45	13.15	21.43	Market Price	-
35	Lumpini Ville Naklua-Wongamart (Minimall)	Pattaya-Naklua Road	509.00	15.64	30.77	Market Price	-
36	Lumpini Seaview Jomtien	Pattaya-Jomtien 2 Road	514.21	19.66	34.11	Market Price	-
37	Lumpini Ville Ramkamhaeng 60/2	Ramkamhaeng Road	305.06	11.92	18.17	Market Price	-

No.	Assets L.P.N. Development Public Co., Ltd.	Location	Space (sq.m.)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets for Investment							
38	Lumpini CondoTown Ramindra-Ladplakao	Ramindra-Ladplakao Road	168.86	6.36	9.31	Market Price	-
39	Lumpini Ville Sukhumvit 109-Bearing	Sukhumvit Road	245.26	8.84	13.52	Market Price	-
40	Lumpini Ville Sukhumvit 77 (2)	Sukhumvit 77 Road	118.76	3.94	6.54	Market Price	-
41	Lumpini Park Rattanathibes-Ngarmwongworn	Rattanathibes Road	324.28	14.63	21.10	Market Price	-
42	Lumpini CondoTown Chonburi-Sukhumvit	Bansuan, Muang District	582.88	15.89	21.94	Market Price	-
43	Lumpini Place Srinakarin-Huamark Station	Srinakarin Road	266.26	11.25	17.31	Market Price	-
44	Lumpini Ville Prachachuen-Pongpet 2	Prachachuen Road	261.94	9.73	15.74	Market Price	-
45	Lumpini Place Suksawasdi-Rama 2	Suksawasdi Road	397.09	16.52	24.51	Market Price	-
46	Lumpini Place UD-Posri	Makkaeng, Muang District	630.80	24.68	45.90	Market Price	-
47	Lumpini Place UD-Posri (Minimall)	Makkaeng, Muang District	6,901.00	227.56	260.53	Market Price	-
48	Lumpini Ville Onnut-Ladkrabang	Onnut-Ladkrabang Road	263.76	12.35	17.30	Market Price	-
49	Lumpini Township Rangsit-Klong 1	Rangsit-Nakhon Nayok Road	302.61	6.56	9.85	Market Price	-
50	Lumpini Township Rangsit-Klong 1, Building F	Rangsit-Nakhon Nayok Road	2,833.15	54.96	72.72	Market Price	-
51	Lumpini Township Rangsit-Klong 1 (Plaza) 1st-2nd Floor	Rangsit-Nakhon Nayok Road	8,867.00	196.28	275.50	Market Price	BAY
52	Lumpini CondoTown Ramindra-Ladplakao (2)	Ramindra-Ladplakao Road	197.03	7.72	11.04	Market Price	-
53	Lumpini Park Rama 9-Ratchada	Rama 9 Road	320.08	12.98	19.22	Market Price	-
54	Lumpini Ville Onnut 46	Onnut Road	305.5	10.14	15.25	Market Price	-
55	Lumpini Ville Onnut-Pattanakarn	Onnut Road	464.12	14.72	25.06	Market Price	-
56	Lumpini Park Petchakasem 98 (Commercial Building)	Petchakasem Road	1,134.90	85.06	80.50	Market Price	UOB
57	Lumpini Place Boromrajchonanee-Pinklao	Boromrajchonanee Road	307.83	11.46	17.24	Market Price	-
58	Lumpini CondoTown Romklao-Suvarnabhumi	Romklao Road	286.11	8.13	10.59	Market Price	-
59	Lumpini Ville Onnut-Ladkrabang 2	Onnut-Ladkrabang Road	155.29	5.23	6.99	Market Price	-
60	Lumpini Park Nawamin-Sriburapa	Nawamin Road	194.61	7.25	9.73	Market Price	-
61	Lumpini Ville Nakornin-Riverview	Saiwatnakornin Road	117.13	4.39	6.21	Market Price	-
62	Lumpini Mixx Teparak-Srinakarin	Srinakarin Road	135.58	4.61	6.24	Market Price	-
63	Lumpini Ville Sukhumvit 76-Bearing Station	Sukhumvit Road	134.43	4.62	6.73	Market Price	-
Total Assets for Investment				1,317.18	2,083.01		
Office Assets							
1	Lumpini Tower	Rama 4 Road	1,450.58	26.17	57.79	Market Price	TB, BAY
2	Commercial building in front of Lumpini CondoTown Chonburi-Sukhumvit project	Bansuan, Muang district	124.00	7.77	7.77	Market Price	-
3	Lumpini Township Rangsit-Klong 1 (Community mall) 3 rd floor	Rangsit- Nakhon Nayok Road	2,052.00	45.08	45.08	Market Price	-
4	Lumpini Township Rangsit-Klong 1 (Community mall) the front dome	Rangsit-Nakhon Nayok Road	336.00	6.97	6.97	Market Price	-
Total Assets for Investment				85.99	117.61		

No.	Assets L.P.N. Development Public Co., Ltd.	Location	Space (sq.m.)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets for Sale							
1	The Lumpini 24	Sukhumvit Road	1,474.77	157.07	306.97	Market Price	-
2	Lumpini Place Rama 8	Aroonamarin Road	26.61	0.87	1.15	Market Price	-
3	Lumpini Ville Naklua-Wongamart	Pattaya-Naklua Road	2,159.95	92.84	147.08	Market Price	-
4	Lumpini ParkBeach Jomtien	Pattaya-Jomtien 2 Road	5,581.95	275.60	502.89	Market Price	-
5	Lumpini Seaview Jomtien	Pattaya-Jomtien 2 Road	3,565.98	117.67	216.71	Market Price	-
6	Lumpini CondoTown Chonburi-Sukhumvit	Bansuan, Muang District	4,944.29	103.93	179.65	Market Price	-
7	Lumpini Place Srinakarin-Huamark Station	Srinakarin Road	123.98	5.50	8.06	Market Price	-
8	Lumpini Place UD-Posri	Makkaeng, Muang District	7,240.25	259.06	518.02	Market Price	-
9	Lumpini Seaview Cha-Am (Building B)	Cha-am District	4,321.07	158.72	267.21	Market Price	-
10	Lumpini Township Rangsit-Klong 1 (Phase 1, 2)	Rangsit-Nakhon Nayok Road	74,564.52	1,748.15	3,295.72	Market Price	-
11	Lumpini Ville Onnut 46	Onnut Road	34.62	1.23	1.65	Market Price	-
12	Lumpini Park Petchakasem 98 (A, B)	Petchakasem Road	2,159.20	80.26	152.79	Market Price	-
13	Lumpini CondoTown Romklao-Suvarnabhumi	Romklao Road	6,826.44	189.03	382.06	Market Price	-
14	Lumpini Ville Onnut-Ladkrabang 2	Ladkrabang Road	2,042.19	67.38	120.09	Market Price	-
15	Lumpini Park Nawamin-Sriburapa	Nawamin Road	157.08	5.74	8.99	Market Price	-
16	Lumpini Ville Nakornin-Riverview	Saiwatnakornin Road	15,906.62	593.45	1,140.07	Market Price	UOB
17	Lumpini Mixx Teparak-Srinakarin	Srinakarin Road	12,039.65	359.42	685.01	Market Price	-
18	Lumpini Ville Sukhumvit 76-Bearing Station	Sukhumvit Road	418.22	9.49	13.09	Market Price	-
19	Lumpini Ville Ratchaphruek-Bang Waek	Ratchaphruek Road	17,230.50	598.74	1,241.08	Market Price	-
20	Lumpini Place Bang Na Km.3	Bang Na Road	5,222.00	210.95	355.66	Market Price	-
Total Assets for Sale				5,035.09	9,543.96		
No.	Assets L.P.N. Development Public Co., Ltd.	Location	Space (rai-ngarn- sq.wa)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets under Development							
1	LumpiniPark Cha-Am 2	Cha-am District	4-1-26.00	305.69	305.69	Market Price	-
2	Lumpini Seaview Cha-Am (Building A)	Cha-am District	3-1-42.05	244.53	244.53	Market Price	-
3	Lumpini Township Rangsit-Klong 1 (Phase 3)	Rangsit-Nakhon Nayok Road	17-3-8.70	1,079.85	1,079.85	Market Price	-
4	Lumpini Park Petchakasem 98 (C,D)	Petchakasem Road	9-1-83.30	1,283.94	1,283.94	Market Price	-
5	Lumpini Ville Phra Nang Klao-Riverview	Rattana Thibet Road, Sai Ma District	9-2-52.50	612.48	612.48	Market Price	KBANK
6	Lumpini Suite Phetchaburi-Makkasan	Phetchaburi Road	3-0-71.10	916.53	916.53	Market Price	KTB
7	Lumpini Ville Rasburana-Riverview 2	Rasburana Road	6-1-82.00	597.81	597.81	Market Price	-
8	Lumpini Place Din Daeng	Din Daeng Road	2-2-25.50	629.00	629.00	Market Price	BBL
9	The Selected Kaset-Ngamwongwan By LPN	Kaset- Nawamin Road	2-3-55.80	372.54	372.54	Market Price	UOB
10	Lumpini Park Phahon 32	Phahonyothin Road	4-0-11.20	810.67	810.67	Market Price	BAY
11	Lumpini Place Ratchada-Sathu	Ratchadapisek Road	2-2-26.10	411.30	411.30	Market Price	KK

No.	Assets L.P.N. Development Public Co., Ltd.	Location	Space (rai-ngarn- sq.wa)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets under Development							
12	Lumpini Place Rama3 Riverrine	Rama 3 Road	24-0-56.80	1,721.33	1,721.33	Market Price	BAY
13	Baan 365	Rama 3 Road	1-2-71.00	63.89	63.89	Market Price	-
14	Lumpini Suksawasdi-Rama 2 (The land is not transferred the ownership. Only the deposit was paid.)	Suksawasdi Road	2-0-86.00	1.90	1.90	Market Price	-
15	LumpiniSutthisan (The land is not transferred the ownership. Only the deposit was paid.)	Sutthisan Road	1-3-55.00	0.02	0.02	Market Price	-
16	Lumpini Vibhavadi 3	Vibhavadi Road	8-3-94.00	1,155.07	1,155.07	Market Price	KK
Total Assets under Development				10,206.52	10,206.52		
Assets Pending Development							
1	Land in front of Lumpini Bangbuatong 3	Talingchan-Supanburi Road	7-2-38.20	165.11	165.11	Market Price	-
2	Land in front of Lumpini Place Sathorn	Narathiwasratchanakarin Road	2-3-13.40	241.72	241.72	Market Price	TB
3	Land in front of Lumpini Place Sathorn	Narathiwasratchanakarin Road	0-0-73.00	7.36	7.36	Market Price	-
4	Lumpini Park Rama 9-Ratchada	Rama 9 Road	0-3-34.30	45.91	45.91	Market Price	-
5	Lumpini Place Hua Hin Soi 7	Hua Hin Soi 7	4-0-11.20	139.03	139.03	Market Price	-
6	Lumpini CondoTown Romklao-Suvarnabhumi	Romklao Road	0-1-20.50	3.85	3.85	Market Price	-
7	Lumpini Ville Ratchaphruek-Bang Waek	Ratchaphruek Road	0-0-25.30	1.54	1.54	Market Price	-
8	Lumpini Ville Sukhumvit113	Sukhumvit Road	15-1-68.00	293.65	293.65	Market Price	-
Total Assets Pending Development				898.17	898.17		
Total Assets of L.P.N. Development Public Co., Ltd.							
				17,741.21	23,161.35		
No.	Assets Pornsanti Co., Ltd.	Location	Space (sq.m.)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Asset with leasehold right							
1	Lumpini Place Rama 4-Ratchadapisek	Ratchadapisek Road	4,992.50	198.26	312.07	Market Price	-
Total Asset with Leasehold Rights				198.26	312.07		
Assets for Investment							
1	P.S.T. Condoville Tower 1	Nonsi Road	278.45	0.63	3.48	Market Price	-
2	P.S.T. Condoville Tower 2	Nonsi Road	136.71	3.35	1.71	Market Price	-
3	P.S.T. City Home	Nonsi Road	11,637.89	61.68	120.60	Market Price	TB
Total Asset with Leasehold Rights				65.67	125.79		

No.	Assets Pornsanti Co., Ltd.	Location	Space (rai-ngarn- sq.wa)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets for Sale							
1	Lumpini Townplace Sukhumvit 62	Sukhumvit Road	30.30	7.50	8.50	Market Price	-
2	Baan Lumpini Suanluang Rama 9 (Phase 1, 2, 3)	Chalermprakit Road	1,416.90	174.16	254.20	Market Price	BBL
3	Baan Lumpini Town Residence Bangna-Srinakarin	Bangna Road	149.50	33.44	46.61	Market Price	KBANK
4	Baan Lumpini Townville Suksawasdi-Rama 2	Suksawasdi Road	392.40	41.55	72.51	Market Price	SCB
5	Baan Lumpini Townville Chaengwattana-Tiwanon	Sukaprachasawan 2 Road	319.80	30.42	39.08	Market Price	-
6	Baan Lumpini Townville Permsin-Watcharapol	Permsin Road	209.00	23.81	39.17	Market Price	KBANK
7	Baan Lumpini Townville Ratchapruet-Nakornin	Ratchapruet Road	283.10	25.25	37.74	Market Price	-
8	Baan Lumpini Townville Rangsit-Klong 2 (Phase 2)	Rangsit Road	954.30	78.17	115.13	Market Price	KTB
9	Baan Lumpini Townville Ladpladuk-Bangpai Station (Phase 1)	Bangsai- Banklongtasorn Road	504.20	42.90	63.73	Market Price	BAY
Total Assets for Sale				457.20	676.67		
No.	Assets Pornsanti Co., Ltd.	Location	Space (rai-ngarn- sq.wa)	Book Value (million THB)	Appraised Value (million THB)	Appraiser	Obligations
Assets Pending Development							
1	Baan Lumpini Townville Suksawasdi-Rama 2	Suksawasdi Road	1-1-40.70	34.41	34.41	Market Price	SCB
Total Assets Pending Development				34.41	34.41		
Assets under Development							
1	Baan Lumpini Suanluang Rama 9 (Phase 2, 3)	Chalermprakit Road	4-0-40.90	158.08	158.08	Market Price	BBL
2	Baan Lumpini Townville Permsin-Watcharapol	Permsin Road	6-0-24.20	144.94	144.94	Market Price	KBANK
3	Baan Lumpini Townville Takham-Rama 2	Takham Road	26-1-12.10	284.61	284.61	Market Price	BBL
4	Baan Lumpini Townville Rangsit-Klong 2 (Phase 2)	Rangsit- Nakhon Nayok Road	9-1-83.04	112.42	112.42	Market Price	KTB
5	Baan Lumpini Townville Ratchapruet-Pinklao (Phase 2, 3)	Ratchapruet Road	30-0-5.78	416.25	416.25	Market Price	SCB
6	Baan Lumpini Townville Ladpladuk-Bangpai Station	Bangsai- Banklongtasorn Road	6-3-3.95	146.39	146.39	Market Price	BAY
Total Assets under Development				1,262.68	1,262.68		
Total Assets of Pornsanti Co., Ltd.				1,819.96	2,099.55		
Total Assets of L.P.N. Development Public Co., Ltd. and Pornsanti Co., Ltd.				19,561.17	25,260.90		

130 Quality Condominiums and “Livable Community” Developed by LPN



Lumpini Tower



L.P.N. Tower



Lumpini Place



L.P.N. Mini Office



P.S.T. CondoVille



P.S.T. Mini Office



Siphaya RiverView



P.S.T. City Home



Baan Lumpini Bangbuathong



Baan Lumpini Bangbuathong 2



Lumpini Center Happyland



Lumpini Place Sathorn



Lumpini Center Latphrao 111



Lumpini Place Suanplu-Sathorn



Lumpini Place Rama 4-Sathorn



Lumpini Residence Sathorn



Lumpini Place Narathiwat 24



Lumpini Place Rama 3-Charoenkrung



Lumpini Ville Mary-Sathorn



Lumpini Place Narathiwatratchanakarin



Lumpini Suite Sukhumvit 41



Lumpini Place Rama 3-Riverview



Lumpini Center Sukhumvit 77



Lumpini Ville Phahon-Suthisarn



Lumpini Center Nawamin



Lumpini Ville Sukhumvit 77



Lumpini CondoTown Ramindra-Laksi



Lumpini Ville Cultural Center



Lumpini Place Narathiwat-Chaophraya



Lumpini Place Phahon-Saphankwai



Lumpini Place Pinklao 2



Lumpini Place Pinklao



Lumpini CondoTown
Bodindecha-Ramkhamhaeng



Lumpini Place Ratchada-Thapra



Lumpini Ville Ramkhamhaeng 44



Lumpini Ville Ramindra-Laksi



Lumpini Ville Prachachuen-Phongphret



Lumpini Suite Pinklao



Lumpini CondoTown Ratanathibes



Lumpini Ville Ramkhamhaeng 26



Lumpini Rama 8



Lumpini Place Rama 9-Ratchada



Lumpini Ville Bangkai



Lumpini Place Ramindra-Laksi



Lumpini CondoTown Bangkok



Lumpini Park Pinklao



Lumpini Place Rama 4-Kluaynamthai



Lumpini Place Ratchayothin



Lumpini Ville Lasalle-Bearing



Lumpini Ville Latphrao-Chokchai 4



Lumpini Ville Ratburana-Riverview



Lumpini Park Riverside-Rama 3



Lumpini CondoTown Nida-Serithai



Lumpini CondoTown Nida-Serithai 2



Lumpini CondoTown Ramindra-Nawamin



Lumpini Ville Phibulsongkhram-Riverview



Lumpini Ville Chaengwattana-Pakkret



Lumpini Ville Phatthanakan-New Phetchaburi



Lumpini CondoTown North Pattaya-Sukhumvit



Lumpini ParkBeach Jomtien



Lumpini MegaCity Bangna



Lumpini CondoTown Ramindra-Latplakhao



Lumpini Ville Naklua-Wongamart



Lumpini Ville Sukhumvit 77 (2)



Lumpini Ville Sukhumvit109-Bearing



Lumpini CondoTown Chonburi-Sukhumvit



Lumpini Ville Prachachuen-Phongphet 2



Lumpini CondoTown Ramindra-Latplakhao 2



Lumpini Ville Ramkhamhaeng 60/2



Lumpini Ville On nut-Lat Krabang



Lumpini Ville On nut 46



Lumpini Place Srinakarin-Huamak Station



Lumpini Place UD-Posri



Lumpini Place Suksawat-Rama 2



Lumpini Township Rangsit-Khlong1



Lumpini Place Borom Ratchachonni-Pinklao



Lumpini Ville On nut-Lat Krabang 2



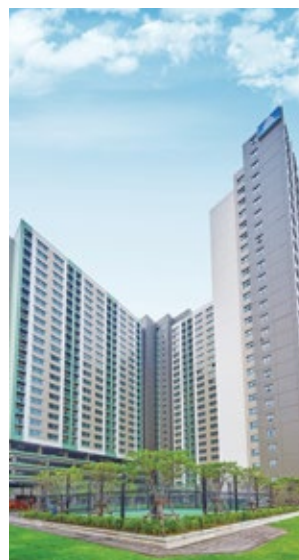
Lumpini Park Rama 9



Lumpini Ville Onnut-Phatthanakan



The Lumpini 24



Lumpini Ville Nakhon In-Riverview



Lumpini SeaView Jomtien



Lumpini Park Nawamin-Si Burapha



Lumpini Park Phetkasem 98



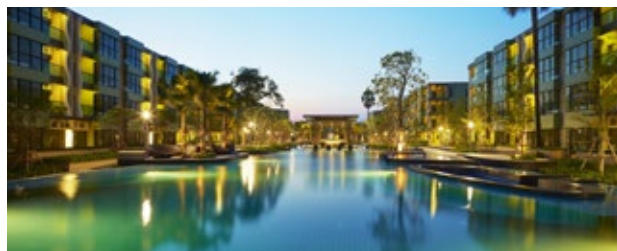
Lumpini-Park-Rattana Thibet-Ngamwongwan



Lumpini Mixx Thepharak-Srinakarin



Lumpini CondoTown Romklao-Suvarnabhumi



Lumpini ParkBeach Cha-am



CREATING
A LIVABLE
SOCIETY



Lumpini Ville Sukhumvit 76-Bearing Station



Lumpini Ville Ratchaphruek-Bang Waek



Lumpini Place Rama 3-Riverine



Lumpini Suite Phetchaburi-Makkasan



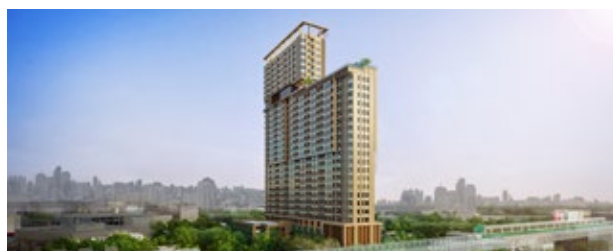
Lumpini Place Ratchada-Sathu



Lumpini Place Bangna Km 3



Lumpini Park Beach Cha-am 2



Lumpini Park Phahon 32



Lumpini Ville Ratburana-Riverview 2



Lumpini Ville Pranangkla-Riverview



Lumpini Suite Dindaeng-Ratchaprarop



The Selected Kaset-Ngamwongwan by LPN



Baan Lumpini Town Ville
Chaengwathana-Tiwanon



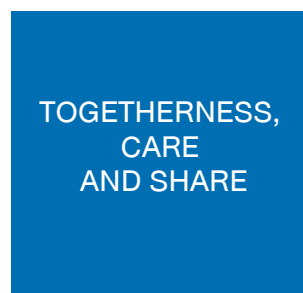
Lumpini Town Ville Srinakarin Bearing



Lumpini Town Resident Ladprao Station



Lumpini Town Residence Bangna-Srinakarin





Baan Lumpini Suan Luang Rama 9



Lumpini Town Place Sukhumvit 62



Lumpini Town Place Ratchayothin-Sana



Lumpini Townhome Ratchada-Rama 3



Baan Lumpini Town Ville Suksawat-Rama 2



Baan Lumpini Town Ville Permsin-Watcharaphol



Baan Lumpini Town Ville Ratchapruke-Nakhon In



Baan Lumpini Townville Ratchapruke-Pinklao



ACHIEVING
SUSTAINABLE
GROWTH



Baan Lumpini Townville Rangsit-Klong 2



Baan Lumpini Townville Ladpladuk-Bangpai Station



Grand Parkview Asoke



Lumpini Place WaterCliff



Lumpini Suite Ratchada-Rama 3



BALANCING
WEALTH



Grand Heritage Thonglor



Parkview Viphavadi



BAAN 365

RAMA III



Projects' Addresses

Office Building

Lumpini Tower

1168 Rama 4 Road, Thungmahamek, Sathorn, Bangkok 10120
Tel. 02-677-6356-7, 02-286-9855 Fax 02-286-9856

L.P.N. Tower

216 Nang Linchi Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-285-4225-6 Fax 02-285-4089

Residential Condominium

Lumpini Place

111 Soi Kraisi, Sri Bumpen Road, Thungmahamek, Sathorn, Bangkok 10120
Tel. 02-671-1368-70 Fax 02-249-1793

Siphaya River View

108 Yotha Road, Talad Noi, Samphanthawong, Bangkok 10100
Tel. 02-639-5002-4 Fax 02-639-5004

P.S.T. CondoVille Tower 1

118 Soi Nak Suwan, Nonsee Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-681-3112-3 Fax 02-681-3113

P.S.T. CondoVille Tower 2

120 Soi Nak Suwan, Nonsee Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-681-3523-5 Fax 02-681-3524

P.S.T. City Home

128 Soi Nak Suwan, Nonsee Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-681-3501, 02-681-3505 Fax 02-681-3509

"Lumpini Suite" Luxury Residential Condominium

Lumpini Suite Sukhumvit 41

28 Sukhumvit Soi 41 Road, Klongton Nua, Wattana, Bangkok 10110
Tel. 02-261-9330 Fax 02-261-9331

Lumpini Suite Pinklao

1 Somdejprapinklao Road, Bangyeekhan, Bangplad, Bangkok 10700
Tel. 02-497-0777-8 Fax 02-497-0779

Lumpini Suite Rama 8

1 Soi Aroonamarin 53, Aroonamarin Road, Bangyikhan, Bangplad, Bangkok 10700
Tel. 02-497-5000, 02-497-5100 Fax 02-497-5001

"Lumpini Place" Residential Condominium

Lumpini Place Sathorn

124 Narathiwatratchanakarin Road, Thungwatdon, Sathorn, Bangkok 10120
Tel. 02-287-4567 Fax 02-287-4257

Lumpini Place Suanplu-Sathorn

435 Suanplu Soi 8, Sathorn 3 Road, Sathorn, Bangkok 10120
Tel. 02-286-1585 Fax 02-286-1850

Lumpini Place Rama 4-Sathorn

164 Soi Sribampen, Rama 4 Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-350-2895 Fax 02-350-2897

Lumpini Place Narathiwat 24

253, 255 Sathupradit Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-211-4351 Fax 02-211-4375

Lumpini Place Rama 3-Charoenkrung

101 Rama 3 Road, Bangkhoraem, Bangkok 10120
Tel. 02-291-8632, 02-291-9333 Fax 02-291-8607

Lumpini Place Narathiwatratchanakarin

471 Building A, B floor, Narathiwatratchanakarin Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-294-6877 Fax 02-294-6876

Lumpini Place Rama 3-Riverview

279 Rama 3 Road, Bangklo, Bangkhoraem, Bangkok 10120
Tel. 02-291-9915, 02-291-9918 Fax 02-291-9923

Lumpini Place Pinklao

28 Boromrajchananee Road, Bangbunru, Bangplad, Bangkok 10700
Tel. 02-458-3111-2 Fax 02-458-3113

Lumpini Place Narathiwat-Chaophraya

78 Rama 3 Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-293-1111 Fax 02-293-1234

Lumpini Place Phahon-Saphankwai

171 Pradipat Road, Samsen Nai, Phayathai, Bangkok 10400
Tel. 02-279-1010-1 Fax 02-279-1180

Lumpini Place Ratchada-Thapra

18 Ratchadapisek Road (Thapra-Taksin), Bukhalo, Thonburi, Bangkok 10600
Tel. 02-466-1144, 02-460-2250 Fax 02-466-1145

Lumpini Place Pinklao 2

89 Bharomratchachonnane Road, Aroonamarin, Bangkok Noi, Bangkok 10700
Tel. 02-433-2551, 02-433-4444 Fax 02-433-2552

Lumpini Place Rama 8

3 Soi Aroonamarin 53, Aroonamarin Road, Bangyeekan, Bangplad, Bangkok 10700
Tel. 02-497-5200 Fax 02-497-5201

Lumpini Place Rama 9-Ratchada Phase 1

95 Rama 9 Road, Huay Kwang, Huay Kwang, Bangkok 10310
Tel. 02-169-3998-9 Fax 02-169-3997

Lumpini Place Rama 9-Ratchada Phase 2

95 Rama 9 Road, Huay Kwang, Huay Kwang, Bangkok 10310
Tel. 02-169-3755-6 Fax 02-169-3754

Lumpini Place Ramindra-Laksi

20 Ramindra Road, Anusaawaree, Bangkhen, Bangkok 10220
Tel. 02-522-4242 Fax 02-522-4646

Lumpini Place Rama 4-Kluaynamthai

4004 Rama 4 Road, Phra Khanong, Khlong Toei, Bangkok 10110
Tel. 02-120-0000-1 Fax 02-120-0002

Lumpini Place Ratchayothin

1484 Phaholyothin Road, Chandrakasem, Chatuchak,
Bangkok 10900
Tel. 02-513-6100 Fax 02-513-2323

Lumpini Place UD-Posri

686 Posri Road, Mak Khaeng, Muang Udon Thani 41000
Tel. 042-244-042-3 / 042-242-122 Fax 042-242-123

Lumpini Place Srinakarin-Huamak Station

1 Srinakarin Road, Soi Srinakarin 19 (JindaAnan), Suan Luang,
Suan Luang, Bangkok 10250
Tel. 02-320-2180-81 Fax 02-320-2179

Lumpini Place Borom Ratchachonni-Pinklao

1 Soi BoromRatchachonni 35, BoromRatchachonni Road,
Talingchan, Bangkok 10170
Tel. 02-433-4111 Fax 02-433-4113

Lumpini Place Suksawat-Rama 2

8 Moo 3 Chomthong, Chomthong, Bangkok 10150
Tel. 02-453-2500-1 Fax 02-453-2502

Lumpini Place Bangna Km.3

52 Soi Bangna-Trad 23, Bangna, Bangna, Bangkok 10260
Tel. 02-396-1445-6 Fax 02-396-1447

“Lumpini Ville” Residential Condominium**Lumpini Ville Mary-Sathorn**

88 Chan Soi 27, Chan Road, Tungwatdon, Sathorn,
Bangkok 10120
Tel. 02-212-4515 Fax 02-212-4375

Lumpini Ville Phahon-Suthisarn

23 Sutthisarn Vinichai Road, Samsen Nai, Phayathai,
Bangkok 10400
Tel. 02-278-4125 Fax 02-278-4128

Lumpini Ville Sukhumvit 77

615 Sukhumvit 77 Road, Suan Luang, Bangkok 10250
Tel. 02-332-3004-5 Fax 02-331-7526

Lumpini Ville Cultural Center

601 Prachautit Road, Samsen Nok, Huay Kwang, Bangkok 10310
Tel. 02-274-4210-2 Fax 02-274-4211 ext. 5134

Lumpini Ville Ramkhamhaeng 44

11 Soi Ramkhamhaeng 44, Ramkhamhaeng Road, Huamak,
Bangkapi, Bangkok 10240
Tel. 02-370-4444 Fax 02-370-4443

Lumpini Ville Ramindra-Laksi

2 Ramindra Road, Anusaowaree, Bangkhen, Bangkok 10220
Tel. 02-197-9383 Fax 02-197-9090

Lumpini Ville Prachachuen-Phongphet

93 Moo 9 Prachachuan Road, Bangkhen, Muang,
Nonthaburi 11000
Tel. 02-149-3000 Fax 02-149-3001

Lumpini Ville Ramkhamhaeng 26

59/1179 Krungthepkreeta Road, Ramkhamhaeng 26, Hua Mak,
Bangkapi, Bangkok 10240
Tel. 02-300-0500 Fax 02-300-0504

Lumpini Ville Bangkhae

18/272 Bangkhae Road, Bangkhae, Bangkok 10160
Tel. 02-482-7500-1 Fax 02-482-7502

Lumpini Ville Latphrao-Chokchai 4

48 Soi Ladprao 51, Saphan 2, Wangthonglang, Bangkok 10310
Tel. 02-196-9886-7 Fax 02-196-9898

Lumpini Ville Ratburana-Riverview

9 Soi Ratburana 6/1, Ratburana Road, Bangpakok, Ratburana,
Bangkok 10140
Tel. 02-490-2001-2 Fax 02-490-2003

Lumpini Ville Lasalle-Bearing

547 Lasalle Road, Bangna, Bangkok 10220
Tel. 02-173-6200-1 Fax 02-173-6202

Lumpini Ville Phibulsongkhram-Riverview

55 Moo 8, Suan Yai, Amphoe Mueang, Nonthaburi, 11000
Tel. 02-158-5444-5 Fax 02-158-5446

Lumpini Ville Chaengwatthana-Pakkret

175 Moo 5 Chaengwatthana Road, Pakkret, Nonthaburi 11120
Tel. 02-183-5901 Fax 02-375-5600

Lumpini Ville Phatthanakan-New Phetchaburi

4 Soi Phatthanakan 26, Phattahanakan Road, Suan Luang,
Bangkok 10250
Tel. 02-184-8400-1 Fax 02-184-8402

Lumpini Ville Sukhumvit 77 (2)

604 On Nut Road, Suan Luang, Bangkok 10250
Tel. 02-311-1678 Fax 02-311-0811

Lumpini Ville Sukhumvit109-Bearing

16 Moo 7 Sukhumvit Road Samut Prakan, 10270
Tel. 02-361-6226 Fax 02-361-6060

Lumpini Ville Ramkhamhaeng 60/2

5,7 Soi Ramkhamhaeng 60/1, Ramkhamhaeng Road, Huamak,
Bangkapi, Bangkok 10240
Tel. 02-184-4989 Fax 02-184-4990

Lumpini Ville Naklua-Wong Amat

502, 503, 504 Pattaya-Naklua Road, Moo 5 Naklua Banglamung
Chon Buri, 20150
Tel. 038-225-927 / 038-225-558 Fax 038-225-559

Lumpini Ville On Nut 46 (A, B)

233 Soi On Nut 46, Suan Luang, Bangkok 10250
Tel. 02-320-3477 Fax 02-320-3478

Lumpini Ville On Nut 46 (C, D)

288 Soi On Nut 46, Suan Luang, Bangkok 10250
Tel. 02-320-3477 Fax 02-320-3478

Lumpini Ville On Nut 46 (E)

239 Soi On Nut 46, Suan Luang, Bangkok 10250
Tel. 02-321-5330-1 Fax 02-321-5332

Lumpini Ville On Nut-Lat Krabang

66 Lat Krabang, Lat Krabang Bangkok 10520
Tel. 02-329-1100 / 02-329-1319-20 Fax 02-329-1321

Lumpini Ville Sukhumvit 76-Bearing Station

760 Moo 1, North Samrong, Muang, Samut Prakan 10270
Tel. 02-393-7795-6 Fax 02-393-7940

Lumpini Ville Ratchaphruek-Bang Waek

722 Soi Bang Waek 76, Bang Waek Road, Bang Waek, Phasi Charoen, Bangkok 10160
Tel. 02-410-4034-5 Fax 02-410-4036

Lumpini Ville On Nut-Pattanakarn

3 Soi Onnut 55/1 Prawet, Prawet, Bangkok 10250
Tel. 02-320-2311-2 Fax 02-320-2313

Lumpini Ville Prachachuen-Phongphet 2

1362 Prachachuen Road, Wongsawang, Bangsue, Bangkok 10800
Tel. 02-591-8766-7 Fax 02-591-8788

Lumpini Ville On Nut-Lat Krabang 2

9 Soi Onnut 88/3-1 Prawet, Prawet, Bangkok 10250
Tel. 02-727-5080-1 Fax 02-727-5082

Lumpini Ville Nakhon In-Riverview

92 Nakhon In Road, Taladkwan Nonthaburi 11000
Tel. 02-526-8500-1 Fax 02-526-8502

“Lumpini Center” Residential Condominium**Lumpini Center Happyland****Building A, B, C, F, G, H**

556/1, 560/1, 568/1, 432/1, 582, 580 Soi Happyland Mall 1, Klongchan, Bangkok, Bangkok 10240
Tel. 02-374-7270-1 Fax 02-374-7270

Building D

335/1 Soi Happyland Mall 1, Klongchan, Bangkok, Bangkok 10240
Tel. 02-374-6301 Fax 02-377-3072

E Building

557 Soi Happyland Mall 1, Klongchan, Bangkok, Bangkok 10240
Tel. 02-377-9395-6 Fax 02-378-4370

Lumpini Center Latphrao 111**A, B, C, D Building**

58, 60, 62, 64 Soi Ladprao 111, Ladprao, Klongchan, Bangkok, Bangkok 10240
Tel. 02-370-2698, 02-370-2530 Fax 02-370-2606

E, F, G Building

3041, 3033 Soi Yooyen 111, Latphrao Road, Klongchan, Bangkok, Bangkok 10240
Tel. 02-374-8394-5 Fax 02-374-8395

Lumpini Center Sukhumvit 77

577 Sukhumvit 77 Road, Suan Luang, Bangkok 10250
Tel. 02-332-3803-4 Fax 02-332-3805

Lumpini Center Nawamin

821 Soi Happyland Mall 1, Klongchan, Bangkok, Bangkok 10240
Tel. 02-184-6118 Fax 02-184-6248

“Lumpini CondoTown” Residential Condominium**Lumpini CondoTown Bodindecha-Ramkhamhaeng**

120 Soi Ramkhamhaeng 43/1 Wangthonglang, Bangkok 10310
Tel. 02-192-7291 Fax 02-192-7292

Lumpini CondoTown Ramindra-Laksi

4 Soi Ramindra 3, Anusaowaree, Bangkok, Bangkok 10220
Tel. 02-197-9222, 02-552-3222 Fax 02-197-9221

Lumpini CondoTown Ratanathibes

141 Ratanathibes Road, Muang, Nonthaburi 11000
Tel. 02-149-5000 Fax 02-149-5002

Lumpini CondoTown Bangkokhae

99 Bangkokhae Road., Bangkokhae, Bangkok 10160
Tel. 02-482-9000-1 Fax 02-482-9002

Lumpini CondoTown Ramindra-Nawamin

4 Soi Ramindra 3, Ramindra Road, Anusaowaree, Bangkok, Bangkok 10220
Tel. 02-552-3222 Fax 02-197-9221

Lumpini CondoTown Nida-Serithai

304 Serithai Road, Khlong Kum, Bueng Kum, Bangkok 10240
Tel. 02-158-5444-5 Fax 02-377-7142

Lumpini CondoTown Nida-Serithai 2

304 Serithai Road, Khlong Kum, Bueng Kum, Bangkok 10240
Tel. 02-158-5444-5 Fax 02-158-5446

Lumpini CondoTown North Pattaya-Sukhumvit

86 Moo 6, Naklua, Bang Lamung, Chonburi 20150
Tel. 038-224-655 Fax 038-224-656

Lumpini CondoTown Ramindra-Latplakhao

93 Latplakhao Road, Anusaowaree, Bangkok, Bangkok 10220
Tel. 02-197-2700-1 Fax 02-197-2702

Lumpini CondoTown Chonburi-Sukhumvit

271-272 Moo 4 Sukhumvit Road Ban Suan Chonburi 20000
Tel. 038-270-072 Fax 038-270-075

Lumpini CondoTown Ramindra-Latplakhao 2

70 Soi Latplakhao, Anusaowaree, Bangkok, Bangkok 10220
Tel. 02-197-2855 / 02-197-2888-9 Fax 02-197-2890

Lumpini CondoTown Rom Klao-Suvarnabhumi

164/274 Rom Klao Road, Samprawat, Lat Krabang, Bangkok 10520
Tel. 02-171-7711 Fax 02-171-7710

“Lumpini Park” Residential Condominium**Lumpini Park Pinklao**

618 Bharomratchachonnane Road, Bangbunru, Bangplad, Bangkok 10700
Tel. 02-489-9001-2 Fax 02-489-9003

Lumpini Park Riverside-Rama 3

4, 6, 12, 14 Rama 3 Road, Bang Phongphang Yannawa, Bangkok 10120
Tel. 02-164-1800-1 Fax 02-164-1818

Lumpini Park Rama9-Ratchada

888 KlongSamsen Rd., Bangkok, Huaykwang, Bangkok 10310
Tel. 02-203-0364-5 Fax 02-203-0366

Lumpini Park Rattana Thibet-Ngamwongwan

324 Rattana Thibet Rd., Bangkok, Nonthaburi, Nonthaburi 11000
Tel. 02-527-8483-4 Fax 02-527-8485

Lumpini Park Nawamin-Si Burapha

452 Nawamin Road, Klongkum, Buengkum, Bangkok 10240
Tel. 02-375-2212-3 Fax 02-375-2214

Lumpini Park Phetkasem 98

6 Phetkasem Road, Bangkokhae nua, Bangkokhae, Bangkok 10160
Tel. 02-421-4112-3 Fax 02-421-4116

Townhouse**Baan Lumpini Bangbuathong Phase 1, 2**

222 Talingchan-Bangbuathong, Bangbuathong, Nonthaburi 11110
Head Office Tel. 02-285-5011-6 Fax 02-285-5017

“Lumpini ParkBeach Jomtien” Residential Condominium

Lumpini ParkBeach Jomtien

552 Moo 12 Banglamung, Chonburi 20150
Tel. 038-231-700 / 038-231-392-4 Fax 038-231-701

Lumpini ParkBeach Cha-am

355 Romjidl Road, Cha-am, Phetchaburi 76120
Tel. 032-472-826 Fax 032-472-827

“Lumpini Seaview Jomtien” Residential Condominium

Lumpini Seaview Jomtien

533 Moo 12 NongPrue, Banglamung, Chonburi 20150
Tel. 038-231-700 / 038-051-460-2 Fax 038-051-462

“Lumpini MegaCity Bangna” Residential Condominium

Lumpini MegaCity Bangna

78 Moo 13 Bangkaew, Amphoe Bang Phli, Samut Prakan 10540
Tel. 02-182-9797-9 / 02-316-2111 Fax 02-316-2033

“Lumpini Township”

Lumpini Township Rangsit-Klong1 A, B

52 Town Lumpini Township Rangsit-Klong1 A, B Soi Rangsit -
Nakhon Nayok, 28/1 Amphoe Thanyaburi, Pathumthani 12110
Tel. 02-159-9400-4 Fax 02-159-9400-4

Lumpini Township Rangsit-Klong1 C, E, D

54 Town Lumpini Township Rangsit-Klong1 A, B Soi
Rangsit-Nakhon Nayok, 28/1 Amphoe Thanyaburi,
Pathumthani 12110
Tel. 02-159-9400-4 Fax 02-159-9405

“Lumpini Mixx”

Lumpini Mixx Thepharak-Srinakarin

81 Moo 7, Thepharak, Samut Prakan 10270
Tel. 02-136-7667-8 Fax 02-136-7669

“THE LUMPINI”

THE LUMPINI 24

120 Sukhumvit 24 Khlong Tan, Khlong Toei, Bangkok 10110
Tel. 02-258-5488 Fax 02-258-5278

Joint Venture Project

Lumpini Place WaterCliff

427, 421 Sathupradit Road, Chong Nonsi, Yannawa,
Bangkok 10120
Tel. 02-673-5596-7, 02-673-6360-1 Fax 02-673-5595, 02-673-6362

Lumpini Suite Ratchada-Rama 3

441 Ratchadapisek Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-212-7909 Fax 02-212-7908

Lumpini Townhome Ratchada-Rama 3

431 Sathupradit Road, Chong Nonsi, Yannawa, Bangkok 10120
Tel. 02-211-9221 Fax 02-673-5595

Grand Heritage Thonglor

21 Soi Akkapat (Thonglor 13), Sukhumvit 55 Road, Klongtan Nua,
Vatthana, Bangkok 10110
Tel. 02-390-0910 Fax 02-390-0911

Grand Parkview Asoke

189 Sukhumvit 21 Road, Klongtan Nua, Vatthana, Bangkok 10110
Tel. 02-261-3218-9 Fax 02-258-0506

Parkview Viphavadi

1 Local Road, Thungsikan, Don Muang, Bangkok 10210
Tel. 02-573-3401-3 Fax 02-573-3401

Pornsanti Project

Lumpini Town Place Ratchayothin-Sana

310 Soi Phaholyothin 30, Phaholyothin Road, Chandrakasem,
Chatuchak, Bangkok 10900
Tel. 02-561-3883 Fax 02-561-3883

Lumpini Town Resident Ladprao Station

22 Soi Ladprao 11, Ladprao Road, Chomphon, Chatuchak,
Bangkok 10900
Tel. 02-513-8228 Fax 02-513-8228

Lumpini Town Place Sukhumvit 62

178 Soi Sukhumvit 62, Sukhumvit Road, Bangchak,
Phra Khanong, Bangkok 10260
Tel 02-331-3915 Fax 02-331-3918

Lumpini Town Ville Srinakarin Bearing

112 Moo16 Srinakarin Road, Bangkaew, Bangplee,
Samut Prakan 10540
Tel. 02-383-4806 Fax 02-383-4805

Lumpini Town Residence Bangna-Srinakarin

11 Srinakarin Road Bangna, Bangna Bangkok 10260
Tel. 02-745-0971-2 Fax 02-745-0973

Bann Lumpini Suanluang Rama 9

105 Soi Chalam Pakeat Rama 9 40/1 Bangbon, Prawet, Bangkok
10250
Tel. 02-333-6193 Fax 02-333-6195

Baan Lumpini Town Ville Chaengwatthana-Tiwanon

88 Sukkha Prachasan 3 Road., BangPhut, PakKret,
Nonthaburi 11120
Tel. 02-963-0306

Baan Lumpini Town Ville Permsin-Watcharaphol

99 Phoemsin Road, O Ngoen, Sai Mai, Bangkok 10200
Tel. 02-152-6977

Baan Lumpini Town Ville Ratchaphruek-Nakhon In

123 Moo 2 Bangkhanun, Bangkruai, Nonthaburi 11130
Tel. 02-408-7519

Baan Lumpini Town Ville Suksawat-Rama II

102 Suksawat Road , Bang Mot, Chom Thong, Bangkok 10150
Tel. 02-427-7935

Baan Lumpini Townville Rangsit-Klong 2

72 Soi Rangsit-Nakhon Nayok 54 Prachathipat Thanyaburi,
Pathumthani
Tel. 02-102-0352-3

Baan Lumpini Townville Ladpladuk-Bangpai Station

44 Moo 1 Bang Mae Nang, Bang Yai, Nonthaburi
Tel. 02-069-4956, 02-002-4072

Baan Lumpini Townville Ratchapruek-Pinklao

9 Moo 3 Bangkhanun, Bangkruai, Nonthaburi
Tel. 02-101-4663-4

Other Office

Central Sale Office

It is located in the same area as Lumpini Place Sathorn,
Next to Macro Office Sathorn on Narathiwatraschanakarin Road.
Tel. 02-287-3388 Fax 02-287-3377



