

THE BETTER BALANCE



# ANNUAL REPORT 2019

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED

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## THE BETTER BALANCE

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED



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# CHAPTER

# 1





Creating Sustainable Balance  
for over 3 Decades







# MESSAGE FROM CHAIRMAN

Dear Respected Shareholders,

In 2019 the real estate sector is still in recession as a result of the trade wars between the two superpowers, the United States and China, which affects the investment and transfer of Thai real estate ownership of Chinese customers. Moreover, the domestic economy itself is affected by the growing household debt. In addition, the loan to value measures have significantly slowed down the purchase and the transfer of ownership.

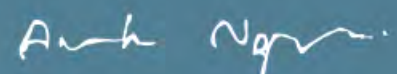
Seeing the above signs, the Company has prepared a contingency plan to ensure that the corporate can move forward and keep growing. Internal work process has been continuously improved. New innovations and work practices that enhance efficiency and reduce process and expense have been encouraged. The Company has adjusted its strategy by expanding its project development to residential home in a similar proportion to residential condominium, increasing income from rental services and providing engineering services to various high-rises and developing customer experience management process in order to spread the word. This year the Company has also communicated a housing development philosophy, the Better Balance, in order to create brand awareness among new target groups which will lead to market expansion to this group of customers in the future.

Although the 2019 operation is flooded with various forms of challenges, the Company firmly operates its business under good governance principle which means being prudent in every process,

operating with transparency and accountability and honoring every stakeholder. As a result, the Company receives several awards. TRIS Rating affirms the company rating of our company at A- with stable outlook which reflects the corporate stability. The Company also receives Special Recognition for Building Communities Award from Property Guru Property Report since its business operation helps creating quality society under the "Livable Community" concept.

The Company receives the 2019 Building Plan's Conservation Awards (BEC Awards 2019) from the Department of Alternative Energy Development and Efficiency after submitting the design of its energy efficiency buildings. This is a part of the Company's contribution to the environmental and social accountability. For the fourth year, the Company receives Thailand Sustainability Investment (THSI) Award from the Stock Exchange of Thailand for the assessment of Environment, Social and Governance (ESG) and being transparent and accountable in every dimension. Moreover the Company has announced its participation in CAC (Collective Action Coalition against Corruption) Project of Thailand's private sector. In 2019 the Company applies for re-certification and gets an approval for the second time in the third quarter of 2019.

Over the previous year, it has been proven that amid the obstacles, the co-operation from everyone is a driving force for the organization to struggle and get through. So I would like to thank the executives, staff and LPN Team for their dedication, thank the government, private sector, media and financial institution for the direct and indirect support and thank every shareholder for the trust and confidence. All of these encourage the Company to continue developing the best products and services as it has a commitment to build quality homes that create the real pleasure of living and generate sustainable growth for the corporate and all stake holders.



(Amornsuk Noparumpa)  
Chairman



# SUSTAINABILITY GOALS

The Board of Directors considers and approves the vision, mission, strategy and business plans of the Company, subsidiary companies and associated companies. 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 2020-2022

**“To Increase efficiency and effectiveness in term of turnover of real estate development business operation while maintaining balance and responsibility toward stakeholders for sustainable development.”**

## Vision 2005-2019

### 2005-2007

To maintain market leadership and increase efficiency by developing residential condominiums in an integrated manner for the creation of 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.

### 2017-2019

To 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

Is Lumpini community in which the residents of all ages 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.

# CORPORATE STRATEGY

## Target

We will wholeheartedly ensure that having a home is "simple" and "livable."

## Vision

To increase efficiency and effectiveness in term of turnover of real estate development business operation while maintaining balance and responsibility toward stakeholders for sustainable development.

In line with our vision

### Making them proud

to be an owner and a service receiver

1

- ▶ The Company builds confidence in product value with design and construction that comply with LPN standards for a balance in all dimensions of living.

- ▶ The Company strengthens marketing strength by using strategy and style that match targeted customers.

Communicating value and creating a brand experience, "the Better Balance"

- ▶ Building confidence in service value. The Company provides service with 'Livable Community for All' concept so that service receivers have the utmost convenience and satisfaction.

- ▶ Elevating customer relationship management. The Company builds long-term engagement, paying attention to details and giving meticulous services.

### Moving towards Excellence

under environmental and social accountability

2

- ▶ Managing projects and construction professionally.

Together with LPN Team, the Company systematically develops projects in accordance with standards by keeping in mind impacts to the environment and stakeholders.

- ▶ Developing the most efficient work process.

The Company coordinates and manages to ensure that work process is continuously improved.

- ▶ Managing customers with understanding mind.

The Company reaches out and understands customers' needs and provides comprehensive services in order to deliver a good experience.

### Making them proud to be LPN staff

and be a part of "Livable Organization"

3

- ▶ Being professional. Being an expert at work and good at the work assigned.

- Promoting self-learning.
- Operating and making informed decisions.
- Conveying knowledge and skills.

- ▶ Understanding corporate culture and values. Learn, accept and adapt.

- ▶ Communicating internally efficiently. Accurate, complete, thorough and timely.

- ▶ Creating a growing path in the job.
- ▶ Preparing a succession plan to ensure operational continuity.

by driving the organization in the three main strategies

## Our achievements

4

Maintaining returns and confidence.

### ▶ Distributing revenue base

- Liquidating unsold condominium units.
- Increasing revenue from residential home projects.
- Increasing revenue from the service business.
- Increasing revenue from rental business.

### ▶ Maintaining liquidity and financial discipline

- ▶ Reducing capital and expenses

to achieve the results

## Corporate Value

### CORE COMPETENCY

### BRAND ATTRIBUTES

▶ C-L-A-S-S-I-C, LPN PROACTIVE SERVICES

▶ PROFICIENT, COMPASSIONATE, SYNERGY, BALANCING WEALTH, ENVIRONMENTAL STEWARDSHIP

we will strengthen the organization in each dimension.



# Mission 2019

## MAINTAIN WEALTH AND TRUST

### Shareholders

Maintain profits and confidence in corporate business operations under the principle of good governance and risk management in crisis situation.

## PRIDE TO BELONG

### Customers/Residents

Make them proud to be an owner by handing over product value and delivering service with “Livable Community” and “You are important” strategy.

## PARTNERSHIP

### Business Alliances

Collaborate and be supportive in every sector of the operation in order to get through the crisis.







## PROUD TO BE LPN

### Staff

Develop staff competency until they are proficient and willing to contribute to the success of the organization's operation.

## ZERO WASTE SUPPLY CHAIN

### Society & Environment

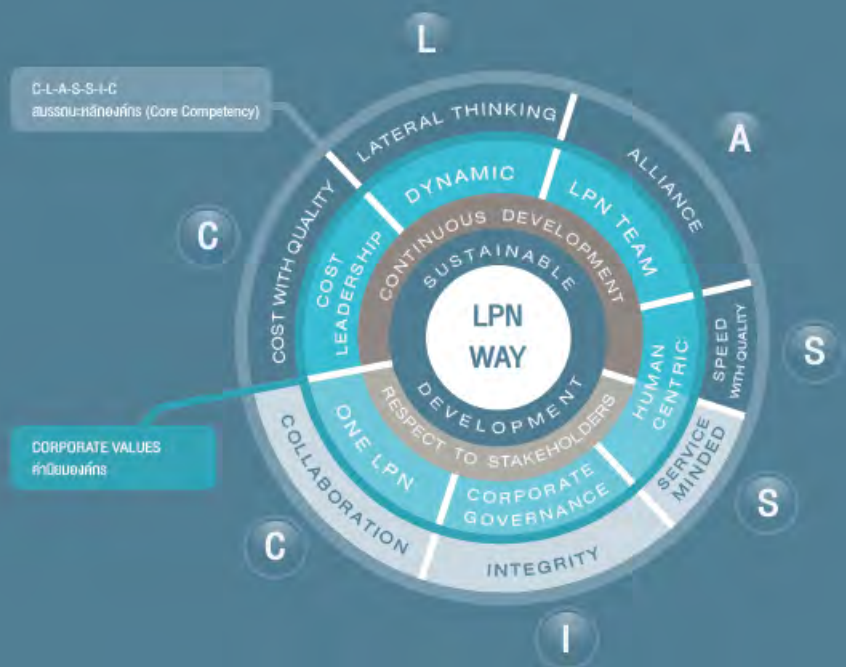
Operate with responsibility towards all stakeholders along the line of 6 Green LPN concept for sustainable development.

# LPN WAY Moving the organization towards sustainability

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".







# SSIC

## 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.

## Service Minded

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.

## Integrity

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

## 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.

## Respect to Stakeholders

## Human Centric

## Corporate Governance

## ONE LPN



# SUMMARY OF OPERATIONAL PERFORMANCE IN 2019

Year 2019 was a challenging year. Real estate entrepreneurs faced an industrial recession caused by changes in economic and social structure. As a result, entrepreneurs needed to adapt in order to move the business forward and make it grow in a sustainable way amid those changes.

L.P.N. Development Public Company Limited is one of the real estate companies that continuously studies and researches the impact on real estate business. The technological transition that impacts economic and social structure change of the country, together with experiences from the struggle against the economic crisis in 1997, had the company realized that business as usual is no longer applicable.

Amid those changes and with a close monitor of the situation, the Company had continuously adjusted its vision and framework of 2017 to 2019 to focus on **“striking a balance in and enhancing the efficiency of real estate business operation and residential development in terms of profit and responsibility towards all stakeholders to achieve sustainable development”**.

The Company identified year 2017 as a “Year of Shift”. The strategy had been continued on to 2018 which was identified as a “Year of Change”. Year 2019 was a “Year of Excellence” in both product and service development in order to respond to the changes in consumers’ demand. The team worked in an integrated manner from the design, the construction and the comprehensive after-sales service to deliver a quality residence under **“the Better Balance”** concept which means a balance in design quality, construction and services for the highest benefits of all stakeholders including customers, shareholders, investors, employees and society as a whole in order to achieve sustainable development goals.

Development under the aforementioned concept of Excellence in product development and services allowed L.P.N. Development Public Company Limited to maintain its existing customer base and expand to new customer base, especially the Generation Y group. Moreover, the Company kept on developing the design to meet the demand and to maintain its development base that covered all target groups. Hence, residential condominiums for lower-middle income earners were designed. In the lower-middle

market, the Company expanded its customer base from residential condominiums to residential homes. A premium project under “BAAN 365” brand is another under development project and will be launched in 2020.

At the same time, in 2019 the Company focused on generating recurring income through its subsidiary companies. Major sources of income of Lumpini Property Management Co., Ltd., the leader in service business, come from 3 businesses including internal and external community management of L.P.N. Development Public Co., Ltd., engineering service and brokerage business. LPC Social Enterprise Co., Ltd. provides services that relate to livelihood such as: cleaning service, reception service, and etc. Lumpini Wisdom and Solution Co., Ltd. provides green building consultancy services to government offices and private sectors. Lumpini Project Management Service Co., Ltd. focuses on developing and improving operational efficiency to reduce development costs.

In 2019, the Company jointly invested in the establishment of Dolsiri Development Co., Ltd. with Nye Estate Co, Ltd. (50/50) to develop office buildings on Rama 4 Road. The capital budget was 1.5 billion THB. This was a part of business expansion that generated regular income for the Company in the long run.

At the same time, the Company created rental income from managing existing assets, for example, renting out condominium units of Lumpini Township Rangsit-Klong 1, Building F, that were originally developed for sale. In 2019 eight hundred units were available for rent.

By restructuring the business structure, in 2019 the total revenue of L.P.N. Development Public Company Limited was 10.0404 billion THB and the net profit was 1.2564 billion THB, decreasing from 11.30189 billion THB and 1.36789 billion THB in 2018 or 11.6% and 8.14% respectively. The recurring income from rental business and service business was 1.06380 billion THB.

In 2019, the Company had 6 completed residential condominium projects comprising of 2,997 units altogether. The approximate project value was 7.150 billion THB in total. Two completed residential home projects were Baan Lumpini Townville Ratchaphruek-Pinklao (Phase 2) and Baan Lumpini Townplace Rama 2-Tha Kham.



At the same time, in 2019 the Company's total sale volume during presale is 7 billion THB. In 2019 The Company launched 3 new projects, with approximate project values of 2.1 billion THB in total. Two of the three were residential condominium projects namely Lumpini Ville Sukhumvit 101/1-Punnawithi with an approximate project value of 600 million THB and Lumpini Ville Chaengwattana 10 with an approximate project value of 600 million THB. Another one was an office condominium, Lumpini Tower Vibhavadi-Chatuchak (Building B), with an approximate project value of 900 million THB. Three residential housing projects, emphasizing on the development of affordable twin homes and town homes, were launched with an approximate project value of 1.4 billion THB in total. These projects are Baan Lumpini Townpark Takham-Rama 2, Baan Lumpini Townville Ratchaphruek-Pinklao (Phase 2.2) and Baan Lumpini Townville Rangsit Klong 2 (Phase 2). They had approximate project values of 970 million THB, 280 million THB and 170 million THB respectively.

As of 31 December 2019, the total backlog from residential condominium projects and single home projects was 7 billion THB. All of them will gradually be recognized in 2020.

The Board of Directors' Meeting Ref. 1/2020 on 13 February 2020 resolved to approve an annual dividend for fiscal year 2019 of 0.60 THB per share. On 5 September 2019, the Company has paid an interim dividend of 0.20 THB per share. The remaining dividend to be paid is 0.40 THB per share. The dividends are paid out of the retain earnings that have been taxed 20%. The ex-dividend date (XD) is fixed on the 26 February 2020 and the record date is set on 27 February 2020. The dividend is payable on 9 April 2020.

Since the Company has followed the good governance principle and been sustainably responsible for environment and society throughout 30 years of its business operation, it received the following awards in 2019.

### Performance Awards

- TRIS Rating affirmed the company rating of our company at A-. It reflected the stability of the organization, its remarkable performances, ongoing development of products and services, ability to manage construction cost as well as concise financial policy which brings about financial stability and adequate financial liquidity.
- The Company received Special Recognition for Building Communities Award in the Property Guru Thailand Property Awards 2019 organized by Property Guru Property Report to honor the best real estate entrepreneur in Thailand for its business operation that helps creating quality society under the "Livable Community" strategy.

### Corporate Governance Awards

- The Company was ranked Excellent (5 stars) in corporate governance from the Thai Institute of Directors (IOD).

### Sustainability Awards

- The Company was listed among the top one hundred companies for outstanding performance in terms of Environmental, Social and Governance (ESG100) in year 2019 by ThaiPat Institute for the fifth consecutive year.
- For the fourth year, the Company received Thailand Sustainability Investment (THSI) 2019 Award at the SET Sustainability Awards 2019 organized by the Stock Exchange of Thailand.

### Product and Service Development Awards

- The Company received Energy Conservation Building's Label at BEC Award 2019 from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

## SUMMARY OF FINANCIAL INFORMATION

|   |           |           |           |           | (Revised) |
|---|-----------|-----------|-----------|-----------|-----------|
| Assets  | 2019      | 2018      | 2017      | 2016      | 2015      |
| Total assets                                  | 23,473.35 | 21,250.21 | 21,006.73 | 18,557.92 | 19,625.30 |
| Land and cost of project under development    | 9,614.33  | 9,243.16  | 11,469.21 | 6,645.33  | 10,703.18 |
| Inventories                                   | 9,429.68  | 7,684.91  | 5,495.63  | 8,510.52  | 5,589.38  |
| Land and cost of project held for development | 648.74    | 943.10    | 932.58    | 498.36    | 563.78    |
| Asset for investment                          | 1,928.09  | 1,624.88  | 1,254.65  | 1,226.86  | 1,169.71  |
| <b>Liabilities and Shareholders' Equity</b>   |           |           |           |           |           |
| Short-term loans                              | 3,475.64  | 3,246.08  | 4,469.27  | 3,183.25  | 2,933.57  |
| Long-term loans                               | 4,148.00  | 1,989.16  | 1,644.66  | 1,112.78  | 2,192.10  |
| Total liabilities                             | 10,814.25 | 8,315.57  | 8,592.92  | 6,147.28  | 8,044.05  |
| Issued and fully paid-up share capital        | 1,475.70  | 1,475.70  | 1,475.70  | 1,475.70  | 1,475.70  |
| Shareholders' equity                          | 13,159.10 | 12,934.64 | 12,413.81 | 12,410.63 | 11,581.25 |
| <b>Operational Performance</b>                |           |           |           |           |           |
| Total revenues                                | 10,034.06 | 11,301.82 | 2,9654.88 | 14,650.64 | 16,673.64 |
| Revenues from sale                            | 8,717.30  | 10,187.25 | 8,719.77  | 13,855.41 | 15,981.26 |
| Sale cost                                     | 5,954.24  | 7,059.97  | 6,238.95  | 9,519.40  | 11,010.49 |
| Gross profit from sale                        | 2,763.06  | 3,127.28  | 2,480.82  | 4,336.00  | 4,970.77  |
| Net profit (Loss)                             | 1,256.04  | 1,367.27  | 1,062.32  | 2,176.23  | 2,413.40  |
| <b>Financial Ratio</b>                        |           |           |           |           |           |
| *Book value per share (THB/Share)             | 8.92      | 8.77      | 8.41      | 8.41      | 7.85      |
| *Net profit per share (THB/Share)             | 0.86      | 0.93      | 0.72      | 1.47      | 1.64      |
| Net profit margin (%)                         | 12.51     | 12.11     | 11.00     | 14.85     | 14.47     |
| Return on Equity (%)                          | 9.63      | 10.79     | 8.56      | 18.14     | 21.95     |
| Return on Assets (%)                          | 5.62      | 6.47      | 5.37      | 11.40     | 12.25     |
| Dividend per share (THB/Share)                | **        | 0.60      | 0.90      | 0.90      | 1.90      |

\* Weighted average shares

\*\* Pending Approval from the Annual General Meeting of Shareholders 2020

Note: 1) Information from Consolidated Financial Statements

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



## Balance Sheet 2019

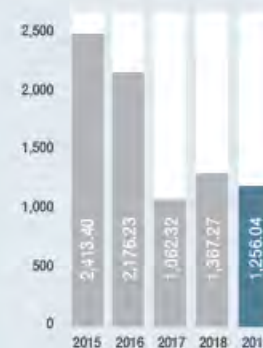
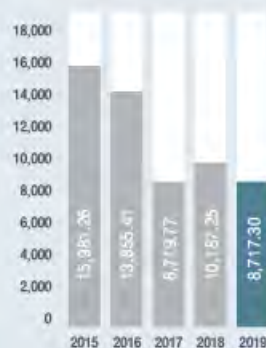
Unit : Million THB

| Total assets     | Total liabilities | Shareholders' equity |
|------------------|-------------------|----------------------|
| <b>23,473.35</b> | <b>10,314.25</b>  | <b>13,159.10</b>     |
| 2015 : 19,625.30 | 2015 : 8,044.05   | 2015 : 11,581.25     |
| 2016 : 18,557.92 | 2016 : 6,147.28   | 2016 : 12,410.63     |
| 2017 : 21,006.73 | 2017 : 8,592.92   | 2017 : 12,413.81     |
| 2018 : 21,250.21 | 2018 : 8,315.57   | 2018 : 12,934.64     |
| 2019 : 23,473.35 | 2019 : 10,314.25  | 2019 : 13,159.10     |

## Income Statement 2019

Unit : Million THB

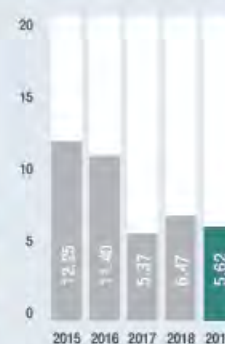
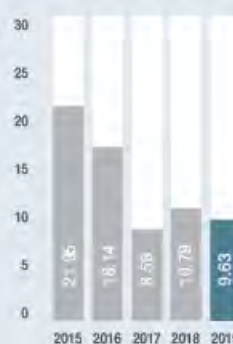
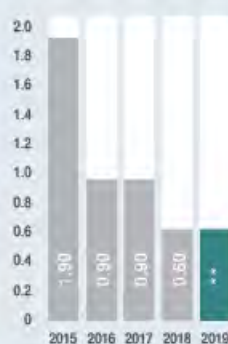
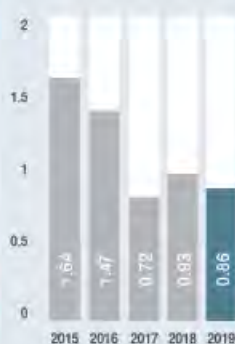
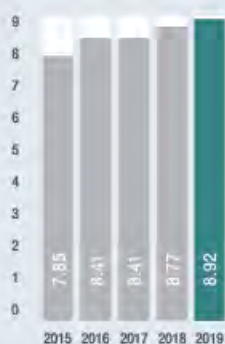
| Total revenues   | Revenues from sale | Gross profit from sale | Net profit      |
|------------------|--------------------|------------------------|-----------------|
| <b>10,034.06</b> | <b>8,717.30</b>    | <b>2,763.06</b>        | <b>1,256.04</b> |



## Financial Ratio 2019

Unit : Million THB

| Book value per share<br>(THB/Share) | Net profit per share<br>(THB/Share) | Dividend per share<br>(THB/Share) | Return on Equity<br>(%) | Return on Assets<br>(%) |
|-------------------------------------|-------------------------------------|-----------------------------------|-------------------------|-------------------------|
| <b>8.92</b>                         | <b>0.86</b>                         | <b>**</b>                         | <b>9.63</b>             | <b>5.62</b>             |



# COMPANY HISTORY

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



## 1989

### Starting The Business : The Beginning of Success

The Company started by developing "Lumpini Tower" project, a 38-story high office building on Rama 4 Road.

## 1992

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

## 1994

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.

## 2004

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%.

## 2003

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

## 2002

### 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.

## 2005

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.



"Livable Community"



## 2006

Lumpini Condo Town brand was developed targeting lower-middle income group.

### CONDOTOWN

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

## 2007

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.







## 1996

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

## 1997

### 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.

## 1998-1999

The Company withdrew its investment from Eleco & 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.

The Company discovered the identity of LPN and the business opportunity in time of crisis.



## 2001

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

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

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.

Construction process was developed. The construction of each project was completed within 1 year.

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".



## 2008-2009

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.

## PARK

## 2010

### 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.

## PARKBEACH



## 2012

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.

LPN Academy was founded to develop knowledge and provide trainings to staff.



## 2013

"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.

In collaboration with C.P. All Public Co., Ltd., the Company developed complete convenient facilities in the projects to create shared value (CSV).

## 2017 Year of Shift

The strategy was established in response to the economic slowdown 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. The service was also provided to external organizations.

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 Public Co., Ltd. to develop premium senior lifestyle and living project in Phuket. The target group was retired foreign nationals.



## 2018 Year of Change

The Company developed premium residential condominiums under "Lumpini Selected" brand to serve the needs of middle to upper income group i.e. "Lumpini Selected Suthisan-Saphankwai" which targets working-age women. The interior and exterior were redesigned. There were "New LPN Design" units where walk-in closets and bay windows were installed. Smart room technology allowed the residents to control light switches from their mobile phone for more convenience and additional security.

The Company expanded its business to "office condominium" comprising of office buildings and residential condominiums in the same area. The pilot project of this mixed-use development was "Lumpini Vibhavadi-Chatuchuk" which received good feedback and all units available for sale were 100% sold.

The Company generated recurring income from renting out Ready to Move projects i.e. "Lumpini Township Rangsit-Klong 1" and "Lumpini Ville Ratchapruek-BangWaek". All amenities were included. This was to accommodate the demand of customers who want to have a house but are not ready to buy one as well as investors' demand.



The organization was rebranded to be consistent with the strategy to expand its project development to cover every target group. From the brand standpoints, people were of paramount importance. Thus, the Company was building livable society, livable community and livable organization that were relevant to all stakeholders.

The Company used the ISO 9001 and the ISO 14001 Quality Management System in its service business to increase the competitive capacity and create highest satisfaction for service receivers.



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.

# 2014

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 environmentally friendly. The first project developed under this concept was Lumpini Park Nawamin-Sriburapa.

# 2015

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.

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

# 2016

## LPN: Moving towards sustainable growth

“Livable Community” was developed into “Livable Community for All” strategy. 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. More than one hundred communities were connected through health promotion activities. The capacity and skills in healthcare of Community Managers were also developed.

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 hotel quality and the buildings were designed to be environmentally friendly. Original trees of more than a hundred years old were preserved on the project site.

# 2019

## Year of Battling the Storm

The Company prepared a back-up plan to handle negative factors caused by the obvious recession. It launched projects at potential locations covering all target groups and expanded service business, including community management, engineering services and brokerage businesses, to support demand for these services.

TRIS Rating affirmed the company rating of our company at A-. It reflected the stability of the organization, its remarkable performances, the clarity of products and service groups, the ability to manage construction cost as well as the concise financial policy which brings about financial stability and adequate financial liquidity.

The Company jointly invested in the establishment of Dolsiri Development Co., Ltd. with Nye Estate Co., Ltd. to develop office buildings and retail stores for rent on the potential location on Rama 4 Road.

A new service business, LPN Living Solution, was developed to generate revenue that grows continuously. Its services included repair and improvement of condominium unit, improvement of condominium building and comprehensive design and improvement of wastewater treatment system.

A brand communication advertising campaign was launched to convey LPN's home building philosophy.

## The Better Balance concept.

It meant building homes that create a balanced life. The three main components that must be balanced are as followed.

1. Balanced design
2. Balanced service
3. Balanced living

This made LPN the most balanced residence for living.



# AWARDS

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED



## Performance Awards

TRIS Rating affirmed the company rating of our company at A-. It reflected the stability of the organization, its remarkable performances, ongoing development of products and services, ability to manage construction cost as well as concise financial policy which brings about financial stability and adequate financial liquidity.

The Company received Special Recognition for Building Communities Award in the Property Guru Thailand Property Awards 2019 organized by Property Guru Property Report to honor the best real estate entrepreneur in Thailand for its business operation that helps creating quality society under the "Livable Community" strategy.



## Corporate Governance Awards

The Company was ranked Excellent (5 stars) in corporate governance from the Thai Institute of Directors (IOD).



The Company received Level 4 certification (Certified) from Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) for the second time after the Re-Certification.



## Sustainability Awards

The Company was listed among the top one hundred companies for outstanding performance in terms of Environmental, Social and Governance (ESG100) in year 2019 by ThaiPat Institute for the fifth consecutive year.

For the fourth year, the Company received Thailand Sustainability Investment (THSI) 2019 Award at the SET Sustainability Awards 2019 organized by the Stock Exchange of Thailand.

## Product and Service Development Awards

The Company received Energy Conservation Building's Label at BEC Award 2019 from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.





### Performance Awards

TRIS Rating affirmed the company rating of our company at A- with stable outlook. It reflects the stability of the organization, its remarkable performances, ongoing development of products and services, ability to manage construction cost as well as concise financial policy which brings about financial stability and adequate financial liquidity.

### Corporate Governance Awards

The Company was ranked Excellent (5 stars) in corporate governance from the Thai Institute of Directors.



### Sustainability Awards

The Company was ranked Excellent (5 stars) in corporate governance from the Thai Institute of Directors.

The Company was granted Sustainability Report Awards 2018 (Best) from Thai Listed Companies Association.

The Company was listed among the top one hundred companies for outstanding performance in terms of Environmental, Social and Governance (ESG100) by ThaiPat Institute for the fourth consecutive year.

For the third year, the Company received Thailand Sustainability Investment (THSI) 2018 Award at the SEA Sustainability Awards 2018 organized by the Stock Exchange of Thailand.



### Product and Service Development Awards

The Company received Energy Conservation Building's Label at BEC Award 2018 from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

### Social and Environmental Responsibility Awards

The Lumpini Property Management received an honorary plaque in "the public-private sector collaboration to collect community's hazardous waste and electronics waste" from the Pollution Control Department, Ministry of Natural Resources and Environment.



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.







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 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 was awarded Recognition Award from Sustainability Report Awards 2015 from Thai Listed Companies Association.

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.



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.



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 Accounting, 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.





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.



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 Accounting, 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.



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).







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.



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.



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



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”

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED



The beginning of  
“Lumpini” brand

1989-1993

5 Projects  
1,800 Units

The beginning of the establishment of the organization and Lumpini Property Management Co., Ltd. to provide after-sale services to Lumpini Tower, Lumpini Place (Soi Kraisri) and L.P.N. Tower.

“Lumpini Center” brand is developed for the middle-low income target group.

**LUMPINI**Center

1994-1998

10 Projects  
3,600 Units

The success of the development of projects leads to the registration in the Stock Exchange of Thailand in 1994. Various types of projects are developed such as mini office, mini factory and townhouse.

During the major economic crisis of the country in 1997, the debt burden of the Company was more than three billion THB. The Company needed to enter the debt restructuring process. However, LPN still continued to develop residential condominium projects.

City Condo is initiated.

**LUMPINI PLACE**

*Lumpini Ville*

**LUMPINI SUITE**

1999-2003

22 Projects  
8,600 Units

LPN is widely accepted as the leader in the development of City Condo. The business identity as well as opportunity are discovered.

“LPN Design” condominium units have also been accepted for its maximum functionalities. Combining with the model of City Condo and condominium units at the price of around one million THB located near BTS stations, all projects of LPN create a phenomenon in the condominium market.

The Company is able to close the sales of the projects in no time and is outstanding in terms of construction speed which is completed within only one year.

“Livable Community” strategy is initiated to efficiently manage community.

**LUMPINI SUITE**

**LUMPINI PLACE**

**LUMPINI VILLE**

**LUMPINI CondoTown**

2004-2008

47 Projects  
33,000 Units

Medium-rise condominium and a new brand, Lumpini CondoTown, are developed to respond to the residential needs of the middle to low income target group. It has become the flagship of the project development of the Company until nowadays.

“Livable Community” strategy is implemented to manage communities developed by the Company. With the confidence in the market, the Company starts developing projects of larger scale that are equipped with full facilities suitable for city living under the concept of “Small Size Township”.

The identity of “Lumpini” brand- “The Real Pleasure of Living” is discovered. The brand and “Togetherness, Care and Share” culture are promoted.



**LUMPINI Park**

**LUMPINI PARK BEACH**

**LUMPINI MegaCity**

**LUMPINI Township**

2009-2013

94 Projects  
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 Ruamjai” 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**  
JOINT VENTURE

**LUMPINI MIXX**  
THE CHANGSIK PHARMACY

**2014-2016**

127 Projects  
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 "LPN 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.



Modernize the brand image to match the target groups. Give precedence to every group of stakeholders in order to build livable organization, livable community and livable society.

**LUMPINI SUITE**  
SIN GAENG RATCHAPRASEN

**THE SELECTED**  
RASET - WUANGWONGWAT  
by LPN

**BAAN 365**  
RAMA III

**2017-2018**

141 Projects  
128,000 Units

The Company is rebranded to be consistent with the new strategy and target groups. From our brand standpoints, each stakeholder is of paramount importance no matter they are shareholders, customers, residents, society and environment, alliances, employees or internal operation.

"Lumpini Suite" is developed in order to respond to the needs of upper income customers. The interior and exterior as well as common area is redesigned to match the lifestyle of the target group.

"The Selected by LPN" is a new brand developed with a distinct idea for middle to upper income group. The design concept is adjusted to match the niche market of each project.

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.

The Company adjusts its project development strategy by developing mixed-use projects where office buildings and residential condominiums are in the same area. This business expansion into "office condominium" development is done in response to the increased demand for office buildings.

A marketing communication is done to raise awareness and understanding of LPN brand. "The Better Balance" concept is created to address LPN's home building philosophy which adheres to customers' needs. This makes LPN home a suitable home for real life in term of design, construction, after-sale service and community management that focuses on building a Livable Community. Attention is paid to every detail of living under the environmental and social responsibility framework.

# CHAPTER

# 2



L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED

## Caring and Social Responsibility



# 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 LPN Academy, the center for human resources development and knowledge sharing and LPC Social Enterprise Co., Ltd. the center for the development of quality of life of underprivileged women.



For further information regarding 6 GREEN LPN operational performance and other corporate social and environmental responsibilities,

please see LPN SD Report 2019

## 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.



# GREEN ENTERPRISE

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



## Sustainability Management

### 1. Appropriate Growth and Profit

The Company has developed the management guideline and strategy by establishing appropriate growth and profit target giving sustainable and substantial returns to all stakeholders.

### 2. Affordable Home

Adhering to the Philosophy of Sufficiency Economy which promotes social well-being, the product development policy of the Company intends to build residence that is "suitable" for living as well as create a better quality of life for residents in every dimension.

### 3. Good Quality of Life in Great Culture

Apart from developing residential condominiums and homes, the Company also enhances the quality of life of all members of the community under the "Livable Community for All" strategy. The projects are equipped with convenient facilities and safety systems. More importantly, "togetherness, care and share" culture is promoted through various activities to raise awareness of a harmonious community.

### 4. Balanced Profit for Stakeholders

The Company focuses on long-term growth which is consistent with the governance and sustainability principles. There is a policy to generate various forms of profits for all stakeholders in a balanced and appropriate manner.

### 5. Risk Management and Corporate Governance

All aspects of risks are managed to be under control and the returns are determined upon the competitive situation and performance of the Company. Risks are reduced by reserving fund to maintain the liquidity of the Company. All of the above are done in a responsible, transparent and auditable manner in accordance with sustainability principles. The Company does not exploit others or focuses only on profit.

### 6. Anti-Corruption

The Company is against all forms of corruption, whether it be internal or external, by establishing concise operational process to reduce risks, communicating the importance of anti-corruption policy to employees, identifying integrity as one of the values of the organization, declaring the intention against corruption and complying with law and regulations and paying taxes.

### 7. Environmental and Social Awareness and Responsibility

The Company takes responsibility for the operational impacts with the 6 GREEN LPN and operational standards in every departments. It also promotes environmental and social awareness and encourage staff participation through various environmental and social operations and activities.

### 8. Giving Back to the Society

Operating through LPC Social Enterprise Co., Ltd., an affiliated company of L.P.N. Development Group, the Company takes part in building a great society by creating job opportunities for underprivileged women so that they have stable jobs, earn income to enhance their families' quality of life and develop a better quality of life for themselves. In addition, the Company also imparts knowledge and experiences to the society.





## Human Capital Management

### 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".

### 2. 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 LPN 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.

## Supply Chain Management

For more than 20 years, the “trade partners” have become “alliances” and are turned into “business alliances”. Now they have become “LPN Team” sharing business development and growth and working as if we are a part of each other. Thus, there are collaboration in every process of operation throughout the Company’s supply chain aiming to achieve the highest goal in supply chain management of the organization.

### The Supply Chain Management Process



The staff of the Company and LPN Team communicate with each other on a regular basis. It is two-way communication via WhatsApp so that all participated parties are able to learn, share ideas and be up-to-date which generate utmost operational efficiency.

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#### COMMIT

LPN finalizes the business plan.

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#### ASSESS

LPN and LPN Team have a meeting to:

- Recognize the plan and establish collaborative goals.
  - Listen to each other's opinion and expectation.
  - Identify and consider any impact that may happen while working together.
  - Develop a possible risk prevention plan
- 

#### ENGAGE

Participation of LPN and LPN Team in each project development

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#### IMPLEMENT

LPN and LPN Team operate in accordance with the established work plan.

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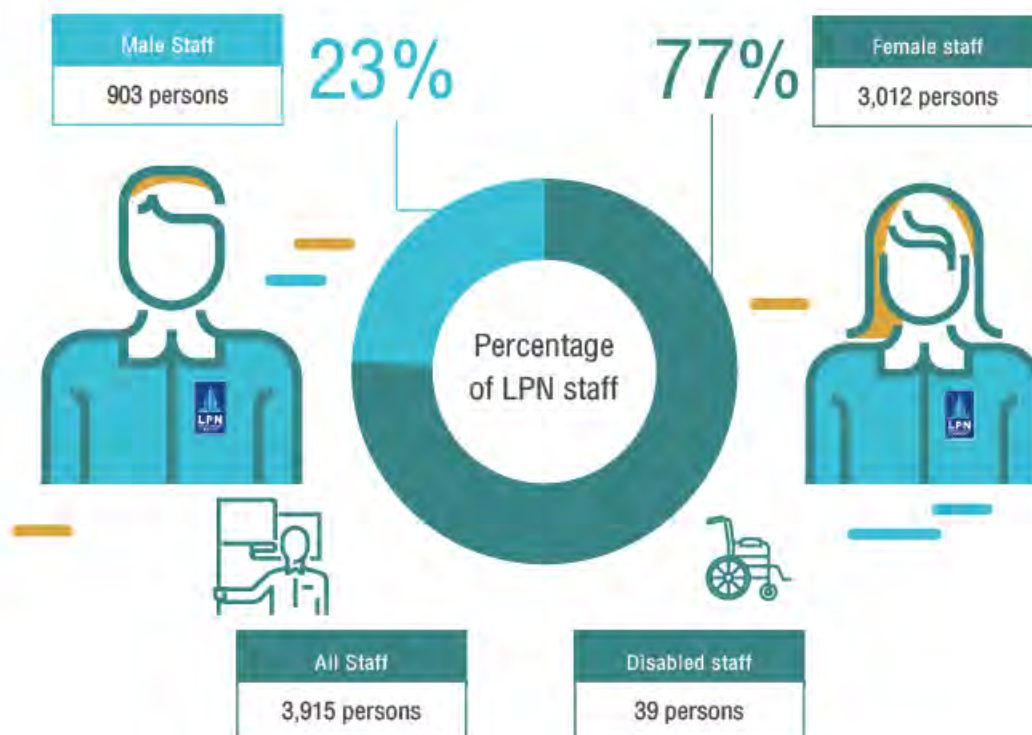
#### MEASURE

LPN and LPN Team organize a monthly meeting.

- Follow-up the work, assess the performances and analyze problems to improve the operation or adjust the operational plan as appropriate. This will help increase the efficiency of the operation in the supply chain.
-



## Number of Staff



## Health and safety

- 21 staff were injured at work. There was no work-related fatality.
- 28 staff took maternity leave; 5 of them were still on post-natal leave and 23 came back to duty.

## Human Rights and Equal Opportunity

- the Company aims at recruiting 44 persons (which is higher than the number specified by law). Currently, the Company has recruited 39 staff who are persons with disability.
- In 2019 the total of 1,484 community service officers or 67% of them meets the criteria of being underprivileged women as set by the Company.

## Anti-Corruption

- Corruptions In 2019, 21 cases of corruption have been reported. Severity of punishments varies according to types of misconduct. The Company emphasizes prevention of corruption in the organization.

## Proportion of standard wages and basic minimum wages

- The ration between male and female staff was 1.19 and 1.21.

# 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 stable and sustainable business growth, operating performance that have appropriate and continuous profitable growth 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.

Furthermore, the preparation of the financial statement is transparent and auditable. Documents have been prepared on a quarterly basis to communicate the performance of the Company to the shareholders in order to build their confidence and showcase the importance of the financial discipline and financial risk management.

## 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. Measurable

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 Commissions 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.

### LPN Green Financial Management Standard Checklist

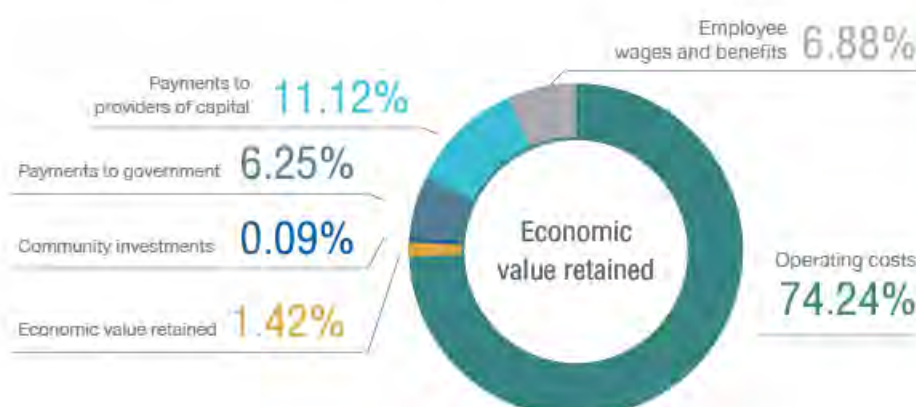


Apart from Accountability Financial Statement Principle, the Company has developed its own checklist for Green Financial Management. The checklist is developed by Financial Management Department in 2018 as a management standard to be used by policy level to operational level. It focuses on transparency and has a good and effective internal control system. The allocation of returns to stakeholders is fair and appropriate. An important business goal is the continuous growth of the Return on Investment and profits. Thus, financial management plan and strategy should be appropriated and takes environmental and social responsibility into consideration in order to achieve sustainable growth.

### Green Financial Management Standard Checklist

|  |  |
|--|--|
| <b>Standard 1</b> 3 topics <ul style="list-style-type: none"> <li>Goals: Identify the returns and the organizational growth properly.</li> </ul>   | <b>Standard 2</b> 4 topics <ul style="list-style-type: none"> <li>Equilibrium Returns: Create equilibrium returns or adequate and constant operational profits based on good corporate governance including sharing the returns to every group of stakeholders.</li> </ul> |
| <b>Standard 3</b> 3 topics <ul style="list-style-type: none"> <li>Internal Control and Financial Risk Management: perform an effective internal control with good governance.</li> </ul> | <b>Standard 4</b> 3 topics <ul style="list-style-type: none"> <li>Financial Budget and Disclosure of Financial Budget Management and Accurate and Reliable Tax: disclose the information with transparency and verifiability.</li> </ul>                                   |

### • PERFORMANCE GREEN FINANCIAL MANAGEMENT



# GREEN DESIGN CONCEPT



## The Environmentally Responsible Design of Products

GREEN Design concept is the environmentally responsible design of products. The Company gives importance to the “Balance” of design and development of project from the process of designing the product and the layout of the project to minimize environmental impact and better suit all living lifestyles.

### 1. Strategic Location

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.

### 2. Green Design Concept Standard

LPN's buildings are designed with an aim to generate a holistic approach to performance while creating spaces that are reliable, safe, comfortable and truly responding to residents' needs. In the designing LPN has followed the LPN Green Design Concept Standard developed from the Green Building Standard of the U.S.A or LEED (Leadership in Energy and Environmental Design) and the Green Building Standard of Thailand or TREES (Thai's Rating of Energy and Environmental Sustainability). Energy saving, environmental conservation and worthy utilization of resources are taken into consideration as shown in the following.

2.1

Sustainable Site Development



2.4

Material and Resources



2.2

Water Efficiency



2.5

Indoor Environmental Quality



2.3

Energy Efficiency







### 3. Real Pleasure of Living

With an intention to deliver the “Real Pleasure of Living”, every inches of LPN projects are designed using the information from our research and development so that the products and services can respond best to the needs of target groups in term of living and lifestyle. Moreover, the Company gives an emphasis to the increase of living value by developing common area and green space into community activity area in accordance with the “Livable Community for All” concept.

# GREEN MARKETING MANAGEMENT



## The marketing activities that are fair to the customers and competitors

The marketing strategy of the Company 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' right and treats the competitors with fairness. The 6Ps Marketing Strategy is as follows:

1P

### 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 to accommodate the lifestyle of the residents.



4P

### 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.



2P

### Pricing Strategy

By managing costs and expenses in all production processes, the selling price of the product is affordable and competitive. 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.



5P

### 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 regularly 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.



3P

### 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.



6P

### 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 consider 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.







## LPN Green Marketing Management Standard Checklist

The Company has established Green Management Standard Checklist to be used as a standard for fair operation of marketing communication in response to the Green Marketing Management Strategy of the organization. The checklist is a voluntary code of ethics that the organization establishes by itself and use it for internal evaluation to ensure that marketing activities or marketing communication are done in a fair manner in order to create the best experience for customers and maintain social responsibility at the same time.

The 7P principle comprising of Product, Price, Place, Promotion, People, Process and Physical is used to identify each practice. As a result, there shall be a sustainable marketing management standard, straightforward and unexaggerated advertisement of products and services and advertising messages that do not take advantages of consumers nor lead to misunderstanding of essential issues.

### Product

**1P**

- Hand over product values as promised.
- Inspect the products prior to each handover.
- Provide an insurance and a post-handover service.

### Price

**2P**

- Price and payment condition are appropriate and match the target groups.
- Profits are appropriate and match the target groups.

### Place

**3P**

- Sales office is ready to serve customers as specified.

### Promotion

**4P**

- Launch clear and transparent advertisement and sales promotion with no hidden agenda and no attack on competitors.
- Promote home ownership with "Baan Sam Fun" project.

### People

**5P**

- Establish Human Touchpoints.
- Train and educate the staff and include the Code of Conduct trainings.
- Establish a clear and accurate communication standard for salesperson to communicate with customers.
- Do not violate Right to Privacy.

### Process

**6P**

- Sales and purchase condition must be in line with the regulation of the Office of Consumer Protection Board (OCPB).
- All types of sales documents must be clear, transparent, unambiguous, no hidden agenda, and verifiable.
- Train salespersons to become product and financial consultant.
- Give justice to customers in case of a loan rejection or a cancellation of purchase agreement out of necessity and provide them refunds.
- Provide complaint channels for customers to report any problem regarding products or services.

### Physical Evidence

**7P**

- Hand over "Livable Community" as advertised i.e. having Co-Dining or Co-Living area.

## Channels for Receiving Customer Feedback

The Company welcomes customers' feedback and opinions since it strives to improve and develop its products. Complaints will be managed and solved through complaint management process after they are received through the following three channels:



### Call Center

Tel 02-689-6888,  
every day from  
8.30-19.00 hrs.



### Website

<https://www.lpn.co.th/en/contact/contact-us>



### Application

LPN Care Mobile App.

### • The complaints received are as follows:

• Compliment **147** cases

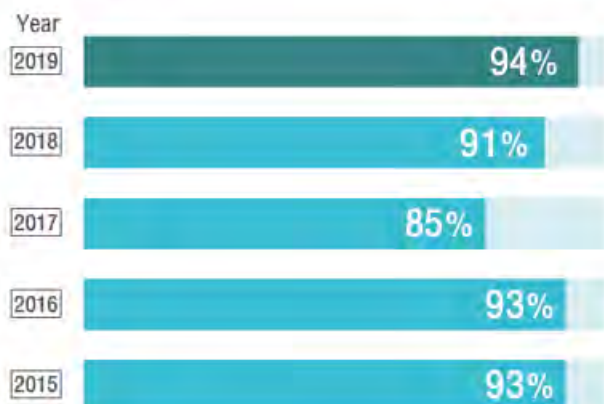
• Suggestion **129** cases

• Complaint **370** cases

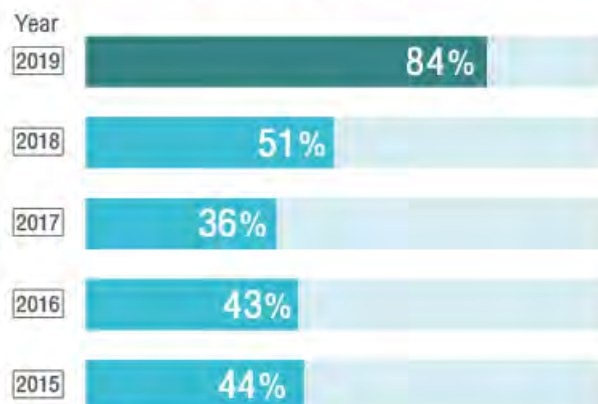
\*Environmental and Social Impact 1 case (solved)



### • Satisfaction



### • Net Promoter Score: NPS



The overall scores in 2019 have increased because the survey method has been designed to reach more customers and be right at the service points. The number of the evaluators also have increased. As a result, the Company can find its weak spots, improve them to the standard and give immediate responses. Thus, a better direction can be seen in the long run in 2020.



# 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 as follows:

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.



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 Company also stresses the importance of occupational health and good quality of life of construction workers.



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 to maintain the benefits of all stakeholders.



+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.



S

### Speed of Delivery

It is to ensure that the construction and operational process are completed in a timely manner to reduce the risk of project delay.



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.



## • PERFORMANCE GREEN CONSTRUCTION PROCESS

### Construction Pollution Prevention

The environmental and social impact management in LPN construction process takes place before the construction till the end of construction. During the process, each construction activity has undergone environmental impact monitoring and assessment according to pollution prevention measures of those projects. LPN measures 4 aspects of environmental quality as follows:



### Green Construction Camp

### Quality of Life of Construction Workers

In addition to managing the construction process to deliver quality products to customers, the Company also gives importance to the care and the promotion of welfare of construction workers who are the work force behind the completion of the construction process. We believe that construction workers should have the same quality of life as employees working in other departments of the organization.

The Company has continuously developed the LPN Green Construction Camp Standard to take care of the well-being and welfare of construction workers in their camp to ensure that the environment of the camp is appropriate, safe to live and safe for living. This is considered as a part of building a good quality of life for construction workers working in our projects.

Taking care of the quality of life of LPN construction workers includes ensuring their personal sanitation and providing them with standard, safe and hygienic camps. In addition, the company has implemented various projects to promote good hygiene for workers including annual medical checkup, first aid and medical use training, vaccination against diphtheria, tetanus and rubella, randomized drug testing and organizing morale building activities. Moreover, the company also builds a small-child center which is a safe zone for children. Parents can leave their children there while going to work. There will be people supervising and teaching the children during that period as well.





# 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 30 years, the Company has created and handed over a "home" to members of more than 120,000 "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.



### 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 "Vibrant 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 vibrant community.

### Juristic Person Committee

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



## • PERFORMANCE GREEN COMMUNITY MANAGEMENT

The Green Community Management Strategy is established in response to “Livable Community” concept of the Company. Two important groups of stakeholders are customers and neighboring communities. We need to consider our customers as our family members and ensure that they, together with neighboring communities, have a good quality of life in accordance with the FBLES+P guideline which includes Facility, Budgeting, Life Quality, Environment, Security and Safety Management and People Management. The performance in 2019 are as follows:



## LPN Zero Waste

In 2018 the Company has developed an ongoing project, “Lumpini Zero Waste”. The focus is on waste management at source especially single-use plastic waste. The policy is to become a waste-free organization. Therefore, there are operational guidelines to reduce waste in every work process. The Company also creates knowledge and waste management processes that cover all aspects.

The “LPN Zero Waste” project is one of environmental management in the Lumpini community that arises from the need to respond to significant environmental issues at present. At the same time, the Company has campaigned for awareness and participation of officers, shopkeepers and residents through the following 3 operations:

1. Provide information via exhibition and multimedia continuously (one issue per month)
2. Build motivation using games and activities
3. Create participation through action



In addition, the company plans to implement additional public relations campaigns within the community. The residents are asked to use alternatives such as cloth shopping bags, reusable glasses and food boxes etc. The shape of the response is in a good direction since each store has a consistent opinion. There is a public relations campaign in the form of public relations boards placed at various locations within the community or at participating stores and advertisement on LED screens in the elevator. Organizing activities to create knowledge and understanding within the community is a must.

## Environmental and Social Activities

The Company intends to extend its environmental and social responsibility 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 (from Corporate ESR to Community ESR)".

Thus, in 2019 many activities and projects are developed in cooperation among important stakeholders of the organization in response to the community management policy which aims to create "Livable Community for All" in all projects developed by the Company and to be a leading example for other real estate business operators. All activities are core activities implemented annually by the Company.

### Blood Donation Project

The Company provides bloods supply to the National Blood Center, Thai Red Cross Society under "Lumpini Donates Blood" campaign. Blood donation mobile units are available in 10 Lumpini projects. In 2019 L.P.N. donates 1,343,650 cc. of blood in total which is 103.36% of the set target.

### Relationship building with external organizations

Relationship building with external organizations is done in two types of operation: the development of communities and government agencies around the projects and the support for environmental conservation activities.

In 2019 four establishments are renovated and developed including Thakham Metropolitan Police Station, Huaikhwang District Office, Wat Pho Kaew School and Phra Khanong District Office. The total cost is 844,832 THB.

### Support for Social Activities

The Company has been sponsoring social activities of communities and government agencies for the benefit and the development of the society.

Table : Social Activity Sponsorship in 2019

| Supported Organization   | Amount (THB) |
|--|--------------|
| Wat Pho Kaew School  | 6,000        |
| Praputtabatwittaya School  | 10,000       |
| Police Magazine  | 6,000        |
| Yoovidhya Foundation   | 10,000       |
| Amarawat Temple  | 15,000       |
| Thong Bon Temple   | 15,000       |
| Yannawa District Office  | 19,800       |
| Direct Media Group (Thailand) Co., Ltd. (DMG)                                      | 5,900        |
| Sawangwirawong District Non-Formal and Informal Education Centre, Ubon Ratchathani | 10,000       |
| Don Fai Temple   | 5,000        |
| Total  | 102,700      |



In 2019, L.P.N. donates

**1,343,650** cc.

of blood in total which is

**103.36%**

of the set target.

In 2019 The Company has been sponsoring social activities. The total cost is

**102,700** THB.



# LPC Social Enterprise

In 2019 the total of 1,484 community service officers or 67% of them meets the criteria of being underprivileged women as set by the Company. Seven hundred and twenty seven persons or 33% of them do not fulfill the criterions specified by the Company (not being underprivileged). With regards to staff with disability and senior staff, they are allocated community service duties and social assistance as appropriate.

Furthermore, the Company continuously organizes activities to enhance knowledge and efficiency at work. The enhancement is done in 5 areas as follows:

1



## Education Promotion

LPC gives emphasis on the development of knowledge and skills which are the foundation of improved quality of life of Community Service Officers. The Company thus provides training courses as well as sponsored scholarships for their children to ease their burden. The details are as follows:

- 1.1 Non-Formal Education Project (NFE): There are 41 students (13% decrease from the same period of time in 2018). The decrease is due to resignation, rotation, and graduation of staff.
- 1.2 High Vocational Program: This is a new project in 2019 sponsored by the Company. High Vocational Certificate Program in Housekeeping at Eamla-or Vocational College is provided for 18 community service officers.
- 1.3 Supporting the education of staff's children: In 2019, the Company has granted 533 scholarships to children of staff who has worked with the Company for one year or more which is 22% increase compared to 2018.

2



## Career Promotion

To develop an extra career for staff, in 2019 LPC organizes a Thai massage training course under the career promotion project which has trained 47 participants. All expenses are sponsored by the Company.

3



## Promotion of Good Deeds

The Company encourages and appreciates 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. The total of 433 good deeds are done by Community Service Officers, decreasing 70% when compared to 2018 (accumulative data from January to December 2019).

4



## Voluntary Activities

Community Service Officers are divided into groups to help clean public areas such as temples, communities, police stations and beaches. The total of 2,728 social activities are organized, increasing 28% when compared to 2018 (accumulative data from January to December 2019).

5



## Promotion of the Happiness of Community Service Officers

- 5.1 "Keeping Record - No Poverty" project helps release informal debts of staff. In 2019, sixty-three staff are released from loan shark's debts, decreasing 33% when compared to 2018. A follow-up after the debt relief is done and the staff are required to record their daily income and expenses to prevent them from being repeatedly in debt with the loan sharks.

5.2 "I Love Saving" project encourages staff to save money by opening them a bank account and depositing 100 THB or more, deducting from their salary, into their bank account each month. After 12 months of savings, the Company will contribute 50 THB per month and deposit it to the staff's bank account once every year. (The first contribution was paid in July 2019.) Four hundred and thirty-seven staff participate in the project, increasing 62% when compared to the same period of time in 2018.

5.3 "Annual Medical Checkup" is a welfare provided by the Company to all staff. It is done once every year. In 2019, one thousand three hundred and eighty four staff are checked up.

5.4 "Outing" activities is organized by the community service supervisor. The objective is to build a good relationship between supervisors, subordinates and co-workers. The activity is organized in July 2019 in Chonburi province with 192 participants.

5.5 The "Same Rice Pot" project reduces lunch expenses of the community service officers and builds a good relationship among community service officers working in the same projects. In 2019 the Company gives 6,760 bags of uncooked rice to community service officers, increasing 16% when compared to 2018.

5.6 In "Rice for Sale at Low Cost" project, one thousand seven hundred and forty five bags of rice are sold at cost price to reduce the living expense of community service officers.

6

## EM Production

Sixty thousand one hundred and forty-three liters of Effective Microorganisms have been produced for use in cleaning activities of Lumpini projects. (The data is from January to December 2019.)



## Social Enterprise Standard Checklists

LPC's not-for-profit operations have been focused on helping societies for many years. Thus, LPC has created Social Enterprise Standard Checklists (22 lists) to increase the efficiency of the operations. Social Enterprise Standard Checklists are divided into 2 categories as follows:

### Category 1: Qualifications of "Social Enterprise" which consist of 5 sub-categories as follows:

- |  |  |
|--|--|
| 1. Social objectives identification (3 items)  | 4. Social-friendly operational process (3 items) |
| 2. Major income (1 item)                       | 5. Profit management (3 items)                   |
| 3. Fair employment system and policy (4 items) |  |

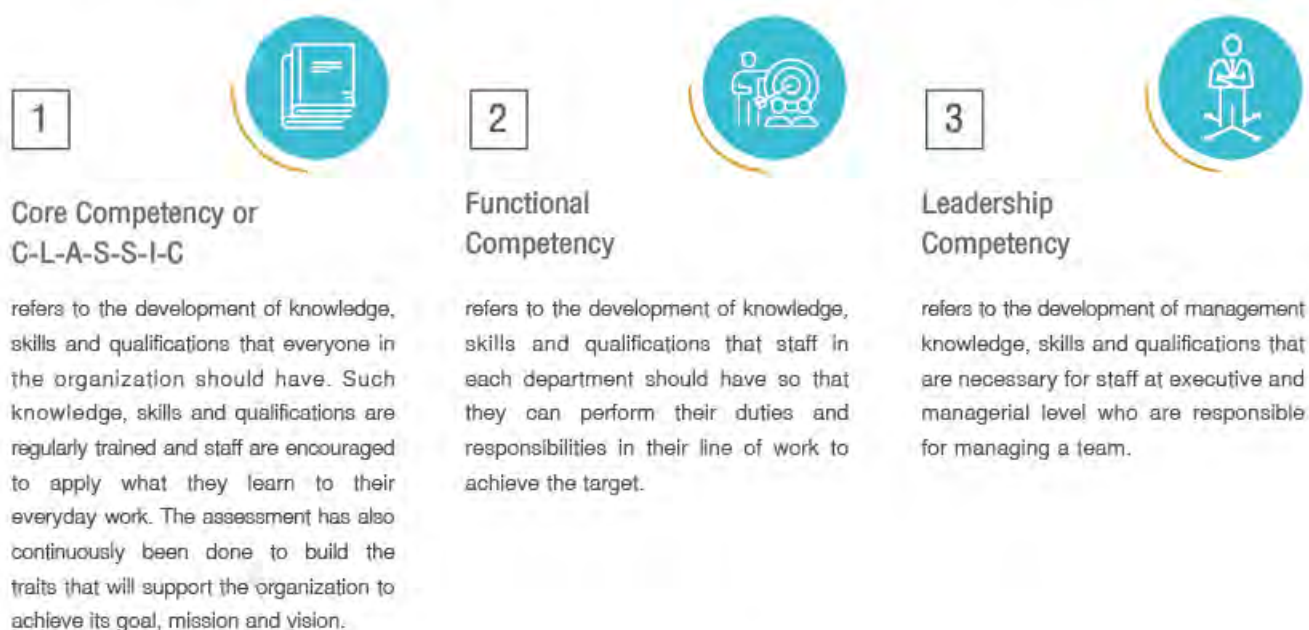
### Category 2: Responsibility for the impact on the stakeholders of the social enterprise which consists of 1 subcategory, namely the quality of life of community service officers (8 items)

**In 2019, LPC completes all 22 checklist items on Social Enterprise Standard Checklists.**

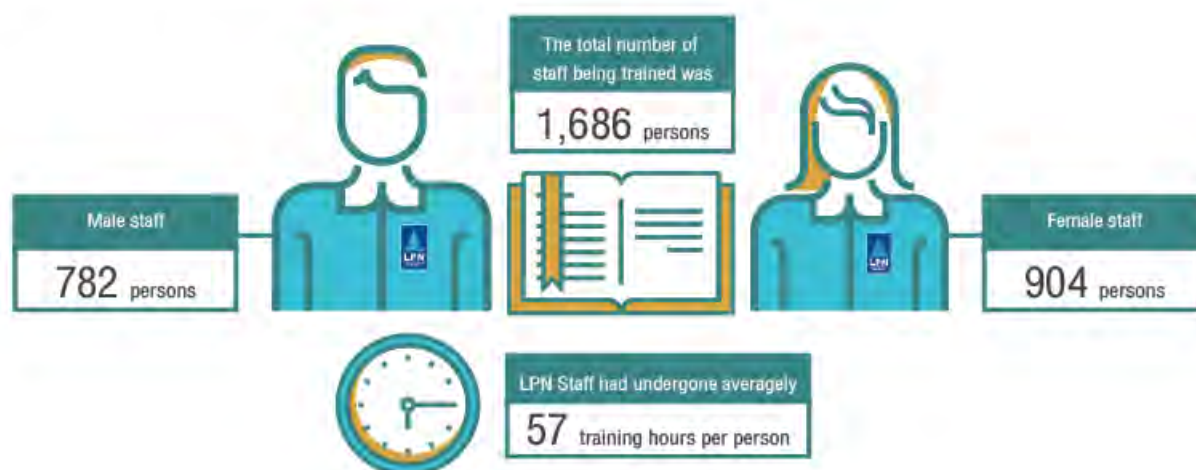


# LPN ACADEMY

The mission of LPN Academy is to promote and support learning of staff so that they can develop their work skills and prepare individual development plans. In 2019 the goal is to create a self-learning atmosphere therefore the staff can have several learning channels and styles together with competency-based development. This is 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 prepare individual training and development plan. It is also a tool that line managers can use to develop their team. Competency-based development comprises three following aspects:



In addition to the three aspects of Competency-Based Development mentioned above, LPN Academy sets annual targets of 56 training hours per staff. These target hours are divided into 14 hours per person per quarter. The result in 2019 showed that staff had undergone averagely 57 training hours per person, which is higher than targeted. The total number of staff being trained in 2019 was 1,686 persons: 782 male staff and 904 female staff.





LPN Academy designs training courses that are suitable to staff positions and practical for actual use. The Academy offers training for the LPN staff, staff of the affiliated companies and staff members of the LPN Team. LPN staff training courses can be categorized into four types as follows:

1

#### Core Course

This informative training is organized for the staff to understand and follow the Company's core corporate principle such as LPN Way, Code of Conduct, LPN Services Culture, LPN Business Practice Platform (3-6-8-10) and social responsibility, etc.

2

#### Managerial Course

The course focuses on the development of knowledge, skills, management and coaching such as Team Leaders Excellence, Staff Service Evaluation System, English for Communication, Team Leader Excellence, etc.

3

#### Functional Course

This training aims to develop skills, knowledge and operating skills. The weakness and strength in the previous year's operational performance, along with the important knowledge and skills in the professional practice, are analyzed. The training course is designed for each type of work i.e. Sale-Transfer Business, Project Management, Community Management, Maintenance Work, Brokerage Business, and Support Function.

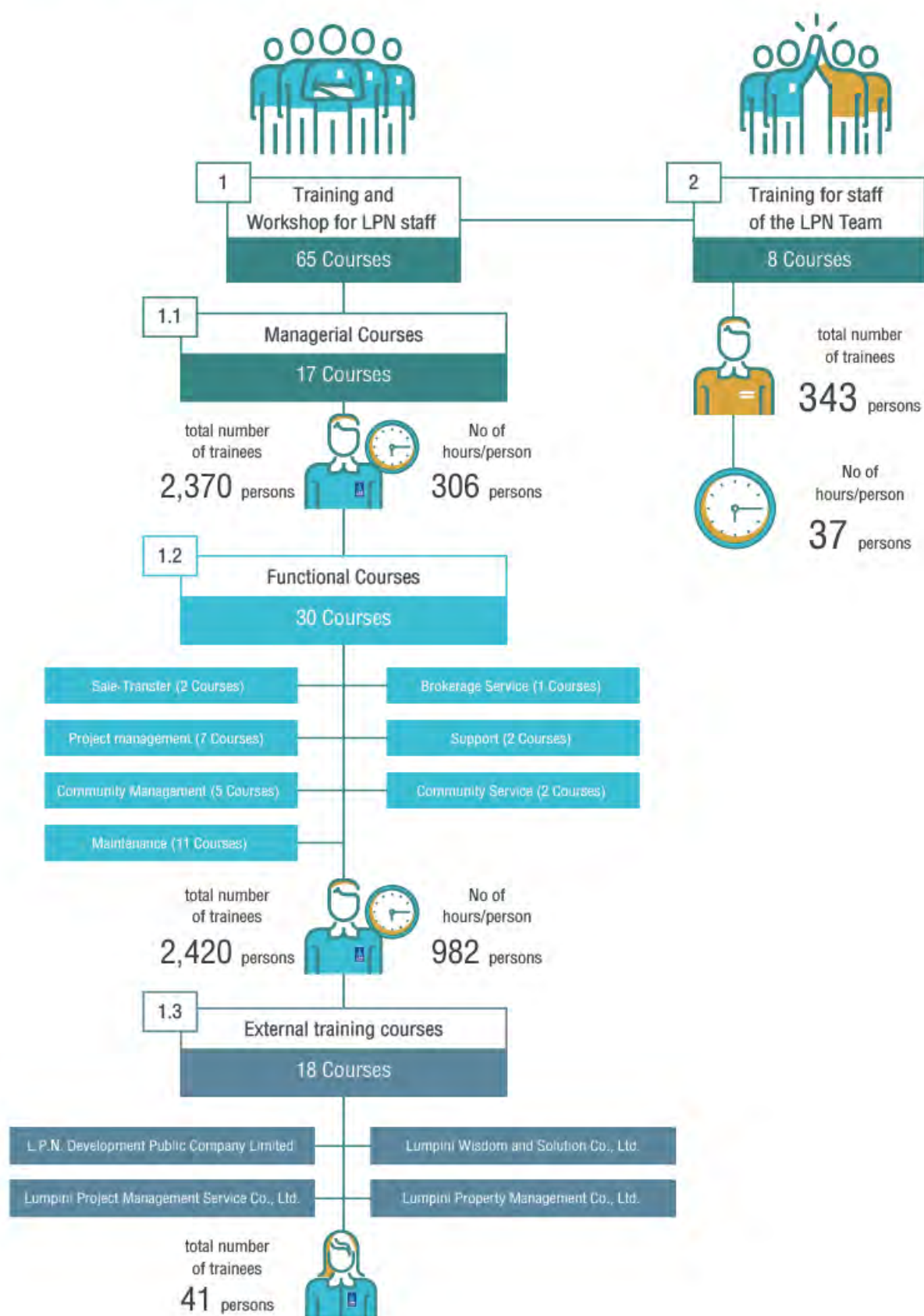
4

#### External Training Course

The Company sends staff and staff of affiliated companies to attend external training courses to gain additional knowledge. The staff can adapt it to LPN Way for the further development of their works.



## Staff training in 2019



## Budget for Training, Development and Seminar of Staff



# INNOVATION

All these years, real estate projects created by the Company reflect the Company's leadership in innovation for residential sustainability through the Company's operational framework in terms of strategy, product and process. 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 for all.



## 2 Product Innovation

is the innovation that adds value to the product e.g. LPN Design, LPN Green Project or designs according to lifestyle.



## 3 Process Innovation

is the improvement of the operational process or service in response to the needs of customers e.g. application of B.I.M. system in construction process and community management.



# Product Innovation



## 1 PDC (Product Development Centre)

To ensure that the designed products efficiently meet the needs of residents, the Company has set up the LPN Product Development Center (PDC) to study and design products that are most responsive to residents' behaviours.



### • Mock up Centre

The PDC creates a 1:1 model or a Mock-Up Centre to conduct efficiency tests for newly designed and developed products. The model has the same size as the actual product and has all the necessary details to allow for a comprehensive study on product's qualifications such as physical characteristics, beauty, functionality, safety and appeal. Researchers work closely with designers, builders and pilot-test groups to assess the feasibility of producing the actual product.

### • Material Library

Furthermore, the Company set up a center to collect sample parts of materials and equipment that are attractive, durable, efficient and suitable for a specific project. References are made to international standards applied for the relevant material or equipment parts, such as Green label standards, Thai Industrial Standards (TISI), Quality System Standard (ISO), NFPA standards (The National Fire Protection Association) etc.

### • Energy Centre

The Company aims at ensuring that product is developed according to the Building Energy Code (BEC) and the Company's efficiency goals. The PDC therefore coordinates with the Department of Alternative Energy Development and Efficiency (DEDE) of the Ministry of Energy to examine the five M&E works including the building envelope system, electric lighting system, air conditioning system, water heating system and overall energy consumption as well as chosen materials to ensure that they are efficient and in good quality. Every designed building must receive the evaluation certificates of energy conservation building design.

## Smart Living

In 2019, the Company imports a smart living technology that can accommodate convenient living in selected projects. This technology is called IoT (Internet of Things). It connects with sensors or equipment to control security, lighting, cooling and other systems within households or condominium units. Residents can install the LPN Smart Room application in their smart phones or tablets. This is an answer to increased comfort and better quality of life for residents in the digital age.



### Smart Room

With just one switch, you can turn everything on and off and give order from your mobile phone in your own lifestyle. How comfortable it would be to let the air-conditioner cool your home awaiting for your return.

### Smart Connect

The wireless system levels up your living and keeps you in trend. You can easily and conveniently connect to online world.

### Smart Money (Save Energy)

When you forget to turn off the air-conditioner or are not sure whether you leave the electric stove on or not, you can remotely turn them off from your mobile phone to save money, energy and the Earth.

### Smart Security

You can feel safe and sound from the security system that will alert you on your mobile phone if the door is opened when you are not around or sleeping. For additional safety, when you forget to turn off the electric stove, you can remotely turn it off from your mobile phone.

Furthermore, the Company is in the process of developing an air quality monitoring system and an automatic air purifying system in the residential units. Other technologies and innovations are also developed to ensure well-being of the residents and to realize a true smart living of the Company's products.





## Procedural Innovation

At the same time, the Company emphasizes on developing innovation for work process that aims at increasing efficiency, speed and quality on a continuous basis. Innovation is applied in internal organizational development, knowledge building and creative work-flow stimulation. It aims at ensuring standard and auditable work processes.

### 1 BIM

The Company has employed the Building Information Modeling (BIM) to improve background work, shorten project duration and reduce errors in construction since 2014. This has resulted in reduction of management costs in the project development process. The Company has studied and collected information for improving operation on the BIM or BIM Execution Plan for LPN in particular. Collaboration process have been set up to optimize benefits of the 3-D model. In addition, this system functions as a construction database that can be shared with the relevant teams for their knowledge, problem solving and learning of new techniques through using a central database.

Use of the BIM is categorized in 7 main components:



Currently, the Company uses three BIM components to administer and support all building projects, including 3D, 4D and 5D – Quality, Scheduling and Cost Planning. These are considered key components of construction project management according to the Q-C-S-E-S+P strategies of the Green Construction Process.

In 2019, the PDC studies the use of BIM and 3D Model to manage condominium projects. This includes operating planning, corrective maintenance and preventive maintenance. Central data from the 3D model in the BIM is used for planning. The aim is to use it to efficiently manage more than 300 buildings under supervision of the LPP in the future.

#### What is BIM?

**BIM or Building Information Modeling** is a 3D model that integrates data or Intelligent Information. The BIM allows stakeholders to view components, modify data such as material details and quantity take off and improve the design process on a real time basis. Furthermore, the system is useful for calculating energy requirement of the building, building a model or a virtual Digital Prototype Model before an actual construction takes place.

## Management of Quality Living for Residents

The concept is to fulfil lifestyle aspiration of the residents under the theme “Livable Community for All.” The LPN has a professional community management team with an ISO 9001 certification namely the Lumpini Property Management Co., Ltd. The Company promotes a balance of living physically together in quality society while taking into consideration responsibility for the environment according to the Green Community Standard, through development of various innovations that answer the lifestyle needs of community members. The examples are as follows:



### • LPN WE CARE APP

is an official smartphone Application of the LPN that has been designed to support users, residents or co-owners of the project, in managing their daily activities. The App makes things easy, convenient and faster which are suitable for residents' present lifestyle that depends largely on technology. The LPN WE CARE Application contains the following features:

1. Payment of bills such as water, electricity, common services through the bill payment system.
2. Alerts on arrival of parcels.
3. Request for repair services.
4. Contacts with the Juristic Person online.



### • LPN Living Solution

The LPN tends to its customers in building repair and management services. This is to accommodate the customers' need for upgrading their condominium units and its accessories comprehensively. This includes overall improvement of condominiums by the LPN quality team to ensure maximum benefits in a reasonable price for customers.



**Repair and renovation of condominium units**  
Includes services to maintain and renovate the units and make them ready for letting.

**Renovation of condominium buildings**  
Includes engineering service and condominium renovation service in response to the need in design, installation and maintenance of infrastructure and make them ready for use. This service is managed by the LPN team of professional engineers.

**Design and modification of wastewater treatment system**  
In order that the building can qualify for wastewater treatment services of the Bangkok Metropolitan Administration, which could generate savings of 500,000 THB to 1 million THB per year.

Residents can contact Administration and the LPN Living Solution team by phone, Facebook “LPN Living Solution” and Line ID.



- **Investment Assistance**

- The Management and Investment Assistant that yields best results**

for the condominium unit owners through brokerage services is the Lumpini Property Management Company Limited (LPP) which is affiliated company of the L.P.N. Development Group. The LPP helps to increase channels of rent so that investor-owners can have a satisfactory gain and reduce problems for the landlords. At the same time, the LPO assures security for both co-owners and landlords by screening tenants before referring to them. Other services include maintenance of M&E system in the building to maintain its value and asset prices.



### 3

## **Internal Process Management for Service Excellence**

In addition to developing the LPN We Care platform to meet the needs of customers, the Company has developed Service Excellence platforms to increase efficiency and develop services of excellence for the team to meet the needs of customers. This is done through the following 3 main work processes.

### **1. Make It Simple**

is streamlining the work process to be more efficient, reducing unnecessary steps by using innovations or new methods, and allowing employees to propose ideas and solutions in a participatory and integrative manner.

### **2. Quality Built-In**

is a performance monitoring system of each process to ensure efficiency of operation and attainment of the set goals and reducing errors that may occur during the process.

### **3. Knowledge Management**

is a center of knowledge collection and management in each line of work, promoting culture of learning and development of new knowledge and skills necessary for work as a tool for human resource management and long-term growth planning.

# CHAPTER

# 3

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED



Growing in an Integrated Manner  
and Providing Comprehensive Services



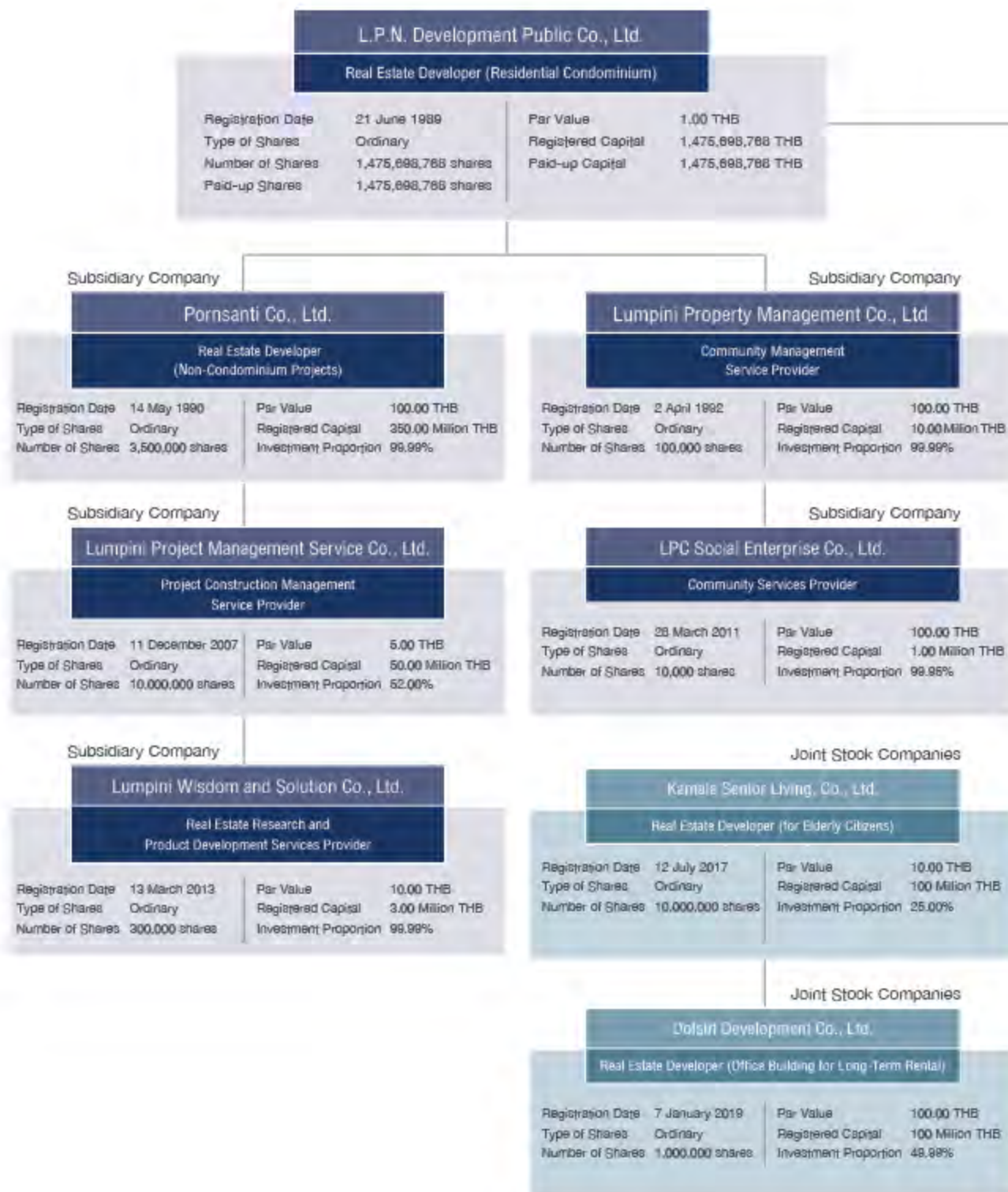
# INVESTMENT

## Operation and investment of subsidiary companies

It is the policy of the Company to separate the operation of the companies in the group. It has invested in five subsidiary companies and two joint stock companies. The business operation of each company is categorized as follows:



As of the end of 2019, the shareholding structure in the subsidiary companies is as follows:







## Investment Structure of the Company

| Company   | Paid-up Capital<br>(Million THB) | Date*       | Shareholding (%) | Equity Method<br>(Million THB) | Investment Cost<br>(Million THB) |
|---|----------------------------------|-------------|------------------|--------------------------------|----------------------------------|
| <b>Subsidiary Companies</b>   |                                  |             |                  |                                |                                  |
| 1. Pornsanti Co., Ltd.  | 350.00                           | 30 Sep 1993 | 99.99            | -                              | 473.04                           |
| 2. Lumpini Property Management Co., Ltd.  | 10.00                            | 25 Mar 1992 | 99.99            | -                              | 9.9988                           |
| 3. Lumpini Project Management Service Co., Ltd.<br>(and is a shareholder in an indirect subsidiary<br>of Lumpini Wisdom and Solution Co., Ltd.<br>at the proportion of 100%.) | 50.00                            | 14 Nov 2007 | 63.00            | -                              | 39.40                            |
| 4. LPC Social Enterprise Co., Ltd.  | 1.00                             | 28 Mar 2011 | 99.95            | -                              | 0.9995                           |
| <b>Joint Stock Companies</b>  |                                  |             |                  |                                |                                  |
| 1. Kamala Senior Living Co., Ltd.   | 100.00                           | 12 Jul 2017 | 25.00            | 18.95                          | 25.00                            |
| 2. Dolsiri Development Co., Ltd.  | 100.00                           | 7 Mar 2019  | 49.99            | 49.37                          | 49.99                            |

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

## Investment Policy in Subsidiary Companies and Joint Stock Companies

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. LPC Social Enterprise Co., Ltd. (originally called 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.)

**2.53%**

is the investment  
in the subsidiary companies  
and the joint stock companies,  
accounting for 2.53%  
of the total assets  
of the Company.

The Company has two joint stock companies, namely, Kamala Senior Living Co., Ltd. and Dolsiri Development Co., Ltd. The investment of the Company in subsidiary companies and joint stock 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. The services provided include construction management, community management, cleaning and community service and development of non-condominium projects. As of 31 December 2019, the investment in the subsidiary companies and the joint stock companies accounts for 2.53% 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

1. The Company compiled the list of shareholders on the record date, 23 August 2018. Top ten shareholders are categorized as follows:

#### Top Ten Major Shareholders

| No.   | Shareholders                                 | No. of Shares<br>(Million Shares) | %     |
|-------|--|-----------------------------------|-------|
| 1     | Thai NVDR Co., Ltd.                          | 107.02                            | 7.25  |
| 2     | Social Security Office                       | 72.28                             | 4.89  |
| 3     | Mr. Sumet Techakraisri                       | 38.41                             | 2.60  |
| 4     | Aberdeen Standard Growth Fund                | 31.82                             | 2.15  |
| 5     | South East Asia UK (Type G) Nominees Limited | 31.64                             | 2.14  |
| 6     | Bank of Singapore Limited                    | 28.45                             | 1.92  |
| 7     | Mr. Kenneth Rudy Kamon                       | 25.81                             | 1.74  |
| 8     | Mrs. Yupa Techakraisri                       | 23.76                             | 1.61  |
| 9     | Aberdeen Standard Long Term Equity Fund      | 21.41                             | 1.45  |
| 10    | Aberdeen Standard Small Cap Fund             | 20.24                             | 1.37  |
| Total |  | 400.84                            | 27.12 |

- 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](http://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<br>(Million Shares) | %     |
|-------|--------------------------------|-----------------------------------|-------|
| 1     | Mr. Sumeth Techakraisri        | 38.41                             | 2.60  |
| 2     | Mrs. Yupa Techakraisri         | 23.76                             | 1.61  |
| 3     | Mr. Supachai Suttipongchai     | 25.55                             | 1.59  |
| 4     | Mr. Suthilak Chirativat        | 19.82                             | 1.34  |
| 5     | Mr. Kumpee Chongthureakit      | 16.74                             | 1.13  |
| 6     | Roman Catholic Mission         | 12.00                             | 0.81  |
| 7     | Mr. Sirichai Charoensakwattana | 10.00                             | 0.67  |
| 8     | Mr. Sophon Mitpanpanich        | 7.34                              | 0.49  |
| 9     | Mr. Manoo Wongkhunmueng        | 7.00                              | 0.47  |
| 10    | Mr. Charnan Panchasarp         | 6.70                              | 0.45  |
| Total |                                | 165.32                            | 11.16 |

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<br>(Million Shares) | %     |
|-------|--|-----------------------------------|-------|
| 1     | Social Security Office                                 | 72.28                             | 4.89  |
| 2     | Aberdeen Standard Growth Fund                          | 31.83                             | 2.15  |
| 3     | Aberdeen Standard Long Term Equity Fund                | 21.41                             | 1.45  |
| 4     | Aberdeen Standard Small Cap Fund                       | 20.24                             | 1.37  |
| 5     | Yuanta Securities (Thailand) Co., Ltd.                 | 15.90                             | 1.07  |
| 6     | Aberdeen Standard Smart Capital Retirement Mutual Fund | 13.98                             | 0.94  |
| 7     | TISCO Mid/Small Cap Equity Fund                        | 11.47                             | 0.77  |
| 8     | Muang Thai Insurance Public Company Limited            | 8.86                              | 0.60  |
| 9     | Bangkok Life Insurance Public Company Limited          | 6.96                              | 0.47  |
| 10    | Mahidol University                                     | 6.68                              | 0.45  |
| Total |  | 209.61                            | 14.16 |

### Top Five Foreign Shareholders

| No.   | Shareholders           | No. of Shares<br>(Million Shares) | %     |
|-------|------------------------|-----------------------------------|-------|
| 1     | CITI                   | 105.72                            | 7.16  |
| 2     | Standard Chartered     | 63.74                             | 4.31  |
| 3     | HSBC                   | 58.64                             | 3.97  |
| 4     | Mr. Kenneth Rudy Kamon | 25.82                             | 1.74  |
| 5     | Others                 | 4.57                              | 0.30  |
| Total |                        | 258.49                            | 17.48 |

## 2. 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 26 June 2019 for interim dividend payment, the foreign shareholding of the Company is 16.61% of all shares of the Company.

## 3. 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.

## 4. Minor Shareholders (Free Float)

As of 28 February 2019 which is the book closing date for Annual General Meeting of Shareholders 2019, the total number of shareholders of the Company is 20,214 shareholders. Of all the shareholders, 19,653 are minor shareholders (free float), holding 91.48 % of all shares.

## 5. Treasury Stock

The Board of Directors' Meeting Ref. 8/2018 on 20 November 2018 resolves to approve the Treasury Stock Project. The objective of the share repurchase is for financial management. Maximum fund for the share repurchase is 400 million THB (Four Hundreds Million Baht). The amount of shares to be repurchased is 42 million shares with a par value of 1 THB per share, or 2.85% of all shares sold. The shares are to be repurchased via the Stock Exchange of Thailand from 4 December 2018 to 3 June 2019.

## 6. Reissuance of Treasury Stock for Financial Management

The Board of Directors' Meeting Ref. 6/2019 on 7 November 2019 resolves to approve the reissuance of 21,500,000 shares (Twenty one millions five hundred thousand shares) of treasury stock for financial management purpose, accounting for 1.46% of all shares sold. Timeframe of the reissuance of treasury stock is from 4 December 2019 to 3 June 2022 (six months after the stock buybacks but no more than 3 years).

## Issuance of other securities

### Private Placement Debentures

The Annual General Meeting of Shareholders of L.P.N. Development Public Co., Ltd. resolved to approve the issuance of and offer for sale of private placement debentures as follows:

1. 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. 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%                    | 27 Jul 2021   | 300,000,000 THB            |
| 10/2017                              | 15 Dec 2017 | 4 years                   | 3.75%                    | 15 Dec 2021   | 300,000,000 THB            |
| Total (excluding matured debentures) |             |                           |                          |               | 1,000,000,000 THB          |

Note: As of 31 December 2019, the debentures no. 1/2015, 2/2015, 3/2016, 4/2016, 5/2016, 6/2016 and 7/2016 were matured.



2. The Annual General Meeting of Shareholders 2018 on 30 March 2018 resolved to approve the issuance of and offer for sale of private placement debentures at the amount of not exceeding two billion THB. The details are as follows:

| No.                                      | Issue Date  | Tenor (year) | Interest Rate (per year) | Maturity Date | Value as of the Issue Date |
|--|-------------|--------------|--------------------------|---------------|----------------------------|
| 1/2018                                   | 17 Aug 2018 | 3 years      | 3.95%                    | 17 Aug 2021   | 500,000,000 THB            |
| 2/2018                                   | 26 Oct 2018 | 3 years      | 3.95%                    | 26 Oct 2021   | 480,000,000 THB            |
| 1/2019*                                  | 12 Apr 2019 | 3 years      | 2.95%                    | 12 Apr 2022   | 1,168,000,000 THB          |
| <b>Total (from year 2018 resolution)</b> |             |              |                          |               | <b>2,000,000,000 THB</b>   |

Note: The Company paid for the issuance of the debenture no. 1/2019 at the amount of 1,168,000,000 THB using money from two sources. The amount of 1,020,000,000 THB came from the credit balance as approved by the Annual General Meeting of Shareholders 2018 and the amount of 148,000,000 THB was approved by the Annual General Meeting of Shareholders 2019.

3. The Annual General Meeting of Shareholders 2019 on 28 March 2019 resolved to approve the issuance of and offer for sale of private placement debentures at the amount of not exceeding four billion THB. The details are as follows:

| No.  | Issue Date  | Tenor (year) | Tenor (year)<br>Interest Rate (per year) | Maturity Date | Value as<br>of the Issue Date |
|--|-------------|--------------|--|---------------|-------------------------------|
| 1/2019*                                      | 12 Apr 2019 | 3 years      | 2.95%                                    | 12 Apr 2022   | 1,168,000,000 THB             |
| 2/2019                                       | 10 Oct 2019 | 3 years      | 2.70%                                    | 10 Oct 2022   | 1,000,000,000 THB             |
| <b>Total (from the year 2019 resolution)</b> |             |              |  |               | <b>1,148,000,000 THB</b>      |

Note: The Company paid for the issuance of the debenture no. 1/2019 at the amount of 1,168,000,000 THB using money from two sources. The amount of 1,020,000,000 THB came from the credit balance as approved by the Annual General Meeting of Shareholders 2018 and the amount of 148,000,000 THB was approved by the Annual General Meeting of Shareholders 2019.

## 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 2019, the net profit of the Company in the consolidated financial statements is 1,256,037,842.07 THB (One Billion, Two Hundred Fifty Six Million Thirty Seven Thousand Eight Hundred Forty Two and Seven Satang) and the net profit per share is 0.86 THB (Eighty-Six Satang). The Board of Directors' Meeting Ref. 1/2020 on 13 February 2020 resolved to propose to the Annual General Meeting of Shareholders 2020 to be held on 26 March 2020 to approve the dividend payment at the rate of 0.60 THB (Sixty Satang). The Company has paid the interim dividend for the performance during the period of six months at the end of Q2/2019 at the rate of 0.20 THB (Twenty Satang) per share.

The payment was made on 5 September 2019. The details of the dividend payment of the Company from 1994 to 2019 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                  |
| 2018  | 0.99                       | 0.60          | 64.52    | 0.20                  |
| 2019* | 0.86                       | 0.60          | 69.47    | 0.20                  |

Note: 1. The dividend payment policy of the Company is as follows:

- 1.1 Year 1994-2006: The dividend was paid from the net profit from consolidated financial statements.
- 1.2 Year 2007-2010: The dividend was paid from the net profit from separate financial statements.
- 1.3 From 2011 onwards: The dividend was paid from the net profit from consolidated financial statements.
2. 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.
3. \*Pending approval from the Annual General Meeting of Shareholders 2020.



## 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 2019, the interim dividend paid to the Company from subsidiary companies is as follows:

| Subsidiary Company                           | Dividend Value (THB) | Dividend (THB/Share) |
|--|----------------------|----------------------|
| Lumpini Project Management Service Co., Ltd. | 3,224,000            | 0.62                 |

## Investment in Land for New Projects Development

In 2019, the Company purchases seven pieces of land to develop new projects with the total size of 41,969.60 square wa at the combined value of 2.9975 billion THB as follows:

| No.           | Project                                   | Ownership Transfer Date | Size (sq.wa) | Price (THB/sq. wa) | Total Value (million THB) | Appraised Price (million THB) |
|---------------|---|-------------------------|--------------|--------------------|---------------------------|-------------------------------|
| 1             | Lumpini Ville Sukhumvit 101/1-Punnawithi  | May 19                  | 1,220.00     | 137,600.00         | 167.75                    | 183.00                        |
| 2             | Lumpini Ville Chaengwattana 10            | July 19                 | 1,772.00     | 54,000.00          | 95.68                     | 106.32                        |
| 3             | Plot of land in Chaengwattana 17          | Mar 20                  | 3,042.60     | 192,476.00         | 585.62                    | Not yet transferred           |
| 4             | Plot of land in Ekkachai                  | Oct 19                  | 8,039.40     | 45,000.00          | 361.77                    | 401.97                        |
| 5             | Plot of land in Charansanitwong 65        | Dec 19                  | 1,919.60     | 148,000.00         | 284.10                    | Being appraised               |
| 6             | Lumpini Townville Ladkrabang-Suvarnabhumi | Jan 19                  | 15,709.00    | 35,000.00          | 549.81                    | 628.36                        |
| 7             | Baan 365 Muang Thong                      | Aug 19                  | 10,267.00    | 92,800.00          | 952.77                    | 1,078.04                      |
| Total in 2019 |   |                         | 41,969.60    |                    | 2,997.50                  |                               |

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.

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 strategic location.

## Security Valuation

The security valuation of the Company and subsidiary companies including assets for investment, office equipment, assets for sale and assets for development in 2019 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

Unit: Million THB

| Revenue Categorized by Products         | 2019 Revenue     |                | 2018 Revenue     |               | 2017 Revenue    |                |
|---|------------------|----------------|------------------|---------------|-----------------|----------------|
|   | Million THB      | %              | Million THB      | %             | Million THB     | %              |
| <b>Real Estate Development for Sale</b> |                  |                |                  |               |                 |                |
| Residential Condominiums                | 6,181.65         | 61.57          | 8,611.70         | 76.20         | 7,682.07        | 79.56          |
| Single Homes and Townhouses             | 2,535.65         | 25.25          | 1,575.55         | 13.94         | 1,037.70        | 10.75          |
| <b>Total Revenue from Sale</b>          | <b>8,717.30</b>  | <b>86.82</b>   | <b>10,187.25</b> | <b>90.14</b>  | <b>8,719.77</b> | <b>90.31</b>   |
| <b>Growth Rate</b>                      |                  | <b>(14.43)</b> |                  | <b>16.83</b>  |                 | <b>(37.07)</b> |
| <b>Real Estate Development for Rent</b> |                  |                |                  |               |                 |                |
| Office Buildings                        | 6.94             | 0.07           | 6.79             | 0.06          | 7.31            | 0.08           |
| Residential Condominiums                | 166.07           | 1.65           | 125.40           | 1.11          | 101.14          | 1.05           |
| <b>Total Revenue from Rental</b>        | <b>173.02</b>    | <b>1.72</b>    | <b>132.19</b>    | <b>1.17</b>   | <b>108.45</b>   | <b>1.12</b>    |
| <b>Growth Rate</b>                      |                  | <b>30.88</b>   |                  | <b>21.89</b>  |                 | <b>48.05</b>   |
| Revenue from Management                 | 1,063.80         | 10.60          | 932.81           | 8.25          | 784.64          | 8.13           |
| <b>Growth Rate</b>                      |                  | <b>14.04</b>   |                  | <b>18.88</b>  |                 | <b>16.61</b>   |
| Other Revenues **                       | 86.28            | 0.86           | 49.64            | 0.44          | 42.29           | 0.44           |
| <b>Total Revenue</b>                    | <b>10,040.40</b> | <b>100.00</b>  | <b>11,301.89</b> | <b>100.00</b> | <b>9,655.14</b> | <b>100.00</b>  |
| <b>Growth Rate</b>                      |                  | <b>(11.16)</b> |                  | <b>17.06</b>  |                 | <b>(34.10)</b> |

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

Revenue Classified by Core Business of the Company

Unit: Million THB

| Revenue Categorized by Products         | 2019 Revenue    |                | 2018 Revenue    |               | 2017 Revenue    |                |
|---|-----------------|----------------|-----------------|---------------|-----------------|----------------|
|   | Million THB     | %              | Million THB     | %             | Million THB     | %              |
| <b>Real Estate Development for Sale</b> |                 |                |                 |               |                 |                |
| Residential Condominiums                | 6,181.65        | 79.42          | 8,614.55        | 93.92         | 7,685.09        | 97.47          |
| Single Homes and Townhouses             | 1,311.90        | 16.85          | 361.07          | 3.94          | -               | -              |
| <b>Total Revenue from Sale</b>          | <b>7,493.55</b> | <b>96.27</b>   | <b>8,975.62</b> | <b>97.85</b>  | <b>7,685.09</b> | <b>97.47</b>   |
| <b>Growth Rate</b>                      |                 | <b>(16.51)</b> |                 | <b>16.79</b>  |                 | <b>(40.93)</b> |
| <b>Real Estate Development for Rent</b> |                 |                |                 |               |                 |                |
| Office Buildings                        | 11.89           | 0.15           | 11.66           | 0.13          | 12.23           | 0.16           |
| Residential Condominiums                | 164.31          | 2.11           | 123.67          | 1.35          | 99.39           | 1.26           |
| <b>Total Revenue from Rental</b>        | <b>176.19</b>   | <b>2.26</b>    | <b>135.33</b>   | <b>1.48</b>   | <b>111.63</b>   | <b>1.42</b>    |
| <b>Growth Rate</b>                      |                 | <b>30.20</b>   |                 | <b>21.23</b>  |                 | <b>45.77</b>   |
| Dividend Received                       | 5.22            | 0.07           | -               | -             | -               | -              |
| Other Revenues **                       | 108.67          | 1.40           | 61.54           | 0.67          | 87.69           | 1.11           |
| <b>Total Revenue</b>                    | <b>7,783.64</b> | <b>100.00</b>  | <b>9,172.49</b> | <b>100.00</b> | <b>7,884.41</b> | <b>100.00</b>  |
| <b>Growth Rate</b>                      |                 | <b>(15.14)</b> |                 | <b>16.34</b>  |                 | <b>(40.02)</b> |

\*\* 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 2019, 2018 and 2017)

Unit: Million THB

| Operated by  | Type of Business  | Percentage of Shareholding of the Company | Revenue 2019 |        | Revenue 2018 |        | Revenue 2017 |        |
|--|---|---|--------------|--------|--------------|--------|--------------|--------|
|  |   |   | Million THB  | %      | Million THB  | %      | Million THB  | %      |
| L.P.N. Development Public Co., Ltd.  | Residential Condominium Developer   | -   | 7,748.16     | 77.17  | 9,150.29     | 80.96  | 7,827.85     | 81.07  |
| Pomsanti Co., Ltd.   | Non-Condominium Residential Project Developer                                       | 99.99                                     | 1,227.33     | 12.22  | 1,217.00     | 10.77  | 1,039.90     | 10.77  |
| Lumpini Property Management Co., Ltd.  | Community Management Service Provider   | 99.99                                     | 654.88       | 6.62   | 563.82       | 4.99   | 479.49       | 4.97   |
| Lumpini Project Management Service Co., Ltd.<br>(an indirect shareholder of Lumpini Wisdom and Solution Co., Ltd. at the proportion of 100%) | Construction Management Service Provider  | 63  | 18.88        | 0.19   | 21.85        | 0.19   | 7.63         | 0.08   |
| LPO Social Enterprise Co., Ltd.<br>(originally called Lumpini Property Service and Care Co., Ltd.)   | Community Services Provider   | 99.96                                     | 391.16       | 3.90   | 348.93       | 3.09   | 300.27       | 3.11   |
| Kamala Senior Living Co., Ltd.   | Developer of Real Estate Projects for the Elderly                                   | 25  | -            | -      | -            | -      | -            | -      |
| Dolsiri Development Co., Ltd.  | Developer of Real Estate Projects for Rent, Real Estate Management Service Provider | 49.99                                     | -            | -      | -            | -      | -            | -      |
| *Note: Information from consolidated financial statements classified by company  |   |   | 10,040.40    | 100.00 | 11,301.89    | 100.00 | 9,665.14     | 100.00 |

## ACCUMULATED UNPAID DEBTS

As of 31 December 2019

-None-

## SUMMARY OF REAL ESTATE BUSINESS SITUATIONS IN 2019

In 2019 real estate business faces a challenge from the Bank of Thailand's Loan to Value (LTV) measure that came into effect on April 1, 2019. The LTV requires second home buyers to put a 10% down payment on property purchases should the buyers pay in installments on their first mortgage loan within a period of three years or more. If the first mortgage payback is less than three years, the minimum down payment for the second mortgage is 20% increasing from 10% or less in the past. For the third mortgage contract, the minimum down payment is 30% for any property price. For a mortgage contract to buy a property valued at 10 million THB or above, the first contract is subject to a 20% minimum down payment and the second contract is subject to a 30% down payment.

The measure has a direct impact on the real estate sector in both residential condominium projects and residential home projects. There has been a decline in the number of condominium project launches in the first three quarters of 2019. LPN Wisdom, the real estate research center of L.P.N. Development Public Company Limited, estimates that about 110,000 new condo units have been launched in Bangkok and its peripheral areas with an approximate value of 442 billion THB. It is an 11% decrease in unit numbers and a 22% decrease in value comparing to 2018 when the number of new projects in Bangkok and its peripheral areas was about 125,000 units in total, with an approximate value of 569 billion THB. At the same time, the ownership transfers of both residential condominiums and residential homes in Bangkok and its peripheral areas are 196,000 units, increasing 4% from year 2018. Eighty-nine thousand units are residential condominiums which increase 6% from year 2018.

Apart from the LTV measure, the 2019 economic slowdown also has a direct impact on purchasing power. The Bank of Thailand forecasts that the economic growth rate in 2019 will be no more than 2.5% which lower than the 4.1% growth in 2018. This is a result from the negative growth forecast in the export sector and the slowdown in tourism sector and investment of government and private sectors. In addition, the household debt to GDP ratio stands at 79.1% which is very high. The household debt can be classified by types of loans as follows: personal loans (24%), mortgage loans (33%), business loans (18%), auto loans (12%), and credit card loans (3%).

According to the survey and the Bank of Thailand's report, the combined debt burden of each borrowers is 552,499 THB per person, an increase of 46% from 2009 and an increase of 6.3% when compared to 2018, resulting in a decrease in domestic purchasing power. Financial institutions tighten their mortgage loan underwriting standards as a result of the Loan to Value measure. The Non-Performing Loan (NPL) ratio increased from 2.95% in the first 9 months of 2018 to 3.1% in the first nine months of 2019. The higher NPL ratio is partly because of the major debtors in real estate sector and SME loans. As a result, financial institutions have rejected 40% of mortgage loan application in 2019 which is higher than the average rate of 20% over the past five years.

At the same time, overseas purchasing power that stimulated the real estate business growth in 2018 has declined in 2019. According to the Bank of Thailand, in 2018, the international money transfer to buy real estates in Thailand was a 100 billion THB. In the first eight months of 2019 (as of 31 August 2019), it was 30 billion THB, decreasing 50% when compared to the 60 billion THB international money transfer during the same period in 2018. It is expected that the international transfer for real estate purchases in Thailand will not exceed 50 billion baht in 2019 or 50% decrease compared to 2018.

As a result, in late 2019, the Ministry of Finance announced two real estate stimulus measures

The first measure is lowering housing transfer fees from 2% to 0.01% and mortgage fees from 1.0% to 0.01% for buyers of residential properties under 3 million baht, effective from 2 November 2019 to 24 December 2020.

The second measure is "Good House with Down Payment" campaign. The campaign offers a 50,000 baht "giveaway" down payment incentive to those who purchase houses, with no price limit, each of whom must have a monthly income not exceeding 100,000 THB a month or 1.2 million THB a year and have been approved by financial institutions. The target number of buyers is 100,000. The campaign starts on 27 November 2019 and lasts until 31 March 2020.



Both measures have stimulated the purchase and transfer of residential properties that are completed and ready to be sold and transferred during the last 2 months of 2019. The consequence can also be seen in the first quarter of 2020. Nevertheless, it is not yet possible to stimulate positive growth of sales value and transfer value in 2019. This is because of the Loan to Value Measure, the 50% drop of overseas purchasing power and the decrease in domestic purchasing power as a result of the economic slowdown and debt capacity reduction, which influences the purchasing power of lower-middle buyers.

Under the circumstances, in 2019, real estate companies listed on the Stock Exchange of Thailand and real estate companies not listed on the Stock Exchange of Thailand reduced the number of their new project launches in 2019 in order to reduce the amount of products to suit overall market conditions. They, particularly, delayed plans to launch condominium projects in some locations and focused more on horizontal projects to increase sales volume and ownership transfer. This was due to the fact that each real estate companies' operational performance in the first nine months of 2019 declined compared to the same period in 2018.

L.P.N. Development Public Company Limited reduced the launches of new projects planned for 2019 from 9 projects worth 12.2 billion THB to 3 projects worth approximately 2 billion THB. The two residential condominium projects launched were Lumpini Ville Sukhumvit 101/1-Punnawithi Project with an approximate value of 700 million THB and Lumpini Ville Chaengwattana 10 Project with an approximate value of 600 million THB. One twin-house project launched was Lumpini Town Place Rama 2-Thakham with an approximate value of 700 million THB. Launches of six projects have been postponed to year 2020. In the second half of 2019, the Company focused on liquidating the existing inventory instead of launching new projects.

During the market adjustment, the Company emphasized on creating brand awareness of the Company by launching "the Better Balance" campaign. The campaign aims to build customer perception about the approach that the Company uses in developing residential properties and after-sales services that create value of living for customers. The development is based mainly on customer needs. It also communicates the readiness of the organization as a real estate company which is well-prepared in every aspect: construction, design, after-sales service, professional community care and management and attention to the details of customer living. This was done under the Social Responsibility framework to create marketing opportunities and increase customer perception toward products and services of the Company amid changes in consumer behavior. Consumers prefer to buy products from socially and environmentally responsible companies. Instead of competing on price, this way of creating product value complies with the "Liveable Community for All" strategy.

## 2019 COMPETITION

Year 2019 is the year that real estate business faces challenges from many factors affecting both domestic and overseas purchasing power, which lead to fierce competition in the market. Under such circumstances, in 2019, real estate entrepreneurs use a competitive pricing strategy and purchasing stimulus measures. Marketing campaigns have been continuously organized particularly in the first quarter of 2019, before the LTV measures came into effect on April 1, 2019. As a result, the number of real estate transfers in Bangkok and peripheral areas in the first quarter of 2019 is as high as 47,770 units with a total approximate value of 133 billion THB, increasing 13.45% and 19.26% respectively over the same period in 2018.

According to a further survey, the number of ownership transfers in the second quarter of 2019 in Bangkok and peripheral areas is only 40,442 units with a total value of 121.360 billion THB, decreasing 18.9% and 16.6% respectively over the same period in 2018.

However, in the third quarter of 2019, the transfer of ownership is significantly increased because the number of condominium ownership transfers in Housing Community projects and Baan Eua-Arthorn of the National Housing Authority (NHA) in Bangkok and peripheral areas is 13,984 units which is higher than average. Normally the average number of NHA's housing transfer in Bangkok and peripheral areas is no more than 10,000 units per quarter. As a result, in the third quarter of 2019, the number of transfer in Bangkok and peripheral areas is as high as 53,936 units, increasing 10.9% over the same period in 2018 with a value of 146.827 billion THB, increasing 9.6% over the same period in 2018.

According to a survey by LPN Wisdom, the real estate research center of L.P.N. Development Public Company Limited, the launches of new residential condominium projects and residential home projects including single homes, twin homes and townhouses in Bangkok and peripheral areas in 2019 are approximately 110,000 units. Out of that, 65,000 units are residential condominiums, decreasing about 8 % from the 71,000 units launched in 2018, accounting for 59% of all newly launched projects. Newly launched residential homes are about 45,000 units, decreasing 6% from the 48,000 units launched in 2018, accounting for 41% of all newly launched projects.

Comparing the proportion of residential projects launched to condominium project launched, it is found that over the past three to four years, entrepreneurs have increased the launch of residential home projects from 35% in 2016 to 41% in 2019 and are likely to increase the proportion of residential home projects.

### Comparison of New Projects Launched Between 2013-2019

| Type                     | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------|------|------|------|------|------|------|------|
| Residential Condominiums | 67%  | 68%  | 60%  | 65%  | 62%  | 61%  | 59%  |
| Residential Homes        | 33%  | 32%  | 40%  | 35%  | 38%  | 39%  | 41%  |

Source: LPN Wisdom and Agency for Real Estate Affairs

The selling price of new condominium projects launched in 2019 can be categorized into four 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 per unit still commands the highest market share of 54% of all newly launched projects. The condominium projects with the selling price of 3-5 million THB per unit has the second highest market share of 19%. The condominium projects with the selling price of more than 5 million THB per unit has 15% market share.

### Comparison of New Residential Projects Launched from 2013-2019

| Average price per unit | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------|------|------|------|------|------|------|------|
| Over 5 million THB     | 8%   | 9%   | 15%  | 14%  | 15%  | 22%  | 15%  |
| 3-5 million THB        | 10%  | 16%  | 15%  | 17%  | 21%  | 28%  | 19%  |
| 1-3 million THB        | 70%  | 62%  | 57%  | 54%  | 63%  | 46%  | 54%  |
| Below 1 million THB    | 12%  | 13%  | 13%  | 15%  | 1%   | 4%   | 13%* |

Note: \* Units with prices below 1 million THB have significantly increased due to the response to the one-million-unit low-cost housing project of the National Government House.

Source : LPN Wisdom



In 2019, the transfer number is about 189,000 units with an approximate value of 534 billion THB, increasing 4% and 8% respectively from 2018. It is a result of the transfer of 13,984 condominium units in the housing community projects and Baan Eua-Arthorn of the National Housing Authority (NHA) in Bangkok and peripheral areas, accounting for 25.92% of the total number of transferred units in Bangkok and peripheral areas in the third quarter of 2019. In addition, the measure to reduce transfer fees and mortgage fees, as well as the government's "Good House with Down Payment" campaign enacted during the last quarter of 2019 have boosted the volume of transfers at the end of 2019. As a result the total ownership transfers in 2019 increase when compared to 2018.

#### Housing Transfer in Bangkok and peripheral areas, 2015-2019\*

|                         | 2015    | 2016    | 2017    | 2018    | 2019    |
|-------------------------|---------|---------|---------|---------|---------|
| Number of homes (units) | 196,642 | 175,375 | 183,468 | 182,613 | 189,000 |
| Value (Million THB)     | 485,056 | 444,113 | 427,729 | 492,060 | 534,000 |

Note: \* Estimates

Sources: Department of Lands, LPN Wisdom

Under such circumstances, both real estate companies listed on the Stock Exchange of Thailand and real estate companies not listed on the Stock Exchange of Thailand have reduced their newly launched projects in 2019. From the reports of 16 real estate companies listed on the Stock Exchange of Thailand, all of them, with an original plan to launch 290 new projects worth 440 billion THB, have reduced the number of new projects launched to 237 projects worth 370 billion THB.

In addition, each real estate company uses marketing strategies, particularly the pricing strategy, to spur the purchase of both old projects being sold to reduce inventories and new projects for sale. Hence, the marketing costs of real estate companies increase which make the 2019 net profit margin of each real estate company decrease when compared to 2018. The average profitability is about 15% in 2019, decreasing about 2% when compared to the 17% in 2018.

From the total of 65,000 newly launched residential condominiums units in 2019, 804 units belong to the L.P.N. Development Public Company Limited. The Company commands 1.23% of market share of all newly launched residential units in 2019. This is in line with the company's strategy to liquidate inventories and to maintain the company's liquidity at a secure level so that the Company is well-prepared for any sudden situation change, as happened in 1997, and able to maintain stable revenue and stable shareholder return.

#### Market Share of New Residential Condominium Projects Launched from 2013 to 2019

| Number of Units Launched | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|
| Overall (unit)           | 83,558 | 78,094 | 60,017 | 57,699 | 70,553 | 70,367 | 65,500 |
| LPN (Unit)               | 10,753 | 10,386 | 4,480  | 7,628  | 5,460  | 3,542  | 804    |
| LPN Market Share (%)     | 13     | 13     | 7      | 13     | 8      | 5      | 1.2    |

Source: LPN Wisdom

In 2019, about 45,000 units of residential projects with land, such as single homes, twin homes, and townhouses, are launched. L.P.N. Development Public Company Limited launches 3 new projects with 428 units in total, accounting for a 0.96% of market share of newly launched residential home projects with land in 2019.

#### Market Share of New Residential Homes Launched from 2017 to 2019.

| Number of newly launched units | 2017   | 2018   | 2019   |
|--------------------------------|--------|--------|--------|
| Total Number                   | 50,700 | 44,700 | 45,000 |
| The Company                    | 767    | 248    | 428    |
| The Company's Market Share     | 1.5%   | 0.55%  | 0.96%  |

Source: LPN Wisdom



Being Open, Transparent and Financial  
Statement Certified with Unqualified Opinion




# REPORT ON THE 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, as of 31 December 2019, has appointed an Audit Committee which comprises 4 Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Weerasak Wahawisal, Mr. Khantachai Vichakkhana and Mr. Krirk Vanikkul. Three of whom, Mr. Vudhiphol Suriyabhivadh, Mr. Weerasak Wahawisal and Mr. Krirk Vanikkul, have knowledge and experiences in accounting and finance to review accounting policy and quality of the financial report and 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 2019 Annual Report. 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 2019.



(Amornsuk Noparumpa)  
Chairman of the Board of Directors

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019, 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, 2019, 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. Revenue recognition from sales of real estate (consolidated and separate financial statements)

Revenue from sales of real estate is the most significant amount in the statement of comprehensive income, the Group has numerous real estate projects and sales agreements with a variety of conditions, pertaining to matters such as sales promotions and offering special discounts in order stimulate sales volume. I have therefore focused on the recognition of revenue from sales of real estate of the Group to be corresponded with Thai Financial Reporting Standards.

I have obtained an assurance in respect of recognition of revenue from sales of real estate by included;

- Assessed and tested the Group's IT system and its internal controls with respect to the revenue cycle, by making enquiry the persons who taken on responsibility, obtained an understanding and made sapling test the operation of the designed controls.
- Performed analytical procedures on revenue from sales of real estate data in order to check the possible fault of sales transactions throughout the fiscal period, especially for accounts posting to journal vouchers.
- Performed sampling test sales agreements whether revenue recognition was conformed to the conditions as stipulated in the relevant agreement, and corresponded with the Group's policy or not.
- Checked selling documents during the year and nearly end of the accounting period on a sampling basis.
- Tested by sampling the sale volume stimulation such as providing discount or other way and methodology to stimulate sales volume whether the accounting record is corresponded to the generally accepted accounting principles or not.
- Tested by sampling revenues from sale of real estate in the form of housing estate whether about the Company completely complied with the obligations as stipulated in agreement or not.



## 2. 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 inventories - finished goods as at December 31, 2019 in the amount of Baht 9,429.68 million (Separate : Baht 9,089.96 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.

## 3. Presentation of investment properties value (consolidated and separate financial statements)

As stated in notes 3.11 and 10 to financial statements, the Company and subsidiaries have investment properties as at December 31, 2019 in the amount of Baht 1,928.08 million (separate: Baht 1,985.61 million) of which this amount is material in the financial statements, presented carrying value by the cost less accumulated depreciation and 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 investment properties, by included;

- Considered the events indicating of potential impairment of land held for development in each project.
- Analyzed and tested by sampling the return rate which expected to be received that covered the recoverable value or not.
- 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. Wirote Saijathamnukul)

C.P.A. (Thailand) Registration No. 5128

February 13, 2020

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

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, 2018, 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, 2018, 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 inventories – finished goods as at December 31, 2018 in the amount of Baht 7,684.91 million (Separate : Baht 7,269.15 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, 2018 in the amount of Baht 943.10 million (separate: Baht 908.70 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 Matter

The consolidated and separate financial statements of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED for the year ended December 31, 2018, presented herein as comparative information, were audited by another auditor at the same firm whose report dated February 14, 2018, expressed an unqualified opinion on those statements.

### 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:

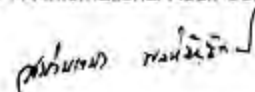
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.



(Miss Somjantana Pholhirunrat)

C.P.A. (Thailand) Registration No. 5599

February 14, 2019



# 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 affected 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 saleable 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 Pissanu Wong)  
O.P.A. (Thailand) Registration No. 7764  
February 14, 2018

# STATEMENTS OF FINANCIAL POSITION

## L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

|  |          | Consolidated financial statements (Baht) |                   | Separate financial statements (Baht) |                   |
|--|----------|--|-------------------|--------------------------------------|-------------------|
|  | Note     | December 31, 2019                        | December 31, 2018 | December 31, 2019                    | December 31, 2018 |
| ASSETS   |          |  |                   |                                      |                   |
| Current assets                                 |          |  |                   |                                      |                   |
| Cash and cash equivalents                      | 3.2      | 501,301,887.79                           | 387,716,465.66    | 374,405,343.72                       | 282,089,399.91    |
| Current investment                             | 3.3      | —  | 34,102,812.02     | —                                    | —                 |
| Trade and other current receivables            | 3.4, 5   | 326,164,562.86                           | 401,670,600.29    | 192,665,360.44                       | 306,316,302.10    |
| Short-term loans to related parties            | 8.2      | 69,000,000.00                            | 34,000,000.00     | 725,000,000.00                       | 698,000,000.00    |
| Land and costs of project under construction   | 3.5, 6.1 | 9,614,331,892.93                         | 9,243,155,880.99  | 7,817,346,909.33                     | 7,686,936,972.24  |
| Inventories-finished goods                     | 3.6, 7   | 9,429,682,923.41                         | 7,684,910,751.67  | 9,089,959,656.01                     | 7,269,146,443.69  |
| Total current assets                           |          | 19,940,481,266.99                        | 17,785,556,510.63 | 18,199,377,269.50                    | 16,242,489,117.94 |
| Non-current assets                             |          |  |                   |                                      |                   |
| Investments in subsidiaries and associates     | 3.7, 8.3 | 68,320,469.57                            | 24,661,435.00     | 598,435,437.15                       | 535,035,537.15    |
| Other long-term investments                    | 3.8, 9   | 21,680,800.00                            | 24,662,400.00     | 21,680,800.00                        | 24,662,400.00     |
| Land and costs of project held for development | 3.9, 6.2 | 648,735,605.66                           | 943,101,706.94    | 614,330,514.29                       | 908,696,615.57    |
| Investment properties                          | 3.11, 10 | 1,928,086,452.10                         | 1,624,881,703.75  | 1,985,610,096.12                     | 1,685,023,166.43  |
| Property, plant and equipment                  | 3.12, 11 | 285,957,874.04                           | 257,974,784.82    | 159,757,363.07                       | 125,849,551.99    |
| Goodwill                                       | 3.13     | 32,763,266.27                            | 32,763,266.27     | —                                    | —                 |
| Other intangible assets                        | 3.14, 12 | 11,509,505.91                            | 17,348,865.01     | 8,691,841.12                         | 13,846,305.01     |
| Leasehold right                                | 3.10, 13 | 194,162,892.90                           | 201,654,313.74    | 194,162,892.90                       | 201,654,313.74    |
| Deferred tax assets                            | 3.17, 14 | 152,385,853.60                           | 143,292,724.58    | 110,348,837.14                       | 103,379,730.73    |
| Other non-current assets                       |          |  |                   |                                      |                   |
| Income tax deducted at source                  |          | 56,551,824.33                            | 58,899,771.70     | —                                    | —                 |
| Others   |          | 132,711,852.75                           | 135,409,108.45    | 91,795,284.65                        | 99,020,029.85     |
| Total non-current assets                       |          | 3,532,866,397.13                         | 3,464,650,080.26  | 3,784,813,066.44                     | 3,697,167,650.47  |
| TOTAL ASSETS                                   |          | 23,473,347,664.12                        | 21,250,206,590.89 | 21,984,190,335.94                    | 19,939,656,768.41 |

(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 FINANCIAL POSITION AS AT DECEMBER 31, 2019 (Cont'd)**

|  |            | Consolidated financial statements (Baht) |                   | Separate financial statements (Baht) |                   |
|--|------------|--|-------------------|--------------------------------------|-------------------|
|  | Notes      | December 31, 2019                        | December 31, 2018 | December 31, 2019                    | December 31, 2018 |
| LIABILITIES AND SHAREHOLDERS' EQUITY       |            |  |                   |                                      |                   |
| Current liabilities                        |            |  |                   |                                      |                   |
| Bank overdrafts and short-term borrowings  |            |  |                   |                                      |                   |
| from financial institutions                | 15         | 3,468,423,284.82                         | 2,629,157,087.84  | 3,076,297,784.82                     | 2,294,586,699.84  |
| Trade and other current payables           | 16         | 1,844,867,002.15                         | 2,289,535,507.89  | 1,623,756,467.68                     | 2,078,351,997.64  |
| Short-term borrowings from related parties | 8.5        | –  | –                 | 263,800,000.00                       | 148,000,000.00    |
| Current portion of long-term borrowings    |            |  |                   |                                      |                   |
| and financial lease liabilities            | 17         | 7,214,344.53                             | 616,919,888.82    | 6,594,639.04                         | 616,398,986.61    |
| Current income tax payable                 |            | 123,804,001.00                           | 152,707,387.14    | 118,757,634.64                       | 137,910,459.42    |
| Total current liabilities                  |            | 5,444,308,632.50                         | 5,688,319,871.69  | 5,089,206,526.18                     | 5,275,248,143.51  |
| Non-current liabilities                    |            |  |                   |                                      |                   |
| Unearned rental income                     | 18         | 271,299,968.66                           | 281,767,582.90    | 271,299,968.66                       | 281,767,582.90    |
| Financial lease liabilities                | 3.16, 19   | 17,377,250.76                            | 15,225,925.38     | 15,799,602.01                        | 13,979,892.23     |
| Long-term borrowings                       | 20         | –  | 9,159,900.00      | –                                    | –                 |
| Debentures                                 | 21         | 4,148,000,000.00                         | 1,980,000,000.00  | 4,148,000,000.00                     | 1,980,000,000.00  |
| Non-current provisions for                 |            |  |                   |                                      |                   |
| employee benefit                           | 3.21 2, 22 | 363,174,870.00                           | 274,361,082.00    | 123,238,621.00                       | 94,257,960.00     |
| Other non-current liabilities              |            |  |                   |                                      |                   |
| Rental and service deposit                 |            | 34,611,261.07                            | 31,039,757.08     | 34,294,857.07                        | 30,723,353.08     |
| Others                                     |            | 35,476,426.52                            | 35,694,981.31     | 26,188,669.28                        | 26,260,240.44     |
| Total non-current liabilities              |            | 4,869,939,777.01                         | 2,627,249,228.67  | 4,618,821,718.02                     | 2,426,989,028.65  |
| Total liabilities                          |            | 10,314,248,409.51                        | 8,315,569,100.36  | 9,708,028,244.20                     | 7,702,237,172.16  |

(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 FINANCIAL POSITION AS AT DECEMBER 31, 2019 (Cont'd)**

|  | Note | Consolidated financial statements (Baht) |                   | Separate financial statements (Baht) |                   |
|--|------|--|-------------------|--------------------------------------|-------------------|
|  |      | December 31, 2019                        | December 31, 2018 | December 31, 2019                    | December 31, 2018 |
| 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  |
| Treasury shares                            | 25   | (142,107,790.01)                         | (37,679,551.07)   | (142,107,790.01)                     | (37,679,551.07)   |
| 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  | 10,185,884.82                            | 15,461,429.47     | -                                    | -                 |
| Retained earnings                          |      |  |                   |                                      |                   |
| Appropriated                               |      |  |                   |                                      |                   |
| Legal reserve                              | 27.1 | 148,000,000.00                           | 148,000,000.00    | 148,000,000.00                       | 148,000,000.00    |
| Reserve for treasury shares                | 27.2 | 142,107,790.01                           | 37,679,551.07     | 142,107,790.01                       | 37,679,551.07     |
| Unappropriated                             |      | 11,020,756,081.50                        | 10,777,166,758.70 | 10,171,049,769.50                    | 10,129,121,994.01 |
| Other components of shareholders' equity   |      |  |                   |                                      |                   |
| Gains (losses) on remeasuring              |      |  |                   |                                      |                   |
| investments held as available-for-sale     |      | (255,360.00)                             | 3,729,920.00      | (255,360.00)                         | 3,729,920.00      |
| Total owners of the Company                |      | 13,136,254,288.56                        | 12,900,925,790.41 | 12,276,162,091.74                    | 12,237,419,596.25 |
| Non-controlling interests                  |      | 23,844,966.05                            | 33,711,700.12     | -                                    | -                 |
| Total shareholders' equity                 |      | 13,159,099,254.61                        | 12,934,637,490.53 | 12,276,162,091.74                    | 12,237,419,596.25 |
| Total liabilities and shareholders' equity |      | 23,473,347,664.12                        | 21,250,206,590.89 | 21,984,190,335.94                    | 19,939,656,768.41 |

(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 COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | Note     | Consolidated financial statements (Baht) |                           | Separate financial statements (Baht) |                           |
|---|----------|--|---------------------------|--------------------------------------|---------------------------|
|   |          | 2019                                     | 2018                      | 2019                                 | 2018                      |
| <b>Revenues from sales and services</b>       |          |  |                           |                                      |                           |
| Sales   |          | 8,717,303,690.73                         | 10,187,252,876.33         | 7,493,660,649.69                     | 8,975,619,059.00          |
| Rental and service business income            |          | 173,016,392.46                           | 132,189,249.57            | 176,194,068.48                       | 135,332,696.26            |
| Management business income                    |          | 1,063,803,969.85                         | 932,806,772.74            | -                                    | -                         |
| <b>Total revenues from sales and services</b> |          | <b>9,954,123,943.04</b>                  | <b>11,252,248,898.64</b>  | <b>7,669,744,708.17</b>              | <b>9,110,951,755.26</b>   |
| <b>Cost of sales and services</b>             |          |  |                           |                                      |                           |
| Cost of sales                                 |          | (5,954,242,020.12)                       | (7,059,971,202.65)        | (5,237,195,357.02)                   | (6,344,376,658.07)        |
| Cost of rental and service business           |          | (108,968,206.41)                         | (91,259,578.02)           | (118,997,881.55)                     | (109,869,212.49)          |
| Cost of management business                   |          | (690,524,514.60)                         | (622,156,912.22)          | -                                    | -                         |
| <b>Total cost of sales and services</b>       |          | <b>(6,753,734,841.13)</b>                | <b>(7,773,387,692.89)</b> | <b>(5,356,193,238.57)</b>            | <b>(6,454,245,870.56)</b> |
| <b>Gross profit</b>                           |          | <b>3,200,389,101.91</b>                  | <b>3,478,861,205.75</b>   | <b>2,313,551,469.60</b>              | <b>2,656,705,884.70</b>   |
| <b>Other income</b>                           |          |  |                           |                                      |                           |
| Interest income                               |          | 5,325,806.48                             | 7,622,988.25              | 31,254,458.88                        | 19,949,348.26             |
| Dividend received                             |          | 2,000,000.00                             | -                         | 5,224,000.00                         | -                         |
| Contract changing income                      |          | 58,645,260.35                            | 24,133,595.44             | 57,667,510.35                        | 23,718,587.02             |
| Gain on sales of investments                  |          | 9,340,739.60                             | 11,768,402.02             | 9,303,987.34                         | 11,768,402.02             |
| Others  |          | 10,968,578.17                            | 6,118,629.30              | 10,441,557.09                        | 6,100,068.24              |
| <b>Total other income</b>                     |          | <b>86,280,384.60</b>                     | <b>49,643,615.01</b>      | <b>113,891,513.66</b>                | <b>61,536,405.54</b>      |
| Distribution costs                            |          | (670,116,310.94)                         | (780,715,674.49)          | (590,150,797.47)                     | (698,881,952.93)          |
| Administrative expenses                       |          | (933,864,969.38)                         | (892,559,248.50)          | (439,069,789.06)                     | (443,516,384.91)          |
| Management benefit expenses                   | 33       | (78,261,614.47)                          | (93,356,428.16)           | (48,533,405.48)                      | (64,451,871.87)           |
| Directors' remuneration                       |          | (13,090,564.68)                          | (16,428,347.00)           | (13,021,564.68)                      | (16,407,347.00)           |
| Finance costs                                 |          | (4,316,489.96)                           | (2,742,034.81)            | (31,424,518.61)                      | (1,260,216.13)            |
| Share of profit (loss) of associates          | 8.3      | (6,340,865.43)                           | (76,815.09)               | -                                    | -                         |
| <b>Profit before income tax expense</b>       |          | <b>1,580,678,671.64</b>                  | <b>1,742,626,272.71</b>   | <b>1,305,242,907.96</b>              | <b>1,493,724,517.40</b>   |
| Tax expense                                   | 3.17, 14 | (320,615,995.03)                         | (369,497,212.66)          | (265,791,463.93)                     | (322,629,598.38)          |
| <b>Profit for the year</b>                    |          | <b>1,260,062,676.61</b>                  | <b>1,373,129,060.05</b>   | <b>1,039,451,444.03</b>              | <b>1,171,094,919.02</b>   |

(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 COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019 (Cont'd)

|  | Note | Consolidated financial statements (Baht) |                  | Separate financial statements (Baht) |                  |
|--|------|--|------------------|--------------------------------------|------------------|
|  |      | 2019                                     | 2018             | 2019                                 | 2018             |
| 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                 |      | (3,985,280.00)                           | (3,014,080.00)   | (3,985,280.00)                       | (3,014,080.00)   |
| Components of other comprehensive income that will not be reclassified               |      |  |                  |                                      |                  |
| Gains (losses) on remeasurements of defined benefit plans                            |      | (37,278,832.80)                          | -                | (18,762,858.80)                      | -                |
| Other comprehensive income (expense) for the year - net of tax                       |      | (41,264,112.80)                          | (3,014,080.00)   | (22,748,148.80)                      | (3,014,080.00)   |
| Total comprehensive income for the year  |      | 1,218,798,563.81                         | 1,370,114,980.05 | 1,016,703,295.23                     | 1,168,080,839.02 |
| Attributable to  |      |  |                  |                                      |                  |
| Owners of the Company  |      | 1,256,037,842.07                         | 1,367,270,011.49 | 1,039,451,444.03                     | 1,171,094,919.02 |
| Non-controlling interests  |      | 4,024,834.55                             | 5,859,048.56     | -                                    | -                |
|  |      | 1,260,062,676.62                         | 1,373,129,060.05 | 1,039,451,444.03                     | 1,171,094,919.02 |
| Total comprehensive income attributable to   |      |  |                  |                                      |                  |
| Owners of the Company  |      | 1,217,564,842.54                         | 1,364,255,931.49 | 1,016,703,295.23                     | 1,168,080,839.02 |
| Non-controlling interests  |      | 1,233,721.28                             | 5,859,048.56     | -                                    | -                |
|  |      | 1,218,798,563.82                         | 1,370,114,980.05 | 1,016,703,295.23                     | 1,168,080,839.02 |
| Earnings per share   |      |  |                  |                                      |                  |
| Basic earnings per share   | 3.20 | 0.86                                     | 0.93             | 0.71                                 | 0.79             |
| Weighted average number of ordinary shares (share)                                   |      | 1,455,372,984                            | 1,475,570,662    | 1,455,372,984                        | 1,475,570,662    |

(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, 2019**

|   | Consolidated financial statements (Baht) |                    | Separate financial statements (Baht) |                    |
|---|--|--------------------|--------------------------------------|--------------------|
|   | 2019                                     | 2018               | 2019                                 | 2018               |
| <b>Cash flows from operating activities</b>   |  |                    |                                      |                    |
| Profit before income tax  | 1,580,678,671.65                         | 1,742,626,272.71   | 1,305,242,907.96                     | 1,493,724,517.40   |
| Adjustment to reconcile net profit to net cash receipt (disbursement) from operating activities             |  |                    |                                      |                    |
| Non-current provisions for employee benefit   | 81,184,610.00                            | 33,503,145.00      | 26,387,313.00                        | 9,332,689.00       |
| Bad debt and (reversed) doubtful accounts   | —  | 257,283.03         | —                                    | 257,283.03         |
| Depreciation of operating and investing assets, amortization of other intangible assets and leasehold right | 83,828,327.95                            | 71,842,961.63      | 77,136,698.01                        | 65,207,526.85      |
| Interest expenses   | 4,316,489.96                             | 2,742,034.81       | 31,424,518.61                        | 1,260,216.13       |
| Dividend received   | (2,000,000.00)                           | —                  | (5,224,000.00)                       | —                  |
| Loss (Gain) on sale of investments  | (3,624,820.00)                           | —                  | (3,624,820.00)                       | —                  |
| Reversal of allowance for devaluation of inventories  | (1,495,931.54)                           | —                  | —                                    | —                  |
| Loss (Gain) on sales of assets  | 142,791.75                               | (11,850,731.23)    | (77,072.21)                          | (11,850,731.23)    |
| Loss on write off assets lost/donation  | 1,870,968.50                             | 198,808.09         | 1,731,415.89                         | 145,014.98         |
| Share of other comprehensive income of associates   | 6,340,865.43                             | 76,815.09          | —                                    | —                  |
| Profit from operation before changes in operating assets and liabilities                                    | 1,751,241,973.70                         | 1,839,396,589.13   | 1,432,996,961.26                     | 1,558,076,516.16   |
| <b>Operating assets (increase) decrease</b>   |  |                    |                                      |                    |
| Trade and other current receivables   | 78,356,176.83                            | 42,374,832.36      | 116,499,378.58                       | 69,006,994.50      |
| Trade and other current receivables-related parties   | (2,830,479.54)                           | (68,287.68)        | (2,828,777.06)                       | (2,211,334.16)     |
| Inventories   | (2,092,751,519.64)                       | (2,291,719,677.96) | (2,170,288,491.76)                   | (2,336,496,350.02) |
| Land and costs of project under construction  | 182,322,865.17                           | 2,154,125,733.57   | 373,488,501.34                       | 2,428,208,295.99   |
| Deposits at bank with obligations   | (6,074,577.49)                           | (2,493,610.60)     | (1,857,526.12)                       | —                  |
| Other non-current assets  | 8,499,303.44                             | 2,951,620.48       | 9,092,371.32                         | 2,949,010.48       |
| Operating assets (increase) decrease  | (1,832,478,331.23)                       | (94,829,389.83)    | (1,675,904,643.70)                   | 161,456,516.79     |
| <b>Operating liabilities increase (decrease)</b>  |  |                    |                                      |                    |
| Trade and other current payables  | (504,476,990.74)                         | 499,138,832.35     | (482,973,912.87)                     | 463,773,832.48     |
| Trade and other current payables-related parties  | —  | —                  | 2,638,021.24                         | 378,045.84         |
| Unearned rental income  | (10,439,014.20)                          | (3,499,806.71)     | (10,439,014.20)                      | (3,499,806.71)     |
| Other non-current liabilities   | 3,352,949.20                             | 5,176,724.31       | 3,499,932.83                         | 5,207,099.42       |
| Employee benefits paid  | (7,065,520.00)                           | (11,585,097.00)    | (7,065,520.00)                       | (1,502,882.00)     |
| Operating liabilities increase (decrease)   | (518,628,575.74)                         | 489,230,652.95     | (494,340,493.00)                     | 464,356,289.03     |
| Cash generated (paid) from operation  | (599,854,933.27)                         | 2,233,797,852.25   | (737,248,175.44)                     | 2,183,889,521.98   |
| Interest paid   | (242,846,173.30)                         | (225,277,353.11)   | (229,039,812.13)                     | (206,397,489.22)   |
| Income tax received   | 13,092,563.53                            | —                  | —                                    | —                  |
| Income tax paid   | (365,168,148.68)                         | (332,657,329.67)   | (206,226,357.92)                     | (266,641,516.20)   |
| Net cash provided by (used in) operating activities   | (1,194,786,691.72)                       | 1,675,863,169.47   | (1,252,514,345.49)                   | 1,710,850,516.56   |

(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, 2019 (Cont'd)**

|  | Consolidated financial statements (Baht) |                       | Separate financial statements (Baht) |                       |
|--|--|-----------------------|--------------------------------------|-----------------------|
|  | 2019                                     | 2018                  | 2019                                 | 2018                  |
| <b>Cash flows from investing activities</b>                      |  |                       |                                      |                       |
| Investment in promissory notes and bills of exchange             | (10,000,000.00)                          | (92,464,877.60)       | -                                    | -                     |
| Proceeds from matured promissory notes and bills of exchange     | 44,102,812.02                            | 167,899,115.28        | -                                    | -                     |
| Other investments  | (22,000,000.00)                          | -                     | (22,000,000.00)                      | -                     |
| Proceeds from sales of other investments                         | 23,624,820.00                            | -                     | 23,624,820.00                        | -                     |
| Short-term loans to related parties, (increase) decrease         | (35,000,000.00)                          | 52,000,000.00         | (27,000,000.00)                      | (158,000,000.00)      |
| Investments in subsidiaries and associates                       | (49,999,900.00)                          | (24,750,000.00)       | (63,399,900.00)                      | (24,750,000.00)       |
| Leasehold right  | -  | (18,918,750.00)       | -                                    | (18,918,750.00)       |
| Dividend received  | 2,000,000.00                             | -                     | 5,224,000.00                         | -                     |
| Acquire of investment properties                                 | (157,977.59)                             | (32,897,692.47)       | (157,977.59)                         | (32,897,692.47)       |
| Acquire of fixed assets  | (44,685,567.89)                          | (15,330,369.67)       | (42,740,034.74)                      | (12,646,010.87)       |
| Acquire of other intangible assets                               | (666,630.20)                             | (3,947,961.36)        | (586,730.20)                         | (3,676,441.36)        |
| Proceeds from sales of fixed assets                              | 1,181,137.11                             | 2,989,994.94          | 1,163,702.06                         | 2,989,994.94          |
| Proceeds from sales of investment properties                     | 1,391,762.32                             | 36,173,128.65         | 1,391,762.32                         | 36,173,128.65         |
| Deposit at bank with obligations                                 | 272,629.75                               | 22,607,655.77         | -                                    | -                     |
| Net cash provided by (used in) investing activities              | (89,936,914.48)                          | 93,360,243.54         | (124,490,358.15)                     | (211,725,771.11)      |
| <b>Cash flows from financing activities</b>                      |  |                       |                                      |                       |
| Proceeds from (Payments for) bank overdrafts                     | (7,288,915.02)                           | (9,286,288.27)        | (7,288,915.02)                       | (9,286,288.27)        |
| Proceeds from short-term borrowings from related parties         | -  | -                     | 115,000,000.00                       | 148,000,000.00        |
| Proceeds from short-term borrowings from financial institutions  | 20,272,111,100.00                        | 5,180,000,000.00      | 19,859,000,000.00                    | 5,180,000,000.00      |
| Repayments for short-term borrowings from financial institutions | (19,425,555,988.00)                      | (6,615,516,112.00)    | (19,070,000,000.00)                  | (6,479,230,000.00)    |
| Proceeds from long-term borrowings                               | 50,000,000.00                            | 244,228,200.00        | -                                    | -                     |
| Repayments for long-term borrowings                              | (59,169,900.00)                          | (269,716,340.00)      | -                                    | -                     |
| Proceeds from disposal of debentures                             | 2,168,000,000.00                         | 980,000,000.00        | 2,168,000,000.00                     | 980,000,000.00        |
| Payments for matured debentures                                  | (610,000,000.00)                         | (390,000,000.00)      | (610,000,000.00)                     | (390,000,000.00)      |
| Payments for financial lease liabilities                         | (8,650,468.91)                           | (8,389,885.10)        | (8,229,637.79)                       | (7,650,229.19)        |
| Treasury ordinary shares   | (104,428,238.94)                         | (37,679,551.07)       | (104,428,238.94)                     | (37,679,551.07)       |
| Dividend paid  | (876,508,560.80)                         | (811,606,662.40)      | (873,532,560.80)                     | (811,606,662.40)      |
| Net cash provided by (used in) financing activities              | 1,398,309,028.33                         | (1,737,966,638.84)    | 1,469,320,647.45                     | (1,427,452,730.93)    |
| <b>Net increase (decrease) in cash and cash equivalents</b>      | <b>113,585,422.13</b>                    | <b>31,256,774.17</b>  | <b>92,315,943.81</b>                 | <b>71,672,014.52</b>  |
| <b>Cash and cash equivalents as at January 1</b>                 | <b>387,716,465.66</b>                    | <b>356,459,691.49</b> | <b>282,089,399.91</b>                | <b>210,417,385.39</b> |
| <b>Cash and cash equivalents as at December 31</b>               | <b>501,301,887.79</b>                    | <b>387,716,465.66</b> | <b>374,405,343.72</b>                | <b>282,089,399.91</b> |

Supplemental disclosures of cash flows information see notes 29 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, 2019

### Consolidated financial statements

|  | Note | Owners of the Company |                                  |                                  |                  | Gains (losses) on changes in shareholding proportion in subsidiaries |
|--|------|-----------------------|----------------------------------|----------------------------------|------------------|--|
|  |      | Share capital         | Share premium on ordinary shares | Share premium on treasury shares | Treasury shares  |  |
| Beginning balance as at January 1, 2018      |      | 1,475,698,768.00      | 441,807,166.00                   | 39,061,748.24                    | -                | 15,461,429.47  |
| Treasury shares during the year              |      | -                     | -                                | -                                | (37,679,661.07)  | -  |
| Reserve for treasury shares                  |      | -                     | -                                | -                                | -                | -  |
| Interim dividend paid                        | 26.3 | -                     | -                                | -                                | -                | -  |
| Dividend paid                                | 26.4 | -                     | -                                | -                                | -                | -  |
| Profit (loss) for the year                   |      | -                     | -                                | -                                | -                | -  |
| Other comprehensive income                   |      | -                     | -                                | -                                | -                | -  |
| Total comprehensive income for the year      |      | -                     | -                                | -                                | -                | -  |
| Balance as at December 31, 2018              |      | 1,475,698,768.00      | 441,807,166.00                   | 39,061,748.24                    | (37,679,661.07)  | 15,461,429.47  |
| Acquired investment in subsidiaries resulted |      | -                     | -                                | -                                | -                | (5,275,544.65)   |
| Dividend paid of subsidiaries                |      | -                     | -                                | -                                | -                | -  |
| Treasury shares during the year              |      | -                     | -                                | -                                | (104,428,238.94) | -  |
| Reserve for treasury shares                  |      | -                     | -                                | -                                | -                | -  |
| Interim dividend paid                        | 26.1 | -                     | -                                | -                                | -                | -  |
| Dividend paid                                | 26.2 | -                     | -                                | -                                | -                | -  |
| Profit (loss) for the year                   |      | -                     | -                                | -                                | -                | -  |
| Other comprehensive income                   |      | -                     | -                                | -                                | -                | -  |
| Total comprehensive income for the year      |      | -                     | -                                | -                                | -                | -  |
| Balance as at December 31, 2019              |      | 1,475,698,768.00      | 441,807,166.00                   | 39,061,748.24                    | (142,107,790.01) | 10,185,884.82  |

### Separate financial statements

|   | Note | Share capital    | Share premium on ordinary shares | Share premium on treasury shares | Treasury shares  |
|---|------|------------------|----------------------------------|----------------------------------|------------------|
| Beginning balance as at January 1, 2018 |      | 1,475,698,768.00 | 441,807,166.00                   | 39,061,748.24                    | -                |
| Treasury shares during the year         |      | -                | -                                | -                                | (37,679,661.07)  |
| Reserve for treasury shares             |      | -                | -                                | -                                | -                |
| Interim dividend paid                   | 26.3 | -                | -                                | -                                | -                |
| Dividend paid                           | 26.4 | -                | -                                | -                                | -                |
| Profit (loss) for the year              |      | -                | -                                | -                                | -                |
| Other comprehensive income              |      | -                | -                                | -                                | -                |
| Total comprehensive income for the year |      | -                | -                                | -                                | -                |
| Balance as at December 31, 2018         |      | 1,475,698,768.00 | 441,807,166.00                   | 39,061,748.24                    | (37,679,661.07)  |
| Treasury shares during the year         |      | -                | -                                | -                                | (104,428,238.94) |
| Reserve for treasury shares             | 26.1 | -                | -                                | -                                | -                |
| Interim dividend paid                   | 26.2 | -                | -                                | -                                | -                |
| Dividend paid                           |      | -                | -                                | -                                | -                |
| Profit (loss) for the year              |      | -                | -                                | -                                | -                |
| Other comprehensive income              |      | -                | -                                | -                                | -                |
| Total comprehensive income for the year |      | -                | -                                | -                                | -                |
| Balance as at December 31, 2019         |      | 1,475,698,768.00 | 441,807,166.00                   | 39,061,748.24                    | (142,107,790.01) |

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



| Retained earnings |                             |                   | Gains (losses) on remeasuring investments held as available-for-sale | Total shareholders of the Company | Non-controlling interests | Total             |
|-------------------|-----------------------------|-------------------|--|-----------------------------------|---------------------------|-------------------|
| Appropriated      |                             | Unappropriated    |  |                                   |                           |                   |
| Legal reserve     | Reserve for treasury shares |                   |  |                                   |                           |                   |
| 148,000,000.00    | -                           | 10,259,182,960.68 | 6,744,000.00   | 12,986,956,072.39                 | 27,852,651.56             | 12,413,808,723.95 |
| -                 | -                           | -                 | -  | (37,679,551.07)                   | -                         | (37,679,551.07)   |
| -                 | 37,679,551.07               | (37,679,551.07)   | -  | -                                 | -                         | -                 |
| -                 | -                           | (295,137,013.60)  | -  | (295,137,013.60)                  | -                         | (295,137,013.60)  |
| -                 | -                           | (516,469,648.80)  | -  | (516,469,648.80)                  | -                         | (516,469,648.80)  |
| -                 | -                           | 1,367,270,011.49  | -  | 1,367,270,011.49                  | 5,859,048.56              | 1,373,129,060.05  |
| -                 | -                           | -                 | (3,014,080.00)   | (3,014,080.00)                    | -                         | (3,014,080.00)    |
| -                 | -                           | 1,367,270,011.49  | (3,014,080.00)   | 1,364,255,931.49                  | 5,859,048.56              | 1,370,114,980.05  |
| 148,000,000.00    | 37,679,551.07               | 10,777,166,768.70 | 3,729,920.00   | 12,900,926,790.41                 | 33,711,700.12             | 12,934,637,490.53 |
| -                 | -                           | -                 | -  | (5,275,544.65)                    | (8,124,455.35)            | (13,400,000.00)   |
| -                 | -                           | -                 | -  | -                                 | (2,976,000.00)            | (2,976,000.00)    |
| -                 | -                           | -                 | -  | (104,428,238.94)                  | -                         | (104,428,238.94)  |
| -                 | 104,428,238.94              | (104,428,238.94)  | -  | -                                 | -                         | -                 |
| -                 | -                           | (290,833,613.60)  | -  | (290,833,613.60)                  | -                         | (290,833,613.60)  |
| -                 | -                           | (582,698,947.20)  | -  | (582,698,947.20)                  | -                         | (582,698,947.20)  |
| -                 | -                           | 1,256,037,842.07  | -  | 1,256,037,842.07                  | 4,024,834.55              | 1,260,062,676.62  |
| -                 | -                           | (34,487,719.53)   | (3,985,280.00)   | (38,472,999.53)                   | (2,791,113.27)            | (41,264,112.80)   |
| -                 | -                           | 1,221,550,122.54  | (3,985,280.00)   | 1,217,564,842.54                  | 1,233,721.28              | 1,218,798,563.82  |
| 148,000,000.00    | 142,107,790.01              | 11,020,756,081.50 | (255,360.00)   | 13,135,254,288.56                 | 23,844,966.05             | 13,159,099,254.61 |

| Retained earnings |                             |                   | Gains (losses) on remeasuring<br>investments held<br>as available-for-sale | Total             |
|-------------------|-----------------------------|-------------------|--|-------------------|
| Appropriated      |                             | Unappropriated    |  |                   |
| Legal reserve     | Reserve for treasury shares |                   |  |                   |
| 148,000,000.00    | -                           | 9,807,313,288.46  | 6,744,000.00   | 11,918,624,970.70 |
| -                 | -                           | -                 | -  | (37,679,551.07)   |
| -                 | 37,679,551.07               | (37,679,551.07)   | -  | -                 |
| -                 | -                           | (295,137,013.60)  | -  | (295,137,013.60)  |
| -                 | -                           | (516,469,648.80)  | -  | (516,469,648.80)  |
| -                 | -                           | 1,171,094,919.02  | -  | 1,171,094,919.02  |
| -                 | -                           | -                 | (3,014,080.00)   | (3,014,080.00)    |
| -                 | -                           | 1,171,094,919.02  | (3,014,080.00)   | 1,168,080,839.02  |
| 148,000,000.00    | 37,679,551.07               | 10,129,121,994.01 | 3,729,920.00   | 12,237,419,596.25 |
| -                 | -                           | -                 | -  | (104,428,238.94)  |
| -                 | 104,428,238.94              | (104,428,238.94)  | -  | -                 |
| -                 | -                           | (290,833,613.60)  | -  | (290,833,613.60)  |
| -                 | -                           | (582,698,947.20)  | -  | (582,698,947.20)  |
| -                 | -                           | 1,039,451,444.03  | -  | 1,039,451,444.03  |
| -                 | -                           | (18,762,868.80)   | (3,985,280.00)   | (22,748,148.80)   |
| -                 | -                           | 1,020,688,575.23  | (3,985,280.00)   | 1,016,703,295.23  |
| 148,000,000.00    | 142,107,790.01              | 10,171,849,769.50 | (255,360.00)   | 12,276,162,091.74 |

# NOTES TO FINANCIAL STATEMENTS

## L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2019

### 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, 2019 and 2018 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 business | Relationship   |
|---|------------|-------|------------------|--|
|   | 2019       | 2018  |                  |  |
| <b>Subsidiaries</b>                           |            |       |                  |  |
| Pornsanti Co., Ltd.                           | 99.99      | 99.99 | Real Estate      | Subsidiary, shareholders/command by director                               |
| Lumpini Property Management Co., Ltd.         | 99.99      | 99.99 | Service          | Subsidiary, shareholders/command by director                               |
| Lumpini Project Management Services Co., Ltd. | 63.00      | 62.00 | Service          | Subsidiary, shareholders/command by director                               |
| L P C Social Enterprise Co., Ltd.             | 99.95      | 99.95 | Service          | Subsidiary, shareholders/command by director                               |
| Lumpini Wisdom and Solution Co., Ltd.         | 63.00      | 62.00 | Service          | Subsidiary (held by Lumpini Project Management Services Co., Ltd. at 100%) |
| <b>Associates</b>                             |            |       |                  |  |
| Kamala Senior Living Co., Ltd.                | 25.00      | 25.00 | Service          | Associate  |
| Dolsiri Development Co., Ltd.                 | 49.99      | 0.00  | Real Estate      | 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 fair value of any contingent consideration.

#### **Associates**

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

#### **Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company 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 Company 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 in 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 recognized 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      Other long-term investments
- Notes to financial statements No. 28              Financial instruments

## 2.6 Financial reporting standards that became effective in the current period

During the period, the Company and subsidiaries have adopted a number of revised (revised 2018) and new financial reporting standards and interpretations which are effective for the financial statements for the period beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries financial statements. However, the new standard involves changes to key principles, which are summarized below:

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations:

#### **Thai Accounting Standards**

|                       |                        |
|-----------------------|------------------------|
| TAS 11 (Revised 2017) | Construction contracts |
| TAS 18 (Revised 2017) | Revenue                |

#### **Thai Standing Interpretations Committee**

|                        |  |
|------------------------|--|
| TSIC 31 (Revised 2017) | Revenue-Barter Transactions Involving Advertising Services |
|------------------------|--|

#### **Thai Financial Reporting Interpretations Committee**

|                         |  |
|-------------------------|--|
| TFRIC 13 (Revised 2017) | Customer Loyalty Programmes                    |
| TFRIC 15 (Revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 18 (Revised 2017) | Transfers of Assets from Customers             |

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The adoption of such standard, the entities elected to adjust the cumulative effects of changes in such accounting policy and had not made retroactive adjustment the prior comparative financial statements. Furthermore, the adoption of this standard will have no impact on the beginning 2019 retained earnings.

## 2.7 Financial reporting standards that will be effective for the financial statements for accounting period beginning on or after January 1, 2020

The Federation of Accounting Professions has published a number of new financial reporting standards and interpretations, which are effective for the financial statements for the period beginning on or after January 1, 2020. These new standards involve changes to key principles. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except for the following new standard involves changes to key principles, which are summarized below:



## Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

### Thai Financial Reporting Standards

|        |                                    |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments              |

### Thai Accounting Standard

|        |                                     |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

### Thai Financial Reporting Interpretations Committee

|          |   |
|----------|---|
| TFRIC 16 | Hedges of a Net Investments in a Foreign Operation          |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries expected that the adoption of these standards will have the impact on the financial statements from the transactions following :

- Classification and measurement of investments in equity instruments of non-listed companies. The Company and subsidiaries have to measure investments in equity instruments of non-listed companies at fair value and elected to classify those investments as financial assets which are measured at fair value through either profit or loss, or through other comprehensive income. If those investments were elected to present subsequent changes in the fair value through other comprehensive income, therefore an irrevocable election is made.
- Recognition of credit losses-The Company and subsidiaries have to recognize expected credit losses on financial assets, it is no longer necessary for a credit-impaired event to have occurred. A simplified approach is required for measuring the expected loss allowance in the lifetime for trade receivables.

The management of the Company and subsidiaries is currently evaluating the impact of these standards to the financial statements.

## Thai Financial Reporting Standards No. 16 : Leases

TFRS 16 Leases set out the principles of the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17. TFRS 16 supersedes the following accounting standards together with related interpretations.

### Thai Accounting Standard

|                       |        |
|-----------------------|--------|
| TAS 17 (Revised 2018) | Leases |
|-----------------------|--------|

### Thai Standing Interpretations Committee

|                        |  |
|------------------------|--|
| TSIC 15 (Revised 2018) | Operating Leases-Incentives  |
| TSIC 27 (Revised 2018) | Evaluating the Substance of Transactions Involving the Legal Form of a Lease |

### Thai Financial Reporting Interpretations Committee

|                        |   |
|------------------------|---|
| TFRIC 4 (Revised 2018) | Determining Whether an Arrangement Contains a Lease |
|------------------------|---|

At present, the Management of the Company and subsidiaries is being assessed the impacts of those financial reporting standards which will be effective in the future on the financial statements.

### 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 and subsidiaries retains neither continuing managerial involvement nor effective control over the land and houses and the condominium sold, directly and indirectly. 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.
- Interest income is recognized on an accrual basis based on the effective interest rate.
- Dividends are recognized when the right to receive the dividends is established.
- Other income and expenses are recognized on an accrual basis.
- Cost of sales of land and house, and condominium residences are calculated on area and selling price basis.
- Cost to obtain a contract the Company and its subsidiaries recognize commission paid to obtain a customer contract as an asset and amortized to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognized to the extent that the carrying amount of an asset recognized exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

#### 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 right

Leasehold right 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 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 undeveloped 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 required 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, 2019 and 2018 comprise :-

|   | Consolidated financial statements<br>(Baht) |                       | Separate financial statements<br>(Baht) |                       |
|---|---|-----------------------|---|-----------------------|
|   | 2019  | 2018                  | 2019                                    | 2018                  |
| <b>5.1 Trade accounts receivable-related parties (see note 8.1)</b> |   |                       |   |                       |
| Trade accounts receivable-related parties                           | 3,623,698.72                                | 793,219.18            | 20,507,006.72                           | 17,678,229.66         |
| Trade accounts receivable-related parties-net                       | 3,623,698.72                                | 793,219.18            | 20,507,006.72                           | 17,678,229.66         |
| <b>5.2 Other current receivables</b>                                |   |                       |   |                       |
| Deposit of goods  | 88,219,203.00                               | 94,856,000.00         | 88,219,203.00                           | 94,856,000.00         |
| Advance payment to contractor                                       | 29,421,068.09                               | 2,734,568.42          | 13,002,239.70                           | -                     |
| Accrued income  | 103,873,281.31                              | 90,614,542.86         | 61,248.51                               | 197,097.97            |
| Advance payment   | 29,760,916.46                               | 16,865,191.57         | 8,204,932.08                            | 6,585,584.32          |
| Prepaid expenses  | 46,417,497.43                               | 172,965,047.08        | 46,452,313.66                           | 171,993,688.81        |
| Leasehold right due within 1 year (note 13)                         | 7,491,420.84                                | 7,470,952.48          | 7,491,420.84                            | 7,470,952.48          |
| Others  | 17,583,247.01                               | 15,596,848.70         | 9,726,995.93                            | 7,534,748.86          |
| Total other current receivables                                     | 322,766,634.14                              | 401,103,151.11        | 172,158,353.72                          | 288,638,072.44        |
| (Less) Allowance for doubtful accounts                              | (225,770.00)                                | (225,770.00)          | -                                       | -                     |
| Other current receivables-net                                       | 322,540,864.14                              | 400,877,381.11        | 172,158,353.72                          | 288,638,072.44        |
| <b>Total trade and other current receivables-net</b>                | <b>326,164,562.86</b>                       | <b>401,670,600.29</b> | <b>192,665,360.44</b>                   | <b>306,316,302.10</b> |

## 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, 2019 and 2018 are as follows :

|                                 | Consolidated financial statements (Baht) |                         | Separate financial statements (Baht) |                         |
|---------------------------------|--|-------------------------|--------------------------------------|-------------------------|
|                                 | 2019                                     | 2018                    | 2019                                 | 2018                    |
| Land                            | 6,873,246,074.02                         | 6,665,644,962.32        | 5,475,743,217.16                     | 5,545,595,437.40        |
| Cost of construction and design | 2,358,626,770.00                         | 2,181,177,862.04        | 2,060,104,408.91                     | 1,813,459,920.38        |
| Other expenses                  | 91,392,574.56                            | 133,633,128.17          | 82,481,534.34                        | 124,674,430.92          |
| Interest expenses               | 291,066,474.35                           | 262,699,928.46          | 199,017,748.92                       | 203,207,183.54          |
| <b>Total</b>                    | <b>9,614,331,892.93</b>                  | <b>9,243,155,880.99</b> | <b>7,817,346,909.33</b>              | <b>7,686,936,972.24</b> |

- As at December 31, 2019 and 2018, the remaining project in progress are twenty-six projects (Separate : seventeen projects) and twenty-three projects (Separate : fifteen projects) respectively.
- As at December 31, 2019 and 2018, part of land and cost of project under construction amounted to Baht 7,015.21 million (Separate : Baht 5,567.64 million) and Baht 7,815.06 million (Separate : Baht 6,464.52 million) respectively were mortgaged as collateral as stated in notes to financial statements No. 23.
- As at December 31, 2019 and 2018, interests were capitalized as cost of project for the amount of Baht 220.17 million (Separate : Baht 209.53 million) and Baht 246.59 million (Separate : Baht 212.87 million) respectively.
- As at December 31, 2019, the Company has transferred land and cost of project held for development amount of Baht 294.37 million to be land and cost of project under construction as stated in notes to financial statements No. 6.2.
- As at December 31, 2018, the Company has transferred land and cost of project under construction amount of Baht 293.72 million to investment properties as stated in notes to financial statements No. 10.
- As at December 31, 2018, the Company has transferred land and cost of project under construction amount of Baht 10.53 million respectively to be land held for development as stated in notes to financial statements No. 6.2.



6.2 Land and cost of project held for development as at December 31, 2019 and 2018 are as follows :

|   | Consolidated financial statements (Baht) |                         | Separate financial statements (Baht) |                         |
|---|--|-------------------------|--------------------------------------|-------------------------|
|   | 2019                                     | 2018                    | 2019                                 | 2018                    |
| Land  | 934,385,443.56                           | 1,189,893,189.75        | 913,635,211.60                       | 1,169,142,957.79        |
| Cost of construction and design                 | 91,647,535.45                            | 120,372,017.63          | 80,304,060.71                        | 109,028,542.89          |
| Other expenses                                  | 1,710,412.96                             | 7,910,940.14            | 363,556.46                           | 6,564,083.64            |
| Interest expenses                               | 12,825,816.10                            | 16,759,161.83           | 11,861,287.93                        | 15,794,633.66           |
| <b>Total</b>                                    | <b>1,040,569,208.07</b>                  | <b>1,334,935,309.35</b> | <b>1,006,164,116.70</b>              | <b>1,300,530,217.98</b> |
| Less Provision for impairment of assets         | (391,833,602.41)                         | (391,833,602.41)        | (391,833,602.41)                     | (391,833,602.41)        |
| <b>Cost of project held for development-net</b> | <b>648,735,605.66</b>                    | <b>943,101,706.94</b>   | <b>614,330,514.29</b>                | <b>908,696,615.57</b>   |

- As at December 31, 2019 and 2018, the Company has mortgaged parts of land held for development amount of Baht 291.35 million (Separate : Baht 275.48 million) and Baht 291.35 million (Separate : Baht 275.48 million) respectively as collateral as stated in notes to financial statements No. 23.
- As at December 31, 2019, the Company has transferred land and cost of project held for development amount of Baht 294.37 million to be land and cost of project under construction as stated in notes to financial statements No. 6.1.
- As at December 31, 2018, the Company has transferred land and cost of project under construction amount of Baht 10.53 million to be land held for development as stated in notes to financial statements No. 6.1.

## 7. Inventories – finished goods

As at December 31, 2019 and 2018 comprise :-

|                                  | Consolidated financial statements (Baht) |                         | Separate financial statements (Baht) |                         |
|----------------------------------|--|-------------------------|--------------------------------------|-------------------------|
|                                  | 2019                                     | 2018                    | 2019                                 | 2018                    |
| Condominium residence            | 8,491,148,364.30                         | 6,693,326,206.91        | 8,491,148,364.30                     | 6,693,326,206.91        |
| Townhome                         | 938,534,559.11                           | 993,080,476.30          | 598,811,291.71                       | 575,820,236.78          |
| <b>Total inventories</b>         | <b>9,429,682,923.41</b>                  | <b>7,686,406,683.21</b> | <b>9,089,959,656.01</b>              | <b>7,269,146,443.69</b> |
| (Less) Allowance for devaluation | -  | (1,495,931.54)          | -                                    | -                       |
| <b>Total inventories-net</b>     | <b>9,429,682,923.41</b>                  | <b>7,684,910,751.67</b> | <b>9,089,959,656.01</b>              | <b>7,269,146,443.69</b> |

- In the year 2019 and 2018, the Company has transferred inventories – finished goods amount of Baht 349.48 million and Baht 102.44 million respectively to be investment properties as stated in notes to financial statements No. 10.
- As at December 31, 2019 and 2018, inventories – finished goods amount of Baht 1,008.13 million (Separate : Baht 955.40 million) and Baht 3,073.61 million (Separate : Baht 2,896.75 million) respectively were entered into agreement to buy and to sell for which the ownership were not transferred.
- As at December 31, 2019 and 2018, inventories – finished goods amount of Baht 652.05 million (Separate : Baht 598.81 million) and Baht 1,150.46 million (Separate : Baht 575.82 million) respectively were mortgaged as collateral as stated in notes to financial statements No. 23.

## 8. Related transactions

| Company  | Relationship | Description   | Pricing policy  |
|--|--------------|---|---|
| 1. PORNSANTI CO., LTD.                           | A            | <ul style="list-style-type: none"> <li>- Lease of office building provided by subsidiary (shown as administrative expenses)</li> <li>- Lease of office building provided to subsidiary (shown as rent and service business income)</li> <li>- Loan providing to subsidiary (shown as short-term loans to related party)</li> <li>- Assets for rent system management services rendered by subsidiary (shown as cost of rent and services business)</li> </ul>   | <p>At the price in agreement on the market price basis</p> <p>At the price in agreement on the market price basis</p> <p>Promissory notes due at call, interest rate of 3.02 - 3.75% per annum</p> <p>Collect service fee indicated in agreement on the market price basis</p>                          |
| 2. LUMPINI PROPERTY MANAGEMENT CO., LTD.         | A            | <ul style="list-style-type: none"> <li>- Lease of office building provided to subsidiary (shown as rent and service business income)</li> <li>- 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)</li> <li>- Borrowings from subsidiary (shown as short-term borrowings from related parties)</li> </ul>  | <p>At the price in agreement on the market price basis</p> <p>Collect service fee indicated in agreement on the market price basis</p> <p>Promissory notes due at call, interest rate of 1.00-1.94% per annum</p>   |
| 3. LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD. | A            | <ul style="list-style-type: none"> <li>- Lease of office building provided to subsidiary (shown as rent and service business income)</li> <li>- Construction management services provided by subsidiary (shown as cost of real estate development)</li> <li>- Borrowings from subsidiary (shown as short-term borrowings from related parties)</li> </ul>   | <p>At the price in agreement on the market price basis</p> <p>Collect service fee indicated in agreement on the market price basis</p> <p>Promissory notes due at call, interest rate of 1.06-1.94% per annum</p>   |
| 4. L P G SOCIAL ENTERPRISE CO., LTD.             | A            | <ul style="list-style-type: none"> <li>- Lease of office building provided to subsidiary (shown as rent and service business income)</li> <li>- 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)</li> <li>- Loan providing to subsidiary (shown as short-term loans to related party)</li> <li>- Provide financial supporting for the use in social operating to subsidiary (shown as administrative expenses)</li> </ul> | <p>At the price in agreement on the market price basis</p> <p>Collect service fee indicated in agreement on the market price basis</p> <p>Promissory notes due at call, interest rate of 3.68% per annum</p> <p>Financial supporting for the use in social operating based on necessary requirement</p> |

A - Subsidiary of the Company

B - Associate of the Company



| Company                                  | Relationship | Description   | Pricing policy   |
|--|--------------|---|--|
| 5. LUMPINI WISDOM AND SOLUTION CO., LTD. | A            | - Provide advisory services and management for project development<br>(shown as cost of real estate development)  | At the price in agreement on the market price basis  |
| 6. KAMALA SENIOR LIVING CO., LTD.        | B            | - Loan providing to subsidiary<br>(shown as short-term loans to related party)  | Promissory notes due at call, interest rate of 5% per annum  |
| 7. DOLSIRI DEVELOPMENT CO., LTD.         | B            | - Lease of office building provided by subsidiary<br>(shown as administrative expenses)<br>- Loan providing to subsidiary<br>(shown as short-term loans to related party) | At the price in agreement on the market price basis<br>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) |                      |
|---|--|-------------------|--------------------------------------|----------------------|
|   | 2019                                     | 2018              | 2019                                 | 2018                 |
| PORNSANTI CO., LTD.                           | -  | -                 | 1,777,570.00                         | 1,777,570.00         |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.         | -  | -                 | 11,113,393.00                        | 11,115,095.48        |
| LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD. | -  | -                 | 2,978,809.00                         | 2,978,809.00         |
| L P C SOCIAL ENTERPRISE CO., LTD.             | -  | -                 | 1,013,536.00                         | 1,013,536.00         |
| KAMALA SENIOR LIVING CO., LTD.                | 3,573,698.71                             | 793,219.18        | 3,573,698.71                         | 793,219.18           |
| DOLSIRI DEVELOPMENT CO., LTD.                 | 50,000.01                                | -                 | 50,000.01                            | -                    |
| <b>Total</b>                                  | <b>3,623,698.72</b>                      | <b>793,219.18</b> | <b>20,507,006.72</b>                 | <b>17,678,229.66</b> |

### 8.2 Short-term loans to related parties

|                                | Consolidated financial statements (Baht) |                      | Separate financial statements (Baht) |                       |
|--------------------------------|--|----------------------|--------------------------------------|-----------------------|
|                                | 2019                                     | 2018                 | 2019                                 | 2018                  |
| PORNSANTI CO., LTD.            | -  | -                    | 666,000,000.00                       | 664,000,000.00        |
| KAMALA SENIOR LIVING CO., LTD. | 64,000,000.00                            | 34,000,000.00        | 64,000,000.00                        | 34,000,000.00         |
| DOLSIRI DEVELOPMENT CO., LTD.  | 5,000,000.00                             | -                    | 5,000,000.00                         | -                     |
| <b>Total</b>                   | <b>69,000,000.00</b>                     | <b>34,000,000.00</b> | <b>725,000,000.00</b>                | <b>698,000,000.00</b> |

### 8.3 Investment in subsidiaries and associate

|                                | Consolidated financial statements (Baht) |       |                      |                      |                        |                    |
|--------------------------------|--|-------|----------------------|----------------------|------------------------|--------------------|
|                                | Percentage of shareholding               |       | Equity method        |                      | Share of profit (loss) |                    |
|                                | 2019                                     | 2018  | 2019                 | 2018                 | 2019                   | 2018               |
| <b>Associates</b>              |  |       |                      |                      |                        |                    |
| KAMALA SENIOR LIVING CO., LTD. | 25.00                                    | 25.00 | 18,949,032.45        | 24,661,435.00        | (5,712,402.65)         | (76,815.09)        |
| DOLSIRI DEVELOPMENT CO., LTD.  | 49.99                                    | -     | 49,371,437.12        | -                    | (628,462.88)           | -                  |
| <b>Total</b>                   |  |       | <b>68,320,469.57</b> | <b>24,661,435.00</b> | <b>(6,340,865.43)</b>  | <b>(76,815.09)</b> |

|   | Associate financial statement (Baht) |       |                       |                       |                     |
|---|--------------------------------------|-------|-----------------------|-----------------------|---------------------|
|   | Percentage of shareholding           |       | Cost method           |                       | Dividend            |
|   | 2019                                 | 2018  | 2019                  | 2018                  | 2019                |
| <b>Subsidiaries</b>   |                                      |       |                       |                       |                     |
| PORNSANTI CO., LTD.   | 99.99                                | 99.99 | 473,037,237.15        | 473,037,237.15        | -                   |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.   | 99.99                                | 99.99 | 9,998,800.00          | 9,998,800.00          | -                   |
| LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD.                                       | 63.00                                | 52.00 | 39,400,000.00         | 26,000,000.00         | 3,224,000.00        |
| (indirect shareholder of subsidiary, Lumpini wisdom and Solution Co., Ltd. at 100%) |                                      |       |                       |                       |                     |
| L P G SOCIAL ENTERPRISE CO., LTD.   | 99.95                                | 99.95 | 999,500.00            | 999,500.00            | -                   |
| <b>Associates</b>   |                                      |       |                       |                       |                     |
| KAMALA SENIOR LIVING CO., LTD.  | 25.00                                | 25.00 | 25,000,000.00         | 25,000,000.00         | -                   |
| DOLSIRI DEVELOPMENT CO., LTD.   | 49.99                                | -     | 49,999,900.00         | -                     | -                   |
| <b>Total</b>  |                                      |       | <b>598,435,437.15</b> | <b>535,035,537.15</b> | <b>3,224,000.00</b> |

#### Subsidiaries

On July 1, 2019, the Company acquired 1 million ordinary shares of Baht 12.50 each of Lumpini Property Management Co., Ltd. from other minor shareholders, as a result, it incurred the increasing in investment from Baht 26 million to Baht 38.60 million, the shareholding proportion is increased from 52% to 62%.

On December 9, 2019, the Company acquired 100,000 ordinary shares of Baht 9 each of Lumpini Property Management Co., Ltd. from other minor shareholders, as a result, it incurred the increasing in investment from Baht 38.60 million to Baht 39.40 million, the shareholding proportion is increased from 62% to 63%.

#### Associates

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.

According to the minutes of shareholders' meeting No. 1/2018 held on April 20, 2018, associate passed the resolution to increase share capital amount of Baht 99 million from Baht 1 million to Baht 100 million of which the Company and co-investors have investment in such increasing based on the existing shareholding. The Company has additionally invested in accordance with the co-investment proportion amount of Baht 24.75 million.

On March 7, 2019, the Company has established a Joint-Stock Company in the name Dolsiri Development Co., Ltd., an associate of the Company with the initial registered capital in the amount of Baht 1 million comprise 10,000 ordinary shares of Baht 100 each. The Company has shareholding proportion in 49.99% of its registered share capital. The objective of this company is to develop, rental and real estate project management.

According to the minutes of the Board of directors' meeting No. 5/2019 held on November 13, 2019, associate passed the resolution to increase share capital amount of Baht 99 million from Baht 1 million to Baht 100 million of which the Company and co-investors have investment in such increasing based on the existing shareholding. The Company has additionally invested in accordance with the co-investment proportion amount of Baht 49.50 million.



#### 8.4 Related party payables

|   | Consolidated financial statements (Baht) |      | Separate financial statements (Baht) |                      |
|---|--|------|--------------------------------------|----------------------|
|   | 2019                                     | 2018 | 2019                                 | 2018                 |
| PORNSANTI CO., LTD.                           | -  | -    | -                                    | 630,294.89           |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.         | -  | -    | 14,434,253.38                        | 12,847,224.03        |
| LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD. | -  | -    | 6,166.36                             | 13,450.46            |
| L P C SOCIAL ENTERPRISE CO., LTD.             | -  | -    | 2,292,898.20                         | 2,316,327.32         |
| LUMPINI WISDOM AND SOLUTION CO., LTD.         | -  | -    | 1,712,000.00                         | -                    |
| <b>Total</b>                                  | -  | -    | <b>18,445,317.94</b>                 | <b>15,607,296.70</b> |

#### 8.5 Short-term borrowings from related parties

|   | Consolidated financial statements (Baht) |      | Separate financial statements (Baht) |                       |
|---|--|------|--------------------------------------|-----------------------|
|   | 2019                                     | 2018 | 2019                                 | 2018                  |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.         | -  | -    | 228,800,000.00                       | 148,000,000.00        |
| LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD. | -  | -    | 35,000,000.00                        | -                     |
| <b>Total</b>                                  | -  | -    | <b>263,800,000.00</b>                | <b>148,000,000.00</b> |

#### 8.6 Transaction with related parties

|  | Consolidated financial statements (Baht) |      | Separate financial statements (Baht) |                       |
|--|--|------|--------------------------------------|-----------------------|
|  | 2019                                     | 2018 | 2019                                 | 2018                  |
| <b>8.6.1 Revenues from rental and service business</b> |  |      |                                      |                       |
| PORNSANTI CO., LTD.                                    | -  | -    | 18,000.00                            | 18,000.00             |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.                  | -  | -    | 3,500,562.40                         | 3,397,382.40          |
| LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD.          | -  | -    | 1,204,891.81                         | 1,233,836.70          |
| L P C SOCIAL ENTERPRISE CO., LTD.                      | -  | -    | 220,680.00                           | 220,680.00            |
| DOLSIRI DEVELOPMENT CO., LTD.                          | -  | -    | 120,000.00                           | -                     |
| <b>Total</b>   | -  | -    | <b>5,064,134.21</b>                  | <b>4,869,899.10</b>   |
| <b>8.6.2 Revenues from interest income</b>             |  |      |                                      |                       |
| PORNSANTI CO., LTD.                                    | -  | -    | 26,745,988.26                        | 14,484,184.92         |
| L P C SOCIAL ENTERPRISE CO., LTD.                      | -  | -    | 69,920.01                            | -                     |
| KAMALA SENIOR LIVING CO., LTD.                         | -  | -    | 2,700,479.53                         | -                     |
| DOLSIRI DEVELOPMENT CO., LTD.                          | -  | -    | 50,000.01                            | -                     |
| <b>Total</b>   | -  | -    | <b>29,646,387.81</b>                 | <b>14,484,184.92</b>  |
| <b>8.6.3 Cost of real estate development</b>           |  |      |                                      |                       |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.                  | -  | -    | 16,184,240.01                        | 12,933,301.12         |
| LUMPINI PROJECT MANAGEMENT SERVICES CO., LTD.          | -  | -    | 123,997,626.01                       | 138,831,403.50        |
| L P C SOCIAL ENTERPRISE CO., LTD.                      | -  | -    | 5,397,182.15                         | 8,846,699.23          |
| LUMPINI WISDOM AND SOLUTION CO., LTD.                  | -  | -    | 25,179,116.55                        | 18,216,547.97         |
| <b>Total</b>   | -  | -    | <b>170,758,164.72</b>                | <b>178,827,951.82</b> |

|  | Consolidated financial statements (Baht) |      | Separate financial statements (Baht) |                      |
|--|--|------|--------------------------------------|----------------------|
|  | 2019                                     | 2018 | 2019                                 | 2018                 |
| <b>8.6.4 Cost of rental and service business</b> |  |      |                                      |                      |
| PORNSANTI CO., LTD.                              | -  | -    | -                                    | 12,474,976.81        |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.            | -  | -    | 7,539,889.63                         | 6,888,740.00         |
| L P C SOCIAL ENTERPRISE CO., LTD.                | -  | -    | 5,463,072.07                         | 4,940,328.13         |
| <b>Total</b>                                     | -  | -    | <b>13,002,961.70</b>                 | <b>24,304,044.94</b> |
| <b>8.6.5 Selling expenses</b>                    |  |      |                                      |                      |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.            | -  | -    | 2,865,612.15                         | -                    |
| L P C SOCIAL ENTERPRISE CO., LTD.                | -  | -    | -                                    | 318,311.53           |
| <b>Total</b>                                     | -  | -    | <b>2,865,612.15</b>                  | <b>318,311.53</b>    |
| <b>8.6.6 Administrative expenses</b>             |  |      |                                      |                      |
| PORNSANTI CO., LTD.                              | -  | -    | 4,440,000.00                         | 4,440,000.00         |
| LUMPINI PROPERTY MANAGEMENT CO., LTD.            | -  | -    | 3,692,766.50                         | 14,600.00            |
| L P C SOCIAL ENTERPRISE CO., LTD.                | -  | -    | 14,968,001.28                        | 19,491,452.84        |
| <b>Total</b>                                     | -  | -    | <b>23,100,767.78</b>                 | <b>23,946,052.84</b> |

## 9. Other long-term investments

|                                | Consolidated and Separate financial statements (Baht) |                      |                      |                      |
|--------------------------------|---|----------------------|----------------------|----------------------|
|                                | 2019  |                      | 2018                 |                      |
|                                | Cost  | Fair value           | Cost                 | Fair value           |
| Equity Mutual Fund - Tisco     | -   | -                    | 20,000,000.00        | 24,662,400.00        |
| Equity Mutual Fund - L H       | 20,000,000.00   | 19,680,800.00        | -                    | -                    |
| Investment - Thaipat Institute | 2,000,000.00  | 2,000,000.00         | -                    | -                    |
| <b>Total</b>                   | <b>22,000,000.00</b>                                  | <b>21,680,800.00</b> | <b>20,000,000.00</b> | <b>24,662,400.00</b> |

- As at December 31, 2019, the Company has sold the Equity Mutual Fund in the amount of Baht 20 million, Tisco ESG Investment Fund for Society.
- As at December 31, 2019, the Company has additional investment amount of Baht 2 million in Thaipat Institute of which the Company must hold unit trust of this Fund not less than five calendar years.
- As at December 31, 2019, the Company has additional investment in Equity Mutual Fund amount of Baht 20.00 million, L H ESG Investment Fund of which the Company must hold unit trust of this Fund not less than three calendar years.
- As at December 31, 2018, the Company has investment in Equity Mutual Fund amount of Baht 20.00 million, 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, 2019 and 2018 are as follows :-

|   | Consolidated financial statements (Baht) |                                 |                  |
|---|--|---------------------------------|------------------|
|   | Condominium building                     | Office decoration and equipment | Total            |
| <b>Cost:</b>                                      |  |                                 |                  |
| As at January 1, 2018                             | 1,365,851,759.69                         | 33,035,917.83                   | 1,398,887,677.42 |
| Acquisition                                       | -  | 32,708,886.29                   | 32,708,886.29    |
| Disposal/write off                                | (26,641,689.89)                          | (342,630.09)                    | (26,984,319.98)  |
| Others  | 396,157,317.03                           | 6.18                            | 396,157,323.21   |
| As at December 31, 2018                           | 1,735,367,386.73                         | 65,402,180.21                   | 1,800,769,566.94 |
| Acquisition                                       | -  | 132,627.59                      | 132,627.59       |
| Disposal/write off                                | (991,010.15)                             | (14,688.66)                     | (1,005,698.81)   |
| Others  | 349,475,279.44                           | (2,474,050.00)                  | 347,001,229.44   |
| As at December 31, 2019                           | 2,083,851,656.02                         | 63,045,969.14                   | 2,146,897,625.16 |
| <b>Accumulated depreciation:</b>                  |  |                                 |                  |
| As at January 1, 2018                             | 131,109,603.46                           | 13,132,831.74                   | 144,242,435.20   |
| Depreciation for the year                         | 28,928,519.85                            | 4,131,802.31                    | 33,060,322.16    |
| Depreciation of disposal/write off                | (1,267,125.19)                           | (147,768.98)                    | (1,414,894.17)   |
| As at December 31, 2018                           | 158,770,998.12                           | 17,115,865.07                   | 175,887,863.19   |
| Depreciation for the year                         | 37,263,380.76                            | 5,679,000.34                    | 42,942,381.10    |
| Depreciation of disposal/write off                | (10,895.95)                              | (7,808.20)                      | (18,704.15)      |
| Others  | -  | (367.08)                        | (367.08)         |
| As at December 31, 2019                           | 196,023,482.93                           | 22,787,690.13                   | 218,811,173.06   |
| <b>Net book value</b>                             |  |                                 |                  |
| As at December 31, 2019                           | 1,887,828,173.09                         | 40,258,279.01                   | 1,928,086,452.10 |
| As at December 31, 2018                           | 1,576,596,388.61                         | 48,286,315.14                   | 1,624,881,703.75 |
| Depreciation for the year ended December 31, 2019 |  |                                 | 42,942,381.10    |
| Depreciation for the year ended December 31, 2018 |  |                                 | 33,060,322.16    |



|   | Separate financial statements (Baht) |                                 |                  |
|---|--------------------------------------|---------------------------------|------------------|
|   | Condominium building                 | Office decoration and equipment | Total            |
| <b>Cost:</b>                                      |                                      |                                 |                  |
| As at January 1, 2018                             | 1,430,745,724.11                     | 43,622,699.82                   | 1,474,368,423.93 |
| Acquisition                                       | -                                    | 32,897,686.29                   | 32,897,686.29    |
| Disposal/write off                                | (26,641,689.89)                      | (342,630.09)                    | (26,984,319.98)  |
| Others  | 396,157,317.03                       | 6.18                            | 396,157,323.21   |
| As at December 31, 2018                           | 1,800,261,351.25                     | 76,177,762.20                   | 1,876,439,113.45 |
| Acquisition                                       | -                                    | 157,977.59                      | 157,977.59       |
| Disposal/write off                                | (991,010.15)                         | (14,688.66)                     | (1,005,698.81)   |
| Others  | 349,475,279.44                       | (2,474,050.00)                  | 347,001,229.44   |
| As at December 31, 2019                           | 2,148,745,620.54                     | 73,847,001.13                   | 2,222,592,621.67 |
| <b>Accumulated depreciation:</b>                  |                                      |                                 |                  |
| As at January 1, 2018                             | 139,142,600.10                       | 18,050,182.03                   | 157,192,782.13   |
| Depreciation for the year                         | 30,498,498.65                        | 5,139,560.41                    | 35,638,059.06    |
| Depreciation of disposal/write off                | (1,267,125.19)                       | (147,768.98)                    | (1,414,894.17)   |
| As at December 31, 2018                           | 168,373,973.56                       | 23,041,973.46                   | 191,415,947.02   |
| Depreciation for the year                         | 38,833,359.55                        | 6,752,290.21                    | 45,585,649.76    |
| Depreciation of disposal/write off                | (10,895.95)                          | (7,808.20)                      | (18,704.15)      |
| Others  | -                                    | (367.08)                        | (367.08)         |
| As at December 31, 2019                           | 207,196,437.16                       | 29,706,088.39                   | 236,902,525.55   |
| <b>Net book value</b>                             |                                      |                                 |                  |
| As at December 31, 2019                           | 1,941,549,183.38                     | 44,060,912.74                   | 1,985,610,096.12 |
| As at December 31, 2018                           | 1,631,887,377.69                     | 53,135,788.74                   | 1,685,023,166.43 |
| Depreciation for the year ended December 31, 2019 |                                      |                                 | 45,585,649.76    |
| Depreciation for the year ended December 31, 2018 |                                      |                                 | 35,638,059.06    |

In the year of 2019 and 2018, the Company has transferred inventories amount of Baht 349.48 million and Baht 102.44 million respectively to be investment properties as stated in notes to financial statements No. 7.

As at December 31, 2019 and 2018, investment properties amount of Baht 396.99 million (Separate : Baht 389.15 million) and Baht 409.04 million (Separate : Baht 400.85 million) respectively, were mortgaged as collateral as stated in notes to financial statements No. 23.

As at December 31, 2019 and 2018, the Company has investment properties which were fully depreciated, but still in use at the cost value amounting to Baht 6.88 million (Separate : Baht 6.88 million) and Baht 6.84 million (Separate : Baht 6.84 million) respectively.

As at December 31, 2019 and 2018, investment properties at the carrying value amount of Baht 1,928.09 million (Separate : Baht 1,985.61 million) and Baht 1,624.88 million (Separate : Baht 1,685.02 million) respectively, had the fair value amount of Baht 3,048.98 million (Separate : Baht 3,251.24 million) and Baht 2,604.14 million (Separate : Baht 2,690.95 million) respectively.

As at December 31, 2018, the Company has transferred land and cost of project under construction amount of Baht 293.72 million to investment properties as stated in notes to financial statements No. 6.1.

## 11. Property, plant and equipment

As at December 31, 2019 and 2018 are as follows :-

| Consolidated financial statements (Baht) |                      |                 |                       |                  |
|--|----------------------|-----------------|-----------------------|------------------|
|  | Condominium building | Computer        | Furniture and fixture | Office equipment |
| <b>Cost :</b>                            |                      |                 |                       |                  |
| As at January 1, 2018                    | 274,492,866.38       | 52,145,372.32   | 38,806,059.66         | 29,903,696.55    |
| Acquisition                              | -                    | 1,846,691.73    | 5,379,748.84          | 1,064,172.41     |
| Disposal/write off                       | -                    | (395,000.00)    | -                     | (1,323,399.56)   |
| Others                                   | -                    | 668,780.94      | 348,111.25            | (1,373,102.18)   |
| As at December 31, 2018                  | 274,492,866.38       | 54,265,844.99   | 44,533,919.75         | 28,271,367.22    |
| Acquisition                              | -                    | 3,551,988.00    | 32,798,740.44         | 1,406,507.57     |
| Disposal/write off                       | -                    | (10,814,434.73) | (155,000.00)          | (8,518,540.62)   |
| Others                                   | -                    | -               | 2,474,858.50          | 807,789.87       |
| As at December 31, 2019                  | 274,492,866.38       | 47,003,398.26   | 79,652,518.69         | 21,967,124.04    |
| <b>Accumulated depreciation :</b>        |                      |                 |                       |                  |
| As at January 1, 2018                    | 70,369,621.22        | 43,162,848.44   | 27,119,048.57         | 19,446,421.29    |
| Depreciation for the year                | 6,191,661.75         | 3,509,948.69    | 2,872,050.24          | 2,369,364.65     |
| Depreciation of disposal/write off       | -                    | (394,997.00)    | -                     | (1,070,769.68)   |
| Others                                   | -                    | 446,667.86      | 156,410.55            | (854,503.07)     |
| As at December 31, 2018                  | 76,561,282.97        | 46,724,467.99   | 30,147,509.36         | 19,880,513.19    |
| Depreciation for the year                | 6,191,661.74         | 3,493,690.89    | 4,591,585.33          | 1,974,801.90     |
| Depreciation of disposal/write off       | -                    | (10,808,198.89) | (154,944.00)          | (6,956,948.70)   |
| Others                                   | -                    | -               | 367.08                | -                |
| As at December 31, 2019                  | 82,752,944.71        | 39,409,959.99   | 34,584,517.77         | 14,898,366.39    |
| <b>Net book value</b>                    |                      |                 |                       |                  |
| As at December 31, 2019                  | 191,739,921.67       | 7,593,438.27    | 45,068,000.92         | 7,068,757.65     |
| As at December 31, 2018                  | 197,931,583.41       | 7,541,377.00    | 14,386,410.39         | 8,390,854.03     |

Depreciation for the year ended December 31, 2019

Depreciation for the year ended December 31, 2018

| Separate financial statements (Baht) |                      |                |                       |                  |
|--------------------------------------|----------------------|----------------|-----------------------|------------------|
|                                      | Condominium building | Computer       | Furniture and fixture | Office equipment |
| <b>Cost:</b>                         |                      |                |                       |                  |
| As at January 1, 2018                | 95,522,487.56        | 27,858,153.17  | 27,012,025.89         | 17,569,975.83    |
| Acquisition                          | -                    | 1,370,905.81   | 4,681,075.44          | 792,069.61       |
| Disposal/write off                   | -                    | -              | -                     | (914,210.29)     |
| Others                               | -                    | (3,209.99)     | (3,000.00)            | -                |
| As at December 31, 2018              | 95,522,487.56        | 29,225,848.99  | 31,690,901.33         | 17,447,835.15    |
| Acquisition                          | -                    | 3,523,952.00   | 32,773,290.44         | 1,363,571.06     |
| Disposal/write off                   | -                    | (5,890,458.24) | -                     | (5,316,197.58)   |
| Others                               | -                    | -              | 2,474,858.50          | 807,789.87       |
| As at December 31, 2019              | 95,522,487.56        | 26,859,342.75  | 66,939,050.27         | 14,302,998.50    |
| <b>Accumulated depreciation:</b>     |                      |                |                       |                  |
| As at January 1, 2018                | 13,927,099.12        | 21,822,663.29  | 20,996,886.59         | 10,446,841.71    |
| Depreciation for the year            | 2,046,965.00         | 2,302,764.74   | 1,753,198.23          | 1,493,610.44     |
| Depreciation of disposal/write off   | -                    | -              | -                     | (715,370.52)     |
| As at December 31, 2018              | 15,974,064.12        | 24,125,428.03  | 22,750,084.82         | 11,225,081.63    |
| Depreciation for the year            | 2,046,965.00         | 2,385,676.98   | 3,346,653.80          | 1,317,420.77     |
| Depreciation of disposal/write off   | -                    | (5,887,491.95) | -                     | (4,138,131.73)   |
| Others                               | -                    | -              | 367.08                | -                |
| As at December 31, 2019              | 18,021,029.12        | 20,623,613.06  | 26,097,105.70         | 8,404,370.67     |
| <b>Net book value</b>                |                      |                |                       |                  |
| As at December 31, 2019              | 77,501,458.44        | 6,235,729.69   | 40,841,944.57         | 5,898,627.83     |
| As at December 31, 2018              | 79,548,423.44        | 5,100,420.96   | 9,940,816.51          | 6,222,753.52     |

Depreciation for the year ended December 31, 2019

Depreciation for the year ended December 31, 2018



| Vehicles        | Work under decoration | Tools and supplies | Total           |
|-----------------|-----------------------|--------------------|-----------------|
| 41,465,138.68   | -                     | 8,684,142.34       | 445,497,275.93  |
| 22,513,920.00   | -                     | 1,079,846.68       | 31,884,379.66   |
| (18,751,000.00) | -                     | -                  | (20,469,399.56) |
| -               | -                     | -                  | (356,209.99)    |
| 45,228,058.68   | -                     | 9,763,989.02       | 456,556,046.04  |
| 15,075,000.00   | 1,663,789.87          | 1,520,810.64       | 56,016,836.52   |
| (7,247,000.00)  | -                     | -                  | (26,734,975.35) |
| -               | (807,789.87)          | -                  | 2,474,858.50    |
| 53,056,058.68   | 856,000.00            | 11,284,799.66      | 488,312,765.71  |
| 26,571,951.80   | -                     | 6,443,075.09       | 193,112,966.41  |
| 8,485,347.56    | -                     | 828,971.50         | 24,247,344.39   |
| (17,061,858.24) | -                     | -                  | (18,527,624.92) |
| -               | -                     | -                  | (251,424.66)    |
| 17,995,441.12   | -                     | 7,272,046.59       | 198,581,261.22  |
| 9,719,192.12    | -                     | 937,641.72         | 26,908,573.70   |
| (5,215,218.74)  | -                     | -                  | (23,135,310.33) |
| -               | -                     | -                  | 367.08          |
| 22,499,414.50   | -                     | 8,209,688.31       | 202,354,891.67  |
| 30,556,644.18   | 856,000.00            | 3,075,111.35       | 285,957,874.04  |
| 27,232,617.58   | -                     | 2,491,942.43       | 257,974,784.82  |
|                 |                       |                    | 26,908,573.70   |
|                 |                       |                    | 24,247,344.39   |
| Vehicles        | Work in decoration    |                    | Total           |
| 41,465,138.68   | -                     |                    | 209,428,581.13  |
| 21,126,920.00   | -                     |                    | 27,970,970.86   |
| (18,751,000.00) | -                     |                    | (19,665,210.29) |
| -               | -                     |                    | (6,209.99)      |
| 43,841,058.68   | -                     |                    | 217,728,131.71  |
| 13,660,000.00   | 1,663,789.87          |                    | 52,984,603.37   |
| (7,247,000.00)  | -                     |                    | (18,453,655.82) |
| -               | (807,789.87)          |                    | 2,474,858.50    |
| 50,254,058.68   | 856,000.00            |                    | 254,733,937.76  |
| 26,571,951.80   | -                     |                    | 93,765,442.51   |
| 8,293,827.56    | -                     |                    | 15,890,365.97   |
| (17,061,858.24) | -                     |                    | (17,777,228.76) |
| 17,803,921.12   | -                     |                    | 91,878,579.72   |
| 9,241,753.76    | -                     |                    | 18,338,470.31   |
| (5,215,218.74)  | -                     |                    | (15,240,842.42) |
| -               | -                     |                    | 367.08          |
| 21,830,456.14   | -                     |                    | 94,976,574.69   |
| 28,423,602.54   | 856,000.00            |                    | 159,757,363.07  |
| 25,037,137.55   | -                     |                    | 125,849,551.99  |
|                 |                       |                    | 18,338,470.31   |
|                 |                       |                    | 15,890,365.97   |

As at December 31, 2019 and 2018, land and building amount of Baht 77.77 million and Baht 76.81 million were mortgaged as collateral as stated in notes to financial statements No. 23.

As at December 31, 2019 and 2018, the Company has fixed assets at cost of Baht 57.67 million (Separate: Baht 30.98 million) and Baht 108.37 million (Separate : Baht 76.11 million) respectively, which were fully depreciated but are still in use.

## 12. Other intangible assets

As at December 31, 2019 and 2018 are as follows :-

|   | Consolidated financial statements (Baht) |                            |               | Separate financial statements (Baht) |                            |               |
|---|--|----------------------------|---------------|--------------------------------------|----------------------------|---------------|
|   | Computer software                        | Software under development | Total         | Computer software                    | Software under development | Total         |
| <b>Cost :</b>                                     |  |                            |               |                                      |                            |               |
| As at January 1, 2018                             | 69,673,672.92                            | 3,463,383.54               | 73,137,056.46 | 61,362,705.46                        | 1,934,260.12               | 63,296,965.58 |
| Acquisition                                       | 3,815,751.36                             | 132,210.00                 | 3,947,961.36  | 3,557,671.36                         | 118,770.00                 | 3,676,441.36  |
| Disposal/write off                                | -  | -                          | -             | -                                    | -                          | -             |
| Others  | 350,000.00                               | -                          | 350,000.00    | -                                    | -                          | -             |
| As at December 31, 2018                           | 73,839,424.28                            | 3,595,593.54               | 77,435,017.82 | 64,920,376.82                        | 2,053,030.12               | 66,973,406.94 |
| Acquisition                                       | 394,765.20                               | 271,865.00                 | 666,630.20    | 314,865.20                           | 271,865.00                 | 586,730.20    |
| Disposal/write off                                | -  | -                          | -             | -                                    | -                          | -             |
| Others  | 160,050.00                               | (160,050.00)               | -             | 160,050.00                           | (160,050.00)               | -             |
| As at December 31, 2019                           | 74,394,239.48                            | 3,707,408.54               | 78,101,648.02 | 65,395,292.02                        | 2,164,845.12               | 67,560,137.14 |
| <b>Accumulated depreciation :</b>                 |  |                            |               |                                      |                            |               |
| As at January 1, 2018                             | 53,356,553.15                            | -                          | 53,356,553.15 | 47,505,020.19                        | -                          | 47,505,020.19 |
| Amortization for the year                         | 5,478,175.00                             | -                          | 5,478,175.00  | 5,622,081.74                         | -                          | 5,622,081.74  |
| Others  | 251,424.66                               | -                          | 251,424.66    | -                                    | -                          | -             |
| As at December 31, 2018                           | 60,086,152.81                            | -                          | 60,086,152.81 | 53,127,101.93                        | -                          | 53,127,101.93 |
| Amortization for the year                         | 5,505,989.30                             | -                          | 5,505,989.30  | 5,741,194.09                         | -                          | 5,741,194.09  |
| Others  | -  | -                          | -             | -                                    | -                          | -             |
| As at December 31, 2019                           | 65,592,142.11                            | -                          | 65,592,142.11 | 58,868,296.02                        | -                          | 58,868,296.02 |
| <b>Net book value :</b>                           |  |                            |               |                                      |                            |               |
| As at December 31, 2019                           | 7,802,097.37                             | 3,707,408.54               | 11,509,505.91 | 6,526,996.00                         | 2,164,845.12               | 8,691,841.12  |
| As at December 31, 2018                           | 13,753,271.47                            | 3,595,593.54               | 17,348,865.01 | 11,793,274.89                        | 2,053,030.12               | 13,846,305.01 |
| Amortization for the year ended December 31, 2019 |  |                            | 5,505,989.30  |                                      |                            | 5,741,194.09  |
| Amortization for the year ended December 31, 2018 |  |                            | 5,478,175.00  |                                      |                            | 5,622,081.74  |

As at December 31, 2019 and 2018, the Company has other intangible assets at cost of Baht 57.28 million (Separate: Baht 51.83 million) and Baht 39.69 million (Separate : Baht 34.90 million) respectively, which were fully depreciated but are still in use.



### 13. Leasehold right

|  | Consolidated and Separate financial statements (Baht) |                |
|--|---|----------------|
|  | 2019  | 2018           |
| Leasehold right                                | 209,125,266.22  | 196,263,636.30 |
| Additional leasehold right                     | –   | 16,332,582.41  |
| Less Accumulated amortization                  | (7,470,952.48)  | (7,470,952.49) |
| Net  | 201,654,313.74  | 209,125,266.22 |
| Less Prepaid leasehold right due within 1 year | (7,491,420.84)  | (7,470,952.48) |
| Balance  | 194,162,892.90  | 201,654,313.74 |

Amortization for the year ended December 31, 2019 amounted to Baht 7.47 million.

Amortization for the year ended December 31, 2018 amounted to Baht 7.47 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 by entering into land lease agreement with The Crown Property Bureau to be completed for lease and sub-lease for a period of 30 years that the sub-lease will be terminated on December 22, 2046.

In 2018, the Company made additional payments in accordance with the terms of the lease agreement with the Crown Property Bureau at 50% of the contract price difference with the customer compared to the price offered to the Crown Property Bureau.

### 14. Tax expense/deferred tax

Tax expense for the year ended December 31, 2019 and 2018 are summarized as follows:

|   | Statements of comprehensive income       |                |                                      |                |
|---|--|----------------|--------------------------------------|----------------|
|   | Consolidated financial statements (Baht) |                | Separate financial statements (Baht) |                |
|   | 2019                                     | 2018           | 2019                                 | 2018           |
| <b>Current tax :</b>  |  |                |                                      |                |
| Income tax for the year   | 327,269,666.41                           | 376,533,661.61 | 268,815,694.01                       | 325,471,595.72 |
| Adjustment in respect of income tax expenses of previous year                         | (1,605,171.83)                           | (438,798.16)   | (1,742,160.87)                       | (572,704.17)   |
| <b>Deferred tax :</b>   |  |                |                                      |                |
| Deferred tax derived from temporary differences and reversal of temporary differences | (5,048,499.65)                           | (5,597,660.79) | (1,282,069.21)                       | (2,269,293.17) |
| Tax expense presented in statements of comprehensive income                           | 320,615,995.03                           | 369,497,212.66 | 265,791,463.93                       | 322,629,598.38 |

Tax amounts related to each component part of other comprehensive income for the year ended December 31, 2019 and 2018 are summarized as follows :

|   | Statements of comprehensive income       |            |                                      |            |
|---|--|------------|--------------------------------------|------------|
|   | Consolidated financial statements (Baht) |            | Separate financial statements (Baht) |            |
|   | 2019                                     | 2018       | 2019                                 | 2018       |
| Deferred tax relating to  |  |            |                                      |            |
| Gains (losses) on remeasuring investments held as available-for-sale investments held as available-for-sale | (63,840.00)                              | 932,480.00 | (63,840.00)                          | 932,480.00 |
| Actuarial gains (losses) for employee benefit obligations   | (9,259,249.60)                           | -          | (4,690,717.20)                       | -          |

Reconciliation between tax expenses and multiplication of accounting profit and tax rate used for the year ended December 31, 2019 and 2018 can be presented as follows:

|  | Consolidated financial statements (Baht) |                  | Separate financial statements (Baht) |                  |
|--|--|------------------|--------------------------------------|------------------|
|  | 2019                                     | 2018             | 2019                                 | 2018             |
| Accounting profit before income tax                                      | 1,580,678,671.65                         | 1,742,626,272.71 | 1,305,242,907.96                     | 1,493,724,517.40 |
| Income tax rate  | 20%                                      | 20%              | 20%                                  | 20%              |
| Accounting profit before income tax multiply by tax rate                 | 316,028,381.98                           | 348,330,254.54   | 261,048,581.59                       | 298,744,903.48   |
| Adjustment in respect of income tax expenses of previous year            | (1,605,171.83)                           | (323,837.94)     | (1,742,160.87)                       | (572,704.17)     |
| Taxable effects for :  |  |                  |                                      |                  |
| Other expenses for which accounting base differ from tax base            | (1,604,042.07)                           | (5,623,477.16)   | (1,762,518.52)                       | (4,209,523.62)   |
| Other income for which accounting base differ from tax base              | 69,342.48                                | 593,911.59       | (2,110,657.52)                       | 593,911.37       |
| Additional realized income   | 8,372,555.90                             | 21,893,102.88    | 8,205,635.90                         | 21,726,182.88    |
| Non-deductible expenses  | 2,743,706.25                             | 5,624,040.66     | 2,142,583.35                         | 5,292,729.96     |
| Effects of deferred tax from share of profit on investments in associate | 1,142,480.51                             | 15,363.02        | -                                    | -                |
| Others   | (4,631,258.19)                           | (1,012,144.92)   | -                                    | 1,054,098.48     |
| Total  | 6,192,784.88                             | 21,490,796.07    | 6,485,043.21                         | 24,457,399.07    |
| Tax expense presented in statements of comprehensive income              | 320,615,995.03                           | 369,497,212.67   | 265,791,463.93                       | 322,629,598.38   |
| Effective income tax rate  | 20.28%                                   | 21.20%           | 20.36%                               | 21.60%           |



Deferred tax assets components comprise the following transaction:

|   | Consolidated financial statements (Baht) |                       | Separate financial statements (Baht) |                       |
|---|--|-----------------------|--------------------------------------|-----------------------|
|   | 2019                                     | 2018                  | 2019                                 | 2018                  |
| <b>Deferred tax assets</b>              |  |                       |                                      |                       |
| Provision for devaluation of assets     | 78,430,560.48                            | 77,733,426.78         | 78,430,560.48                        | 77,434,240.48         |
| Reserve for long-term employee benefits | 65,269,324.11                            | 54,824,849.91         | 24,647,724.20                        | 18,851,592.00         |
| Expenses provisions                     | 8,019,604.61                             | 8,208,714.73          | 6,593,855.75                         | 6,593,855.75          |
| Financial lease                         | 665,364.40                               | 445,439.16            | 676,696.71                           | 500,042.50            |
| Others                                  | -  | 2,080,294.00          | -                                    | -                     |
|   | <b>152,385,853.60</b>                    | <b>143,292,724.58</b> | <b>110,348,837.14</b>                | <b>103,379,730.73</b> |

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

As at December 31, 2019 and 2018 comprise :-

|   | Consolidated financial statements (Baht) |                         | Separate financial statements (Baht) |                         |
|---|--|-------------------------|--------------------------------------|-------------------------|
|   | 2019                                     | 2018                    | 2019                                 | 2018                    |
| Bank overdrafts                                   | 7,297,784.82                             | 14,586,699.84           | 7,297,784.82                         | 14,586,699.84           |
| Short-term borrowings from financial institutions | 3,461,125,500.00                         | 2,614,570,388.00        | 3,069,000,000.00                     | 2,280,000,000.00        |
| <b>Total</b>                                      | <b>3,468,423,284.82</b>                  | <b>2,629,157,087.84</b> | <b>3,076,297,784.82</b>              | <b>2,294,586,699.84</b> |

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, 2019 and 2018 comprise :-

|   | Consolidated financial statements (Baht) |                         | Separate financial statements (Baht) |                         |
|---|--|-------------------------|--------------------------------------|-------------------------|
|   | 2019                                     | 2018                    | 2019                                 | 2018                    |
| <b>16.1 Trade accounts payable</b>                                |  |                         |                                      |                         |
| Trade accounts payable  | 1,009,893,419.17                         | 759,655,919.66          | 898,121,551.49                       | 654,716,147.87          |
| Total trade accounts payable-net                                  | 1,009,893,419.17                         | 759,655,919.66          | 898,121,551.49                       | 654,716,147.87          |
| <b>16.2 Trade accounts payable-related parties (see note 8.4)</b> |  |                         |                                      |                         |
| Trade accounts payable-related parties                            | -  | -                       | 18,445,317.94                        | 15,807,296.70           |
| Trade accounts payable-related parties-net                        | -  | -                       | 18,445,317.94                        | 15,807,296.70           |
| <b>16.3 Other current payables</b>                                |  |                         |                                      |                         |
| Cash received in advance  | 359,581,025.74                           | 1,036,208,933.69        | 356,881,525.74                       | 1,025,072,933.69        |
| Retentions  | 120,321,964.40                           | 125,587,061.79          | 104,512,177.98                       | 102,669,475.53          |
| Others  | 355,070,602.84                           | 368,083,592.75          | 245,795,894.53                       | 280,086,143.85          |
| Total other current payables                                      | 834,973,582.98                           | 1,529,879,588.23        | 707,189,598.25                       | 1,407,828,553.07        |
| <b>Total trade and other current payables</b>                     | <b>1,844,867,002.15</b>                  | <b>2,289,535,507.89</b> | <b>1,623,756,467.68</b>              | <b>2,078,351,997.64</b> |

## 17. Current portion of long-term borrowings and liabilities

As at December 31, 2019 and 2018 comprise :-

|  | Note | Consolidated financial statements (Baht) |                       | Separate financial statements (Baht) |                       |
|--|------|--|-----------------------|--------------------------------------|-----------------------|
|  |      | 2019                                     | 2018                  | 2019                                 | 2018                  |
| Current portion of financial lease liabilities | 19   | 7,214,344.53                             | 6,909,688.82          | 6,594,639.04                         | 6,398,986.61          |
| Current portion of long-term borrowings        | 20   | -  | 10,000.00             | -                                    | -                     |
| Current portion of debentures                  | 21   | -  | 610,000,000.00        | -                                    | 610,000,000.00        |
| <b>Total</b>                                   |      | <b>7,214,344.53</b>                      | <b>616,919,688.82</b> | <b>6,594,639.04</b>                  | <b>616,398,986.61</b> |

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

## 18. Unearned rental income

As at December 31, 2019 and 2018 comprise :-

|  | Consolidated financial statements (Baht) |                       | Separate financial statements (Baht) |                       |
|--|--|-----------------------|--------------------------------------|-----------------------|
|  | 2019                                     | 2018                  | 2019                                 | 2018                  |
| Unearned rental income                           | 292,206,597.10                           | 295,706,403.81        | 292,206,597.10                       | 295,706,403.81        |
| Add Proceeds during the period                   | -  | 6,893,500.00          | -                                    | 6,893,500.00          |
| Less Recognized as rental income during the year | (10,439,014.20)                          | (10,393,306.71)       | (10,439,014.20)                      | (10,393,306.71)       |
| Less Unearned rental income realized             | (10,467,614.24)                          | (10,439,014.20)       | (10,467,614.24)                      | (10,439,014.20)       |
| <b>Net</b>                                       | <b>271,299,968.66</b>                    | <b>281,767,582.90</b> | <b>271,299,968.66</b>                | <b>281,767,582.90</b> |

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, 2019 and 2018, 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) |                |
|---------------------------------------|--|----------------|--------------------------------------|----------------|
|                                       | 2019                                     | 2018           | 2019                                 | 2018           |
| Within 1 year                         | 10,467,614.24                            | 10,439,014.20  | 10,467,614.24                        | 10,439,014.20  |
| Over 1 year but not over than 5 years | 41,784,656.84                            | 41,784,656.84  | 41,784,656.84                        | 41,784,656.84  |
| Over 5 years                          | 229,515,311.82                           | 239,982,926.06 | 229,515,311.82                       | 239,982,926.06 |

## 19. Financial lease liabilities

Details of leased assets under financial lease are as follows :

|                               | Consolidated financial statements (Baht) |                      | Separate financial statements (Baht) |                      |
|-------------------------------|--|----------------------|--------------------------------------|----------------------|
|                               | 2019                                     | 2018                 | 2019                                 | 2018                 |
| Vehicles                      | 51,691,150.00                            | 43,763,150.00        | 48,789,150.00                        | 42,376,150.00        |
| Photocopier                   | 2,209,720.56                             | 2,472,325.17         | 1,252,970.25                         | 1,515,574.86         |
| Computer                      | 1,485,900.00                             | 1,485,900.00         | -                                    | -                    |
| <b>Total</b>                  | <b>55,286,770.56</b>                     | <b>47,721,375.17</b> | <b>50,042,120.25</b>                 | <b>43,891,724.86</b> |
| Less Accumulated depreciation | (23,938,228.75)                          | (19,224,960.60)      | (21,643,094.20)                      | (17,895,794.46)      |
| <b>Net book value</b>         | <b>31,348,541.81</b>                     | <b>28,496,414.57</b> | <b>28,399,026.05</b>                 | <b>25,995,930.40</b> |



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

|  | Consolidated financial statements (Baht) |                | Separate financial statements (Baht) |                |
|--|--|----------------|--------------------------------------|----------------|
|  | 2019                                     | 2018           | 2019                                 | 2018           |
| Within 1 year                                | 8,493,805.96                             | 8,178,213.96   | 7,778,396.56                         | 7,586,884.56   |
| Over 1 year less than 3 years                | 14,065,135.57                            | 11,799,046.92  | 12,783,522.92                        | 10,844,748.12  |
| Over 3 years less than 5 years               | 4,735,372.49                             | 5,113,606.10   | 4,335,274.94                         | 4,723,100.30   |
|  | 27,294,314.02                            | 25,090,866.98  | 24,897,194.42                        | 23,154,732.98  |
| Less Future interest of financial lease      | (2,702,718.73)                           | (2,955,052.78) | (2,502,953.37)                       | (2,775,854.14) |
| Present value of financial lease liabilities | 24,591,595.29                            | 22,135,814.20  | 22,394,241.05                        | 20,378,878.84  |

Financial lease liabilities excluding future interest are as follows :

|   | Consolidated financial statements (Baht) |                | Separate financial statements (Baht) |                |
|---|--|----------------|--------------------------------------|----------------|
|   | 2019                                     | 2018           | 2019                                 | 2018           |
| Financial lease liabilities                         | 24,591,595.29                            | 22,135,814.20  | 22,394,241.05                        | 20,378,878.84  |
| Less Current portion of financial lease liabilities | (7,214,344.53)                           | (6,909,888.82) | (6,594,639.04)                       | (6,398,986.61) |
| Financial lease liabilities – net                   | 17,377,250.76                            | 15,225,925.38  | 15,799,602.01                        | 13,979,892.23  |

## 20. Long-term borrowings

As at December 31, 2019 and 2018 comprise :-

|  | Consolidated financial statements (Baht) |              | Separate financial statements (Baht) |      |
|--|--|--------------|--------------------------------------|------|
|  | 2019                                     | 2018         | 2019                                 | 2018 |
| Borrowings from financial institutions       | -  | 9,169,900.00 | -                                    | -    |
| Less Current portion of long-term borrowings | -  | (10,000.00)  | -                                    | -    |
| Net  | -  | 9,159,900.00 | -                                    | -    |

As at December 31, 2019 and 2018, 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, 2019 and 2018 comprise :-

|                                    | Consolidated financial statements (Baht) |                  | Separate financial statements (Baht) |                  |
|------------------------------------|--|------------------|--------------------------------------|------------------|
|                                    | 2019                                     | 2018             | 2019                                 | 2018             |
| Debentures                         | 4,148,000,000.00                         | 2,590,000,000.00 | 4,148,000,000.00                     | 2,590,000,000.00 |
| Less Current portion of debentures | -  | (610,000,000.00) | -                                    | (610,000,000.00) |
| Net                                | 4,148,000,000.00                         | 1,980,000,000.00 | 4,148,000,000.00                     | 1,980,000,000.00 |

Details of unsubordinated and unsecured without holders' representative debentures are as follows :

| Issuance date     | Amount (Million Baht) | Interest rate | Period (year) | Maturity date     | Interest payment |
|-------------------|-----------------------|---------------|---------------|-------------------|------------------|
| October 10, 2019  | 554.70                | Fixed 2.70%   | 3             | October 10, 2022  | Every 6 months   |
| October 10, 2019  | 445.30                | Fixed 2.70%   | 3             | October 10, 2022  | Every 6 months   |
| April 12, 2019    | 1,168.00              | Fixed 2.95%   | 3             | April 12, 2022    | Every 6 months   |
| October 26, 2018  | 480.00                | Fixed 3.95%   | 3             | October 26, 2021  | Every 6 months   |
| August 17, 2018   | 500.00                | Fixed 3.95%   | 3             | August 17, 2021   | Every 6 months   |
| December 15, 2017 | 300.00                | Fixed 3.75%   | 4             | December 15, 2021 | Every 6 months   |
| July 27, 2017     | 300.00                | Fixed 3.75%   | 4             | July 27, 2021     | Every 6 months   |
| January 20, 2017  | 400.00                | Fixed 3.75%   | 4             | January 20, 2021  | Every 6 months   |
| <b>Total</b>      | <b>4,148.00</b>       |               |               |                   |                  |

## 22. Non-current provisions for employee benefit

Changes in employee benefit obligations are as follows :

|  | Consolidated financial statements (Baht) |                       | Separate financial statements (Baht) |                      |
|--|--|-----------------------|--------------------------------------|----------------------|
|  | 2019                                     | 2018                  | 2019                                 | 2018                 |
| Beginning balance as at January 1  | 274,361,082.00                           | 252,443,034.00        | 94,257,960.00                        | 81,276,633.00        |
| Current cost of service  | 41,901,542.00                            | 25,994,867.00         | 12,008,029.00                        | 6,778,727.00         |
| Previous cost of service   | 38,322,511.00                            | -                     | 14,810,679.00                        | -                    |
| Interest cost  | 5,741,728.00                             | 7,508,278.00          | 2,029,216.00                         | 2,553,962.00         |
| Increased (decrease) in liabilities from received<br>the employees transfer from related company | -  | -                     | -                                    | 5,151,520.00         |
| Actuarial losses   |  |                       |                                      |                      |
| - Post-employment benefits   | 46,123,142.00                            | -                     | 23,453,586.00                        | -                    |
| - Other long-term benefits   | (4,781,171.00)                           | -                     | (2,460,611.00)                       | -                    |
| Transferred to other current liabilities   | (31,428,444.00)                          | -                     | (13,794,718.00)                      | -                    |
| Employee benefit paid  | (7,065,520.00)                           | (11,585,097.00)       | (7,065,520.00)                       | (1,502,882.00)       |
| <b>Ending balance</b>  | <b>363,174,870.00</b>                    | <b>274,361,082.00</b> | <b>123,238,621.00</b>                | <b>94,257,960.00</b> |

Expenses recognized in profit or loss

|                         | Consolidated financial statements (Baht) |                      | Separate financial statements (Baht) |                     |
|-------------------------|--|----------------------|--------------------------------------|---------------------|
|                         | 2019                                     | 2018                 | 2019                                 | 2018                |
| Administrative expenses | 81,184,610.00                            | 33,503,145.00        | 26,387,313.00                        | 9,332,689.00        |
| <b>Total</b>            | <b>81,184,610.00</b>                     | <b>33,503,145.00</b> | <b>26,387,313.00</b>                 | <b>9,332,689.00</b> |



Actuarial gains (losses) recognized in other comprehensive income (expense) arising from :

|                         | Consolidated financial statements (Baht) |          | Separate financial statements (Baht) |          |
|-------------------------|--|----------|--------------------------------------|----------|
|                         | 2019                                     | 2018     | 2019                                 | 2018     |
| Financial assumptions   | 63,843,462.00                            | -        | 21,244,823.00                        | -        |
| Demographic assumptions | (16,554,823.00)                          | -        | (5,165,050.00)                       | -        |
| Experience adjustment   | (1,165,487.00)                           | -        | 7,373,813.00                         | -        |
| <b>Total</b>            | <b>46,123,142.00</b>                     | <b>-</b> | <b>23,453,586.00</b>                 | <b>-</b> |

On April 5, 2019, new Labour Protection Act was published in the Royal Gazette which will become effective after 30 days from the date of its publication in the Royal Gazette onwards which determined the additional rate of severance pay in the case of termination of employment for a terminated employee who has worked for 20 consecutive years or more and shall be entitled to receive payment not less than the last rate of wages for 400 days. The Company has recorded the effects of the aforementioned Labour Protection Act in the financial statements in 2019 in the amount of Baht 36.32 million (Separate : Baht 14.81 million).

The principal actuarial assumptions used were summarized as follow :

|                      | Consolidated and Separate financial statements   |   |
|----------------------|--|---|
|                      | 2019   | 2018  |
| Discount rate        | 1.19-2.33 per annum  | 3.0 per annum   |
| Mortality            | According to TMO 2017 male and female tables   | According to TMO 2008 male and female tables  |
| Employee turnover    | Age-related scale and kind of employees and daily staff                                  | 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 3-8% of basic salaries | 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) |                |
|--------------------------------|--|-----------------|--------------------------------------|----------------|
|                                | 2019                                     | 2018            | 2019                                 | 2018           |
| Discount rate                  |  |                 |                                      |                |
| - Increase rate (1% movement)  | (32,889,269.00)                          | (25,424,531.00) | (10,905,879.00)                      | (7,997,076.00) |
| - Decrease rate (1% movement)  | 38,323,813.00                            | 29,475,261.00   | 12,578,619.00                        | 9,207,220.00   |
| Salary increase rates          |  |                 |                                      |                |
| - Increase rate (1% movement)  | 39,083,292.00                            | 35,334,639.00   | 13,056,660.00                        | 11,338,410.00  |
| - Decrease rate (1% movement)  | (34,094,787.00)                          | (30,524,551.00) | (11,513,429.00)                      | (9,865,891.00) |
| Turnover rates                 |  |                 |                                      |                |
| - Increase rate (20% movement) | (29,384,979.00)                          | (21,562,261.00) | (7,770,502.00)                       | (5,568,793.00) |
| - Decrease rate (20% movement) | 36,302,358.00                            | 26,195,760.00   | 9,401,866.00                         | 6,602,388.00   |

## 23. Pledged securities

|   | Note     | Consolidated financial statements (Baht) |                         | Separate financial statements (Baht) |                         |
|---|----------|--|-------------------------|--------------------------------------|-------------------------|
|   |          | 2019                                     | 2018                    | 2019                                 | 2018                    |
| Part of land and cost of project under construction and part of land held for development | 6.1, 6.2 | 7,306,559,112.41                         | 8,106,407,468.20        | 5,043,118,266.58                     | 6,740,001,892.39        |
| Inventories   | 7        | 652,051,872.31                           | 1,150,463,979.65        | 598,811,291.71                       | 575,820,236.78          |
| Investment property-land and building for lease   | 10       | 396,987,402.27                           | 409,042,914.79          | 389,146,268.37                       | 400,849,286.62          |
| Land and office building  | 11       | 77,769,691.53                            | 76,333,488.73           | 77,769,691.53                        | 76,333,488.73           |
| <b>Total</b>  |          | <b>8,433,368,076.52</b>                  | <b>9,742,247,851.37</b> | <b>6,908,845,518.19</b>              | <b>7,793,003,904.72</b> |

As at December 31, 2019 and 2018, the Company has mortgaged securities as guarantee against borrowings from commercial bank and financial institution for credit line of Baht 12,644.92 million (Separate : Baht 11,698.02 million) and Baht 10,867.59 million (Separate : Baht 10,055.04 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, 2019 and 2018, the Company and subsidiaries have contingent liabilities from letter of guarantee issued by bank to government agency and state enterprise amounting to Baht 350.96 million (Separate : Baht 101.85 million) and Baht 413.85 million (Separate : Baht 108.10 million) respectively.
- 24.2 As at December 31, 2019 and 2018, the Company had the obligation under the agreement with the contractor which has to complete the construction work for approximately Baht 1,938.89 million (Separate : Baht 1,559.41 million) and Baht 3,134.51 million (Separate : Baht 2,955.91 million) respectively.
- 24.3 As at December 31, 2019 and 2018, the Company has commitment on payment for land under covenants and agreement for the remaining amount of Baht 497.41 million and Baht 379.42 million respectively.
- 24.4 As at December 31, 2019 and 2018, the Company is liable on payment commission under agent appointment contract if the ownership was transferred amount of Baht 3.04 million and Baht 34.79 million respectively.
- 24.5 As at December 31, 2019, the Company has contingent liabilities from guarantee Sponsor Undertaking, guarantee line for a subsidiary in the amount of Baht 500 million.

## 25. Treasury stock

According to the Board of directors' meeting No. 8/2018 held on November 20, 2018 passed to approve the treasury stock program for the purpose of financial management not exceed 42 million shares equal to 2.85 percent of total paid-up capital, with the maximum amount not exceeding Baht 400 million. The repurchased period in the Stock Exchange of Thailand will be started from December 4, 2018 to June 3, 2019. The period of repurchase will be exercised within 3 years commencing from the end of treasury shares repurchase period (six months).

Thus, the Company's treasury shares had no a right on the meeting for voting and entitle to receive the dividend.

If the treasury shares could not be sold in the exercise period from the repurchasing date that the Company will reduce the paid-up share capital by cutting total registered and unissued treasury shares.

As at December 31, 2019, the Company has treasury shares for 21,600,000 shares at cost of Baht 142.11 million.

As at December 31, 2018, the Company has treasury shares for 5,844,800 shares at cost of Baht 37.68 million.



## 26. Dividend paid

### For the year 2019

- 26.1 According to the minutes of the Board of directors' meeting No. 4/2019 held on August 7, 2019, passed the resolution to pay dividend to the shareholders from six-months results of operation of 2019 and/or retained earnings at Baht 0.20 per share for 1,475.70 million shares amounting to Baht 295.14 million by deducting treasury shares and shares without the right to received annual dividend total 21.53 million shares at Baht 0.20 per share amounting to Baht 4.30 million. The remaining dividend should be actually paid amount of Baht 290.83 million which was paid on September 5, 2019.
- 26.2 According to the shareholders' general meeting No. 1/2019 held on March 28, 2019, passed the resolution to pay dividend to the shareholders from the results of the Company's operation for the year 2018 at Baht 0.60 per share for the total 1,475.70 million shares amounting to Baht 885.42 million by deducting treasury shares and shares without the right to received annual dividend total 18.95 million shares at Baht 0.40 each, amounting to Baht 7.58 million which remains dividend to be actually paid amount of Baht 877.84 million by deducting the interim dividend paid amount of Baht 295.14 million. The remaining dividend should be paid amount of Baht 582.70 million which was paid on April 10, 2019.

### For the year 2018

- 26.3 According to the minutes of the Board of directors' meeting No. 5/2018 held on August 9, 2018, passed the resolution to pay interim dividend to the shareholders from the six-months results of operation of 2018 and/or retained earnings at Baht 0.20 per share for 1,475.70 million shares amounting to Baht 295.14 million by deducting shares without the right to received interim dividend total 0.014 million shares at Baht 0.20 per share amounting to Baht 0.003 million. The remaining dividend should be actually paid amount of Baht 295.14 million which was paid on September 5, 2018.
- 26.4 According to the shareholders' general meeting No. 1/2018 held on March 30, 2018, passed the resolution to pay dividend to the shareholders from the results of the Company's operation for the year 2017 at Baht 0.50 per share for the total 1,475.70 million shares amounting to Baht 737.85 million by deducting shares without the right to received annual dividend total 0.07 million shares at Baht 0.35 each, amounting to Baht 0.02 million which remains dividend to be actually paid amount of Baht 737.83 million by deducting the interim dividend paid amount of Baht 221.36 million. The remaining dividend should be paid amount of Baht 516.47 million which was paid on April 11, 2018.

## 27. Retained earnings

### 27.1 Legal reserve

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.

### 27.2 Reserve for treasury shares

As at December 31, 2019, the Company appropriated retained earnings amount of Baht 142.11 million as reserve for treasury shares in accordance with the guidance of the Judicial Committee and the Federations of Accounting Professions in the caption "treasury stock under Section 66/1(2).

As at December 31, 2018, the Company appropriated retained earnings amount of Baht 37.68 million as reserve for treasury shares in accordance with the guidance of the Judicial Committee and the Federations of Accounting Professions in the caption "treasury stock under Section 66/1(2).

## 28. 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 borrowings 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.

## 29. Additional disclosure of cash flows information

### 29.1 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) |                       |
|-------------------|--|-----------------------|--------------------------------------|-----------------------|
|                   | 2019                                     | 2018                  | 2019                                 | 2018                  |
| Cash              | 1,360,814.62                             | 1,635,685.34          | 766,312.36                           | 954,293.88            |
| Current accounts  | 19,034,679.89                            | 19,605,476.87         | 13,271,261.07                        | 14,414,019.33         |
| Savings deposit   | 480,265,299.85                           | 335,203,004.77        | 359,706,676.77                       | 246,712,679.29        |
| Cheque in transit | 661,093.63                               | 26,372,398.68         | 661,093.63                           | 20,008,407.41         |
| Bills of exchange | -  | 39,102,812.02         | -                                    | -                     |
|                   | <b>501,301,887.79</b>                    | <b>421,819,277.68</b> | <b>374,405,343.72</b>                | <b>282,089,399.91</b> |

### 29.2 Land and cost of project under construction

In the year 2019, the Company has transferred land and cost of project held for development to be land and cost of project under construction in the amount of Baht 294.37 million.

### 29.3 Investment properties

In the year 2019 and 2018, the Company has transferred inventories-condominium units to be investment properties in the amount of Baht 349.48 million and Baht 102.44 million respectively.

### 29.4 Financial lease assets

In the year 2019 and 2018, the Company has made hire purchase assets in the amount of Baht 15.08 million (Separate : Baht 13.66 million) and Baht 24.76 million (Separate : Baht 23.26 million) respectively by making payment total amount of Baht 3.77 million (Separate : Baht 3.42 million) and Baht 8.26 million (Separate : Baht 7.76 million) respectively, the remaining amount is recorded as financial lease liabilities in full.



### 30. Operating segment information

As at December 31, 2019, 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 and services                             | 7,493.55       | 176.19         | -          | 7,669.74   | 1,224.25     | 6.21           | 1,291.42             | -        | 10,191.62  | (237.50)  | 9,954.12   |
| Cost of sales and services                         | (5,237.20)     | (119.00)       | -          | (5,356.19) | (935.22)     | (3.26)         | (600.62)             | -        | (6,985.19) | 231.46    | (6,753.73) |
| Gross profit                                       | 2,256.35       | 57.20          | -          | 2,313.55   | 289.03       | 2.95           | 690.80               | -        | 3,206.43   | (6.04)    | 3,200.39   |
| Other income                                       | -              | -              | 113.89     | 113.89     | -            | -              | -                    | 8.86     | 120.75     | (34.47)   | 86.28      |
| Distribution costs                                 | -              | -              | (590.15)   | (590.15)   | -            | -              | -                    | (82.83)  | (672.98)   | 2.87      | (670.12)   |
| Administrative expenses                            | -              | -              | (439.07)   | (439.07)   | -            | -              | -                    | (528.65) | (967.72)   | 33.86     | (933.86)   |
| Management benefit expenses                        | -              | -              | (48.53)    | (48.53)    | -            | -              | -                    | (29.73)  | (78.26)    | -         | (78.26)    |
| Directors' remuneration                            | -              | -              | (13.02)    | (13.02)    | -            | -              | -                    | (0.07)   | (13.09)    | -         | (13.09)    |
| Finance costs                                      | -              | -              | (31.42)    | (31.42)    | -            | -              | -                    | (0.81)   | (32.23)    | 27.91     | (4.32)     |
| Share of profit (loss) of associates               | -              | -              | -          | -          | -            | -              | -                    | -        | -          | (6.34)    | (6.34)     |
| Profit (loss) before income tax expense            | 2,256.35       | 57.20          | (1,008.31) | 1,305.24   | 289.03       | 2.95           | 690.80               | (635.23) | 1,562.90   | 17.78     | 1,580.68   |
| Tax expense  | -              | -              | (265.79)   | (265.79)   | -            | -              | -                    | (54.92)  | (320.72)   | 0.10      | (320.62)   |
| Profit (loss) for the year                         | 2,256.35       | 57.20          | (1,274.10) | 1,039.45   | 289.03       | 2.95           | 690.80               | (690.15) | 1,242.18   | 17.88     | 1,260.06   |
| Attributable to:                                   |                |                |            |            |              |                |                      |          |            |           |            |
| Owners of the Company                              |                |                |            |            |              |                |                      |          |            |           | 1,256.04   |
| Non-controlling interests                          |                |                |            |            |              |                |                      |          |            |           | 4.02       |
|  |                |                |            |            |              |                |                      |          |            |           | 1,260.06   |
| Other comprehensive income :                       |                |                |            |            |              |                |                      |          |            |           |            |
| Remeasuring investments held as available-for-sale | -              | -              | (3.99)     | (3.99)     | -            | -              | -                    | -        | (3.99)     | -         | (3.99)     |
| Remeasurements of defined benefit plans            | -              | -              | (18.76)    | (18.76)    | -            | -              | -                    | (18.52)  | (37.28)    | -         | (37.28)    |
| Total comprehensive income (expense) for the year  | 2,256.35       | 57.20          | (1,296.85) | 1,016.70   | 289.03       | 2.95           | 690.80               | (708.67) | 1,200.92   | 17.88     | 1,218.80   |
| Attributable to:                                   |                |                |            |            |              |                |                      |          |            |           |            |
| Owners of the Company                              |                |                |            |            |              |                |                      |          |            |           | 1,217.46   |
| Non-controlling interests                          |                |                |            |            |              |                |                      |          |            |           | 1.33       |
|  |                |                |            |            |              |                |                      |          |            |           | 1,218.80   |
| Fixed assets:                                      |                |                |            |            |              |                |                      |          |            |           |            |
| as at December 31, 2019                            | 1,346.51       | 150.05         | 2,145.37   | -          | 60.52        | -              | 8.16                 | 2,214.04 | -          | -         | 2,214.04   |

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

### 30. Operating segment information (Cont'd)

As at December 31, 2018, 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 and services                             | 8,975.62       | 135.33         | -          | 9,110.95   | 1,214.48     | 18.64          | 1,163.09             | -        | 11,507.16  | (254.91)  | 11,252.25  |
| Cost of sales and services                         | (6,344.38)     | (109.87)       | -          | (6,454.25) | (925.11)     | (5.98)         | (522.16)             | -        | (8,007.49) | 234.10    | (7,773.39) |
| Gross profit                                       | 2,631.24       | 25.46          | -          | 2,656.71   | 289.36       | 12.67          | 540.93               | -        | 3,499.67   | (20.81)   | 3,478.86   |
| Other income                                       | -              | -              | 61.54      | 61.54      | -            | -              | -                    | 3.67     | 65.20      | (15.56)   | 49.64      |
| Distribution costs                                 | -              | -              | (698.88)   | (698.88)   | -            | -              | -                    | (82.15)  | (781.03)   | 0.32      | (780.72)   |
| Administrative expenses                            | -              | -              | (443.52)   | (443.52)   | -            | -              | -                    | (482.09) | (925.61)   | 33.05     | (892.56)   |
| Management benefit expenses                        | -              | -              | (64.45)    | (64.45)    | -            | -              | -                    | (28.90)  | (93.36)    | -         | (93.36)    |
| Directors' remuneration                            | -              | -              | (16.41)    | (16.41)    | -            | -              | -                    | (0.02)   | (16.43)    | -         | (16.43)    |
| Finance costs                                      | -              | -              | (1.26)     | (1.26)     | -            | -              | -                    | (1.64)   | (2.90)     | 0.16      | (2.74)     |
| Share of profit (loss) of associates               | -              | -              | -          | -          | -            | -              | -                    | -        | -          | (0.08)    | (0.08)     |
| Profit (loss) before income tax expense            | 2,631.24       | 25.46          | (1,162.98) | 1,493.72   | 289.36       | 12.67          | 540.93               | (591.14) | 1,745.55   | (2.92)    | 1,742.63   |
| Tax expense  | -              | -              | (322.63)   | (322.63)   | -            | -              | -                    | (47.44)  | (370.07)   | 0.57      | (369.50)   |
| Profit (loss) for the year                         | 2,631.24       | 25.46          | (1,485.61) | 1,171.09   | 289.36       | 12.67          | 540.93               | (638.58) | 1,375.48   | (2.35)    | 1,373.13   |
| Attributable to:                                   |                |                |            |            |              |                |                      |          |            |           |            |
| Owners of the Company                              |                |                |            |            |              |                |                      |          |            |           | 1,367.27   |
| Non-controlling interests                          |                |                |            |            |              |                |                      |          |            |           | 5.86       |
|  |                |                |            |            |              |                |                      |          |            |           | 1,373.13   |
| Other comprehensive income :                       |                |                |            |            |              |                |                      |          |            |           |            |
| Remeasuring investments held as available-for-sale | -              | -              | (8.01)     | (8.01)     | -            | -              | -                    | -        | (8.01)     | -         | (8.01)     |
| Total comprehensive income (expense) for the year  | 2,631.24       | 25.46          | (1,488.88) | 1,163.08   | 289.36       | 12.67          | 540.93               | (638.58) | 1,372.47   | (2.85)    | 1,370.11   |
| Attributable to:                                   |                |                |            |            |              |                |                      |          |            |           |            |
| Owners of the Company                              |                |                |            |            |              |                |                      |          |            |           | 1,364.26   |
| Non-controlling interests                          |                |                |            |            |              |                |                      |          |            |           | 5.86       |
|  |                |                |            |            |              |                |                      |          |            |           | 1,370.11   |
| Fixed assets                                       |                |                |            |            |              |                |                      |          |            |           |            |
| as at December 31, 2018                            | 1,685.02       | 125.85         | 1,810.87   | -          | 63.09        | -              | 8.89                 | 1,882.85 | -          | -         | 1,882.85   |

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



### 31. Expenses analyzed by nature

Significant expenses analyzed by nature are as follows :

|  | Consolidated financial statements (Baht) |                  | Separate financial statements (Baht) |                  |
|--|--|------------------|--------------------------------------|------------------|
|  | 2019                                     | 2018             | 2019                                 | 2018             |
| Acquire of land and payment for construction during the year | 8,041,348,908.24                         | 7,026,042,606.03 | 7,188,418,606.43                     | 6,058,846,857.40 |
| Changes in inventories                                       | (2,087,106,888.12)                       | 33,928,596.62    | (1,951,223,149.41)                   | 285,529,600.67   |
| Salaries, wages and other employees benefit expenses         | 1,254,892,680.53                         | 1,282,846,118.21 | 231,960,161.47                       | 274,801,784.28   |
| Management benefit expenses                                  | 78,261,614.47                            | 93,356,428.16    | 48,533,406.48                        | 64,451,871.87    |
| Specific Business Tax and transference fee                   | 343,151,556.28                           | 426,490,466.65   | 297,604,094.28                       | 381,040,118.65   |
| Depreciation   | 76,356,944.10                            | 63,785,841.55    | 69,665,314.16                        | 57,150,506.77    |
| Amortization of leasehold right                              | 7,470,952.48                             | 7,470,952.49     | 7,470,952.48                         | 7,470,952.49     |
| Bad debt and (reverse) doubtful accounts                     | -  | 191,137.07       | -                                    | 191,137.07       |
| Loss (gain) on sales of assets                               | 142,791.75                               | (11,768,402.02)  | (77,072.21)                          | (11,768,402.02)  |

### 32. 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) |      |
|--------------------------------|--|-------|--|------|
|                                | 2019   | 2018  | 2019   | 2018 |
| Contribution to provident fund | 24.99  | 23.96 | 8.24   | 7.94 |

### 33. Directors' remuneration payment policy

According to the shareholders' general meeting for the year 2019 held on March 28, 2019 and the year 2018 held on March 30, 2018 passed to pay remuneration to the directors who worked diligently, not exceed Baht 13.02 million and Baht 10.90 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 of the Company.

### 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, 2019 and 2018, the Company and subsidiaries have debt to equity ratio as summarized below :

(Million Baht)

|                      | Consolidated financial statements |      | Separate financial statements |      |
|----------------------|-----------------------------------|------|-------------------------------|------|
|                      | 2019                              | 2018 | 2019                          | 2018 |
| Debt to equity ratio | 0.78                              | 0.64 | 0.79                          | 0.63 |

### 35. Events after the reporting period

On February 13, 2020, 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 2019 at Baht 0.60 per share amounting to Baht 872.52 million. Thus, such approval depends upon the shareholders' meeting on March 26, 2020.

### 36. Approval of financial statements

These financial statements were approved and authorized for issue by the Board of directors of the Company on February 13, 2020.



# ANALYSIS AND EXPLANATION OF THE MANAGEMENT

## Operational Performance

### Overview

L.P.N. Development Public Co., Ltd. is the comprehensive real estate developer and service provider with affordable price for every target group. Projects are designed and developed following LPN Design concept and the “Livable Community” strategy which take into consideration values and uniqueness of product and services.

In 2017 and 2019, the gross income of the Company and subsidiary companies decreased 34.1% and 11.2% respectively. In 2018, the gross income increased 17.1%.

Major income came from selling real estates, which accounted for 90.3%, 90.1% and 86.8% of the gross income in 2017, 2018 and 2019 respectively. In 2019 the sales of residential homes increased from 13.9% to 25.3% of the gross income.

Unit: Million THB

| Item                             | as of 31 December of the year |                                      |           |                                      |           |                                      |
|----------------------------------|-------------------------------|--------------------------------------|-----------|--------------------------------------|-----------|--------------------------------------|
|                                  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018      | Increase<br>(Decrease)<br>Percentage | 2019      | Increase<br>(Decrease)<br>Percentage |
| Gross income                     | 9,655.14                      | (34.1)                               | 11,301.89 | 17.1                                 | 10,040.40 | (11.2)                               |
| Net profit of the year           | 1,059.09                      | (51.3)                               | 1,373.13  | 29.7                                 | 1,260.06  | (8.2)                                |
| Net profit-of the parent company | 1,062.32                      | (51.2)                               | 1,367.27  | 28.7                                 | 1,256.04  | (8.1)                                |

In 2019 the Company has 8 completed projects, six of which are residential condominiums namely, Lumpini Ville Sukhumvit 76-Bearing Station (2), Lumpini Place Ratchada-Sathu, Lumpini Selected Sutthisan-Saphan Kwai, Lumpini Ville Suksawat-Rama 2, Lumpini Park Vibhavadi-Chatuchak and Lumpini Park Phahon 32. Two residential projects of subsidiary companies are Baan Lumpini Townville Rajchaphruek-Pinklao (Phase 2) and Baan Lumpini Townplace Rama 2-Takham.

The net profit of the Company in 2019 was 1,256.04 billion THB or 12.5% of the gross income, decreasing 111.23 million THB or 8.1% from 2017. The key factor was the decrease of income from real estate sales but the gross profit margin was increased.

Unit: Million THB

| Item                                      | as of 31 December of the year |              |                  |              |                  |              |
|---|-------------------------------|--------------|------------------|--------------|------------------|--------------|
|   | 2017                          |              | 2018             |              | 2019             |              |
|   | Million THB                   | %            | Million THB      | %            | Million THB      | %            |
| Residential Condominium                   | 7,682.07                      | 79.6         | 8,611.70         | 76.2         | 6,181.65         | 61.6         |
| Single Home and Townhouse                 | 1,037.70                      | 10.7         | 1,575.55         | 13.9         | 2,635.65         | 25.3         |
| <b>Total income from real estate sold</b> | <b>8,719.77</b>               | <b>90.3</b>  | <b>10,187.25</b> | <b>90.1</b>  | <b>8,717.30</b>  | <b>86.8</b>  |
| Income from rental and service business   | 108.45                        | 1.1          | 132.19           | 1.2          | 173.02           | 1.7          |
| Income from management business           | 784.63                        | 8.1          | 932.81           | 8.3          | 1,063.80         | 10.6         |
| <b>Total main income</b>                  | <b>9,612.85</b>               | <b>99.6</b>  | <b>11,252.25</b> | <b>99.6</b>  | <b>9,954.12</b>  | <b>99.1</b>  |
| Other income                              | 42.29                         | 0.4          | 49.64            | 0.4          | 86.28            | 0.9          |
| <b>Total gross income</b>                 | <b>9,655.14</b>               | <b>100.0</b> | <b>11,301.89</b> | <b>100.0</b> | <b>10,040.40</b> | <b>100.0</b> |

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

In 2017, the gross income of the Company and subsidiary companies was 9.65514 billion THB, 90.3% of which was the income from sales. Categorizing by type of projects, the income from residential condominium was 7.68207 billion THB from four projects completed in 2017. The revenue recognition was 2.48705 billion THB. Income from projects completed at the end of 2016 was 5.19502 billion THB.

Income from single home and townhouse projects of subsidiary companies was 1.03770 billion THB. It was the income recognized from four projects completed in 2017. The revenue recognition was 124.61 million THB. And income from ongoing projects from 2016 was 913.09 million THB.

In 2017, the gross income of the Company and subsidiary companies decreased 4.9955 billion THB or 34.1% from 2016. This was because the Company established a short-term goal and strategy to liquidate the inventory.

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. Additional income also derived from rental fee of Lumpini Place Rama 4-Ratchada which was a long-term lease agreement (leasehold) completed at the end of 2016.

The income from management business was 784.63 million THB, increasing 111.76 million THB or 16.6% due to the fact that management services increased in accordance with numbers of projects completed by the Company each year. The increase was also from external projects as the Company has a policy to expand its income base in service business.

In 2018, the gross income of the Company and subsidiary companies was 11.30189 billion THB, 90.1% of which was the income from sale. Categorizing the income by product type, the income from residential condominiums was 8.6117 billion THB from eight projects completed in 2018. The revenue recognition was 4.85993 billion THB. Income from projects continued from 2017 was 3.75177 billion THB. The income from single home and townhouse projects was 1.57555 billion THB from three projects completed in 2018. The revenue recognition was 754.44 million THB. Income from projects continued from 2017 was 821.11 million THB.

In 2018, the gross income of the Company and subsidiary companies increased 1.64675 billion THB or 17.1% from 2017. It was because of the Year of Shift and the Year of Change strategy.

The income from rental and service business in 2018 was 132.19 million THB, increasing 23.74 million THB or 21.89% from 2017. It was from the rental fee of office space, condominium units, Minimall and long-term lease agreements. Additional income also derived from rental fee of Lumpini Township Rangsit-Klong 1 (Phase 3).

The income from management business was 932.81 million THB, increasing 148.18 million THB or 18.89%. This was because management services increased in accordance with numbers of projects completed by the Company each year. The increase was also from external projects as the Company has a policy to expand its income base in service business.

In 2019, the gross income of the Company and subsidiary companies was 10.0404 billion THB, 86.8% of which was the income from sale. Categorizing the income by product type, the income from residential condominiums was 6.18165 billion THB from six projects completed in 2019. The revenue recognition was 3.03768 billion THB. Income from projects continued from 2018 was 3.14397 billion THB. The income from single home and townhouse projects was 2.53565 billion THB from two projects completed in 2019. The revenue recognition was 58.76 million THB and the income from projects continued from 2018, was 2.47689 billion THB.

In 2019, the gross income of the Company and subsidiary companies decreased 1.26149 billion THB or 11.2% from 2018. The Company aimed to expand more residential home projects. As classified by the Thai Financial Reporting Standards 15, the sale promotion discounts of 64.65 million THB shall be deducted from sale value.

The income from rental and service business in 2019 was 173.02 million THB, increasing 40.83 million THB or 30.9% from 2018. It was from the rental fee of office space, condominium units, minimalls and a long-term lease agreement. From the end of 2018 onward, the Company had expanded rental income by renting out units at Lumpini Township Rangsit-Klong 1 (Phase 3). As a result, the total income in 2019 was three times higher than the total income in 2018.

The income from management business was 1.0638 billion THB, increasing 130.99 million THB or 14.04%. This was because management services increased in accordance with numbers of projects completed by the Company each year. The increase was also from external projects as the Company has a policy to expand its income base in service business.



## Expenses

### Cost of Real Estate Sold

Unit: Million THB

| Item                                    | as of 31 December of the year |                                      |           |                                      |          |                                      |
|---|-------------------------------|--------------------------------------|-----------|--------------------------------------|----------|--------------------------------------|
|   | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018      | Increase<br>(Decrease)<br>Percentage | 2019     | Increase<br>(Decrease)<br>Percentage |
| Income from real estate sold            | 8,719.77                      | (37.1)                               | 10,187.25 | 16.8                                 | 8,717.30 | (14.4)                               |
| Cost of real estate sold                | 6,238.95                      | (34.5)                               | 7,059.97  | 13.2                                 | 5,954.24 | (15.7)                               |
| Cost/income ratio from real estate sold | 71.5                          | 2.8                                  | 69.3      | (2.2)                                | 68.3     | (1.0)                                |

In 2017, the cost of real estate sold was 6,238.95 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 most of the projects were in Affordable group which the gross profit margin was not that high.

In 2018, the cost of real estate sold was 7,059.97 million THB or 69.3% of the income from real estate sold. The ratio of the cost of real estate sold in 2018 decreased 2.2% from 2017. It was because of the Company's strategy, "Year of Shift" and "Year of Change".

In 2019, the cost of real estate sold was 5,954.24 billion THB or 68.3% of the income from real estate sold. The ratio of the cost of real estate sold in 2019 decreased 1% from 2018. This was a consequence from the Year of Shift strategy and it is a Year of Excellence.

### Cost of Rental and Service Business

Unit: Million THB

| Item   | as of 31 December of the year |                                      |        |                                      |        |                                      |
|--|-------------------------------|--------------------------------------|--------|--------------------------------------|--------|--------------------------------------|
|  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018   | Increase<br>(Decrease)<br>Percentage | 2019   | Increase<br>(Decrease)<br>Percentage |
| Income from rental and service business          | 108.45                        | 48.1                                 | 132.19 | 21.9                                 | 173.02 | 30.9                                 |
| Cost of rental and service business              | 75.63                         | 50.4                                 | 91.26  | 20.7                                 | 108.97 | 19.4                                 |
| Cost/income ratio of rental and service business | 69.7                          | 1.1                                  | 69.0   | (0.7)                                | 63.0   | (6.0)                                |

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 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.

In 2018, the cost of rental and service business was 91.26 million THB or 69.0% of the income from rental and service business. In terms of income, it increased 23.74 million THB or 21.89% from 2017 because of increased income from rental fee and long-term lease agreement (leasehold). At the same time, the cost ratio had increased 15.63 million THB or 20.67% from 2017 from depreciation of building, common area expenses, utility costs, property tax, security service fee and expenses on advertisement.

In 2019, the cost of rental and service business was 108.97 million THB or 63.0% of the income from rental and service business. In terms of income, it increased 40.83 million THB or 30.90% from 2018 because the market expansion strategy helped increasing regular income. As a result, the 2018 cost ratio also increased 17.71 million THB or 19.40% from depreciation of building, common area expenses, utility costs, security service fee, and advertisement.

## Cost of Management Business

Unit: Million THB

| Item                                     | as of 31 December of the year |                                      |        |                                      |          |                                      |
|--|-------------------------------|--------------------------------------|--------|--------------------------------------|----------|--------------------------------------|
|  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018   | Increase<br>(Decrease)<br>Percentage | 2019     | Increase<br>(Decrease)<br>Percentage |
| Income from management business          | 784.63                        | 16.6                                 | 932.81 | 18.9                                 | 1,063.80 | 14.0                                 |
| Cost of management business              | 520.87                        | 10.5                                 | 622.16 | 19.4                                 | 690.52   | 11.0                                 |
| Cost/income ratio of management business | 66.4                          | (3.7)                                | 66.7   | 0.3                                  | 64.9     | (1.8)                                |

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.

In 2018, the cost of management business was 622.16 million THB or 66.7% of the income from management business. The Company was able to manage costs effectively. The cost/income ratio slightly increased 0.3% from 2017.

In 2019, the cost of management business increased 68.36 million THB or 11.0% from that of the previous year. It was because the subsidiary companies had increasing expenses on staff, community service staff in particular, due to a larger number of condominium juristic persons using management service and other service of the Company. However, the subsidiary companies were able to manage cost/income ratio effectively since the Company expanded its income base to external project management more than last year. As a result, the cost/income ratio in 2019 was 64.9% which was 1.8% lower than that in 2018.

## Expenses on Sale and Management

Unit: Million THB

| Item   | as of 31 December of the year |                                      |                 |                                      |                 |                                      |
|--|-------------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|--------------------------------------|
|  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018            | Increase<br>(Decrease)<br>Percentage | 2019            | Increase<br>(Decrease)<br>Percentage |
| Expenses on sale   | 571.12                        | (32.2)                               | 780.72          | 36.7                                 | 670.12          | (14.2)                               |
| Expenses on management                                   | 790.31                        | (14.9)                               | 892.66          | 12.9                                 | 933.86          | 4.6                                  |
| <b>Total expenses on sale and management</b>             | <b>1,361.43</b>               | <b>(23.1)</b>                        | <b>1,673.28</b> | <b>22.9</b>                          | <b>1,603.98</b> | <b>(4.1)</b>                         |
| Ratio of expenses on sale and management to gross income | 14.1                          | 16.6                                 | 14.8            | 5.0                                  | 16.0            | 8.1                                  |

In 2017, the expenses on sale and management of the Company and subsidiary companies were 1,361.43 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.
- The expenses on management decreased 138.69 million THB or 14.9% from the decrease in personnel costs. The operational expenses i.e. consultation fee, repair costs and allowance for doubtful debts also decreased. In 2016, the 2015 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.

In 2018, the expenses on sale and management of the Company and subsidiary companies were 1,673.28 billion THB, increasing 311.85 million THB or 22.9% from the previous year. It was because of the followings:

- The expenses on sale increased 209.6 million THB or 36.7% from the increased ownership transfer fee and specific business tax of 61.85 million THB. It was in accordance with the increased income from real estate sold. The expenses on sales promotion and advertisement increased 21.67 million THB. The sales commission expense of Lumpini Suite Petchaburi-Makkasan and the expense on brand development increased 112.46 million THB.
- The expenses on management increased 102.25 million THB or 12.9% from the personnel costs. The operational expenses decreased in line with the decrease of expense on fund and common area since the Company was able to liquidate more of the inventory.



In 2019, the ratio of the expenses on sale and management to gross income of the Company and subsidiary companies was 16%, increasing 8.1% of gross income from 2018. However the expenses on sale and management in 2019 were 1,603.98 billion THB, decreasing 69.3 million THB from the previous year. It was because of the followings:

- The expenses on sale decreased 110.60 million THB or 14.2%. This was mainly because the sale promotion of 64.65 million THB was deducted from income from sale as required by the Thai Financial Reporting Standards 15. In addition, the government also launched a property stimulus measures to encourage ownership transfer and speed up the handover. The transfer fee was reduced to 0.01%. The measures were effective from 2 November 2019 to 24 December 2020.
- The expenses on management increased 41.3 million THB or 4.6%, resulting from personnel cost. The adjustment of employee's benefit compensation rate and the significant decline in discount rate caused an increase in expense of 55 million THB. The yearly salary adjustment and hiring outsources was 16 million THB.

## Remuneration for Executives

Unit: Million THB

| Item                        | as of 31 December of the year |                                      |       |                                      |       |                                      |
|-----------------------------|-------------------------------|--------------------------------------|-------|--------------------------------------|-------|--------------------------------------|
|                             | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018  | Increase<br>(Decrease)<br>Percentage | 2019  | Increase<br>(Decrease)<br>Percentage |
| Remuneration for Executives | 80.14                         | 1.1                                  | 93.36 | 16.5                                 | 78.26 | (16.2)                               |

Remuneration for executives refers to remuneration for executive directors, managers, the next four executives succeeding the manager and the persons holding equivalent positions to the fourth executive comprising salary, consultation fee, bonus, special reward, mileage claim and phone bills.

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.

In 2018, the remuneration for executives of the Company and subsidiary companies was 93.36 million THB or 0.8% of the gross income, increasing 13.22 million THB or 16.5% from the previous year. It was because of the appointment of more top-level executives.

In 2019, the remuneration for executives of the Company and subsidiary companies was 78.26 million THB or 0.8% of the gross income, decreasing 15.10 million THB or 16.2% from the previous year. It was because the bonus payment for executives decreased and the number of high-ranking executives is reduced.

## Remuneration for Directors

Unit: Million THB

| Item                       | as of 31 December of the year |                                      |       |                                      |       |                                      |
|----------------------------|-------------------------------|--------------------------------------|-------|--------------------------------------|-------|--------------------------------------|
|                            | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018  | Increase<br>(Decrease)<br>Percentage | 2019  | Increase<br>(Decrease)<br>Percentage |
| Remuneration for Directors | 16.01                         | (3.1)                                | 16.43 | 2.6                                  | 13.09 | (20.3)                               |

Remuneration for directors increase or decrease in accordance with the increase or the decrease in dividend payment for shareholders.

## Cost of Finances

Unit: Million THB

| Item             | as of 31 December of the year |                                      |      |                                      |      |                                      |
|------------------|-------------------------------|--------------------------------------|------|--------------------------------------|------|--------------------------------------|
|                  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018 | Increase<br>(Decrease)<br>Percentage | 2019 | Increase<br>(Decrease)<br>Percentage |
| Cost of Finances | 2.73                          | (62.4)                               | 2.74 | 0.4                                  | 4.32 | 57.7                                 |

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.

In 2018, the cost of finances of the Company and subsidiary companies was 2.74 million THB or 0.02% of the gross income, increasing 0.01 million THB or 0.4% from the previous year. It was because the Company has expanded the investment.

In 2019, the cost of finances of the Company and subsidiary companies was 4.32 million THB or 0.04% of the gross income, increasing 1.58 million THB or 57.7% from the previous year. It was because some parts of loan were used for managing projects of affiliate companies.

## Income Tax Expense

Unit: Million THB

| Item               | as of 31 December of the year |                                      |        |                                      |        |                                      |
|--------------------|-------------------------------|--------------------------------------|--------|--------------------------------------|--------|--------------------------------------|
|                    | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018   | Increase<br>(Decrease)<br>Percentage | 2019   | Increase<br>(Decrease)<br>Percentage |
| Income tax expense | 300.02                        | (46.5)                               | 369.50 | 23.2                                 | 320.62 | (13.2)                               |

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.

The income tax expense in 2018 was 369.50 million THB or 3.3% of the gross profit, increasing 69.48 million THB or 23.2% from the previous year. It was because of the increase in the income of the Company and subsidiary companies. The corporate income tax rate in 2018 was 20%, similar to that in 2017.

The income tax expense in 2019 was 320.62 million THB or 3.2% of the gross profit, decreasing 48.88 million THB or 13.2% 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 2019 was 20%, similar to that in 2018.

## Net Profit

Unit: Million THB

| Item                             | as of 31 December of the year |                                      |           |                                      |           |                                      |
|----------------------------------|-------------------------------|--------------------------------------|-----------|--------------------------------------|-----------|--------------------------------------|
|                                  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018      | Increase<br>(Decrease)<br>Percentage | 2019      | Increase<br>(Decrease)<br>Percentage |
| Gross income                     | 9,655.14                      | (34.1)                               | 11,301.89 | 17.1                                 | 10,040.40 | (11.2)                               |
| Net profit of the year           | 1,059.09                      | (51.3)                               | 1,373.13  | 29.7                                 | 1,260.06  | (8.2)                                |
| Net profit of the parent company | 1,062.32                      | (51.2)                               | 1,367.27  | 28.7                                 | 1,256.04  | (8.1)                                |

The net profit in 2017 was 1.06232 billion THB or 11.0% of the gross income, decreasing 1.11391 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.

The net profit in 2018 was 1.36727 billion THB or 12.1% of the gross income, increasing 304.95 million THB or 28.7% from the previous year. The net profit was 0.93 THB per share. It was because of the increase in income from real estate sold.

The net profit in 2019 was 1.25604 billion THB or 12.5% of the gross income, decreasing 111.23 million THB or 8.1% from the previous year. The net profit was 0.86 THB per share. It was because of the decrease in income from real estate sold.



## Financial Position

### Assets

Unit: Million THB

| Item   | as of 31 December of the year |                                      |                  |                                      |                  |                                      |
|--|-------------------------------|--------------------------------------|------------------|--------------------------------------|------------------|--------------------------------------|
|  | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018             | Increase<br>(Decrease)<br>Percentage | 2019             | Increase<br>(Decrease)<br>Percentage |
| Cash and cash equivalents                              | 356.46                        | (39.7)                               | 307.72           | 8.8                                  | 501.30           | 29.3                                 |
| Temporary investment                                   | 109.54                        | 261.9                                | 34.10            | (68.9)                               | -                | (100.0)                              |
| Account receivable and other debtors                   | 443.61                        | 96.7                                 | 401.67           | (9.5)                                | 326.16           | (18.8)                               |
| Short-term loan to related parties                     | 65.90                         | 100.0                                | 34.00            | (60.5)                               | 69.00            | 102.9                                |
| Land and project costs of projects under construction  | 11,469.21                     | 72.6                                 | 9,243.16         | (19.4)                               | 9,614.33         | 4.0                                  |
| Finished good inventory                                | 5,496.63                      | (35.4)                               | 7,684.91         | 39.8                                 | 9,429.68         | 22.7                                 |
| <b>Total current assets</b>                            | <b>17,960.43</b>              | <b>12.2</b>                          | <b>17,785.56</b> | <b>(1.0)</b>                         | <b>19,940.48</b> | <b>12.1</b>                          |
| Investment in joint stock companies                    | -                             | -                                    | 24.66            | 100.0                                | 68.32            | 177.0                                |
| Other long-term investment                             | 28.43                         | 23.8                                 | 24.66            | (13.3)                               | 21.68            | (12.1)                               |
| Land and project costs of projects pending development | 932.58                        | 87.1                                 | 943.10           | 1.1                                  | 648.74           | (31.2)                               |
| Real estate for investment                             | 1,254.65                      | 2.3                                  | 1,624.88         | 29.5                                 | 1,928.09         | 18.7                                 |
| Land, building and equipment                           | 252.38                        | (0.9)                                | 257.97           | 2.2                                  | 265.96           | 10.8                                 |
| Goodwill   | 32.76                         | 100.0                                | 32.76            | 0.0                                  | 32.76            | -                                    |
| Intangible asset                                       | 19.78                         | (20.0)                               | 17.35            | (12.3)                               | 11.51            | (33.7)                               |
| Deferred tax asset                                     | 135.94                        | (8.6)                                | 143.29           | 5.4                                  | 152.39           | 6.3                                  |
| Leasehold  | 191.42                        | (3.5)                                | 201.65           | 5.3                                  | 194.16           | (3.7)                                |
| Other non-current assets                               | 198.36                        | 10.1                                 | 194.31           | (2.0)                                | 189.26           | (2.6)                                |
| <b>Total non-current assets</b>                        | <b>3,046.30</b>               | <b>19.2</b>                          | <b>3,464.65</b>  | <b>13.7</b>                          | <b>3,532.87</b>  | <b>2.0</b>                           |
| <b>Total assets</b>                                    | <b>21,006.73</b>              | <b>13.2</b>                          | <b>21,250.21</b> | <b>1.2</b>                           | <b>23,473.35</b> | <b>10.5</b>                          |

As of 31 December 2017, the value of the total assets of the Company and subsidiary companies was 21,006.73 billion THB, increasing 2.44881 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 from 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 3,014.89 billion THB.

As of 31 December 2018, the value of the total assets of the Company and subsidiary companies was 21,250.21 billion THB, increasing 2.4348 billion THB or 1.2% from the end of 2017. The inventory increased 2,189.28 billion THB. Real estate for investment increased 370.23 million THB. Land and project costs of projects under construction decreased 2,226.05 billion THB. Account receivables and other debtors decreased 41.94 million THB. Short-term loan for related business decreased 51.99 million THB.

As of 31 December 2019, the value of the total assets of the Company and subsidiary companies was 23,473.35 billion THB, increasing 2.22314 billion THB or 10.5% from the end of 2018. Cash and cash equivalents increased 113.58 million THB. Land and project costs of projects under construction increased 371.17 million THB. The inventory increased 1,744.77 billion THB. This was because eight projects were completed in 2019 and Real Estate for investment increased 303.21 million THB from expanding the rental base, mainly at Lumpini Township Rangsit Klong 1 Phase 3 Project. Land and project costs of projects pending development decreased 294.36 million THB because the Land Bank of Baan Lumpini Town Place Sukhumvit-Srinakarin was further developed.

### Cash and Cash Equivalents

At the end of 2017, 2018 and 2019 the Company and the subsidiary companies have cash and cash equivalent of 356.46 million THB, 307.72 million THB and 501.30 million THB respectively.

## Temporary Investment

Temporary investment is an investment in bills of exchange issued by financial institution which has the remaining period of over 3 months but less than 1 year or held to maturity within 3 months but intended to hold in the original type.

As of 31 December 2017 Lumpini Property Management Co., Ltd. (subsidiary company) and Lumpini Project Management Service Co., Ltd. (subsidiary company) invested 45.54 million THB and 64 million THB in bills of exchange of ICBC Bank, payable in 149 days and 6 months with interest rates of 1.45% and 1.4% respectively.

As of 31 December 2018 Lumpini Project Management Service Co., Ltd. (subsidiary company) invested 30.10 million THB and 4 million THB in bills of exchange of ICBC, payable in 123 days and 116 days with interest rates of 1.40% and 1.45% respectively.

As of 31 December 2019 the Company had no investment in any bill of exchange.

## Account Receivable and Other Debtors

As of 31 December 2017 account receivable and other debtors of the Company and subsidiary companies were 443.61 million THB, increasing 218.03 million THB or 96.7% from the previous year. It was from the 209.52 million THB prepaid sales commission on Lumpini Suite Petchaburi-Makkasan, or 80% of the commission specified in the contract to be paid when a reservation agreement was made. Another 20% would be paid when the unit title deeds were transferred.

As of 31 December 2018 account receivable and other debtors of the Company and subsidiary companies were 401.67 million THB, decreasing 41.94 million THB or 9.5% from the previous year. This was from the pre-paid commission. Since there were transfers of condominium unit title deeds by the Company, the expense was reported in this accounting period.

As of 31 December 2019 account receivable and other debtors of the Company and subsidiary companies were 326.16 million THB, decreasing 75.51 million THB or 18.8% from the previous year. It was because the prepaid commission expense decreased 126.55 million THB from the revenue recognition of Lumpini Suite Petchaburi - Makkasan Project. The increase came from advance payment to contractors of 26.69 million THB, cash advance of 12.89 million THB and accrued income of 13.26 million THB.

## Short-term Loan to Related Parties

As of 31 December 2017 the Company gave an 86 million THB short-term loan to related parties to Kamala Senior Living Co., Ltd. (joint stock company). After deducting the share of loss from investments in the associated company using the equity method, the short-term loan became 85.98 million THB. A promissory note payable on demand with an interest rate of 5% per year was issued.

As of 31 December 2018 the Company gave a 34 million THB short-term loan to related parties to Kamala Senior Living Co., Ltd. (joint stock company) by issuing a promissory note payable on demand with an interest rate of 5% per year.

As of 31 December 2019 the Company gave a 64 million THB short-term loan to related parties to Kamala Senior Living Co., Ltd. (joint stock company) and 5 million THB to Dolsiri Development Co., Ltd. by issuing promissory notes payable on demand with an interest rate of 5% per year.

## Land and Project Costs of Projects under Construction

As of 31 December 2017 the value of Land and Project Costs of Projects under Construction of the Company and subsidiary companies was 11.46921 billion THB, increasing 4.82308 billion THB or 72.6% from the previous year. It was because more lands were bought for the development of 6 projects in 2017 including the Selected Kaset-Ngamwongwan by LPN, Lumpini Park Phahon 32, Lumpini Industrial Ring Road-Rama 3, Lumpini Place Ratchada-Suthu and Lumpini Vibhavadi 3. Two lands, one in Suksawat and another in Suthisarn were in the process of ownership transfers.

As of 31 December 2018 the value of Land and Project Costs of Projects under Construction of the Company and subsidiary companies was 9.24316 billion THB, decreasing 2.22605 billion THB or 19.4% from the previous year. It was because there were 9 projects which were handed over in 2018. Moreover, more lands were purchased for the development of 6 projects in 2018 including Lumpini Ville Suksawat-Rama 2, Lumpini Selected Suthisarn-Saphan Khwai, Lumpini Ville Sukhumvit 76-Bearing Station, Lumpini Park Borom Ratchachonni-Sirindhorn, Lumpini Mixx Narathiwat-Ratchada and Lumpini Ville Phattanakarn-Srinakarin. A land in Taopoon is in a process of ownership transfer.

As of 31 December 2019 the value of Land and Project Costs of Projects under Construction of the Company and subsidiary companies was 9.61433 billion THB, increasing 371.17 million THB or 4.0% from the previous year. It was because eight projects were handed over in 2019 and more lands were purchased in 2019 for the development of 7 projects including Lumpini Ville Sukhumvit 101/1-Punnavithi, Lumpini Place Taopoon-Interchange, Lumpini Villa Chaengwattana 10, Lumpini Ekkachai Soi 48, Charansanit Wong Soi 65, Baan 365 Muang Thong-Chaengwattana and Lumpini Townville Latkrabang-Suvarnabhumi. One residential home project, Lumpini Townplace Sukhumvit-Srinakarin, was developed from Land Bank.



## Finished Goods Inventory

As of 31 December 2017, the balance of the inventory of the Company and subsidiary companies was 5.49563 billion THB, decreasing 3.01489 billion THB or 35.4% from the previous year. It was because of the short-term strategy to liquidate the move-in ready inventory which proved to be successful.

As of 31 December 2018, the balance of the inventory of the Company and subsidiary companies was 7.68491 billion THB, increasing 2.18928 billion THB or 39.8% from the previous year. It was because of there were two completed projects at the end of the year.

As of 31 December 2019, the balance of the inventory of the Company and subsidiary companies was 9.42968 billion THB, increasing 1.74477 billion THB or 22.7% from the previous year. It was because there were eight completed projects in the first quarter and at the end of the year.

## Investment in Joint Stock Companies

At the end of 2018 the the Company and subsidiary companies invested 24.66 million THB in the joint stock company. The Company jointly invested in the establishment of Kamala Senior Living Co., Ltd. and hold 25% of the authorized capital. The purpose is to develop and manage a residential project for senior citizens.

At the end of 2019 the the Company and subsidiary companies invested 68.32 million THB in the joint stock companies. The Company jointly invested in the establishment of Kamala Senior Living Co., Ltd. and hold 25% of the authorized capital. The purpose is to develop and manage a residential project for senior citizens. It also jointly invested in the establishment of Dolsiri Development Co., Ltd. and hold 49.99% of the authorized capital. The purpose is to develop rental projects and manage real estate projects.

## Other Long-Term Investments

As of the end of 2017, 2018 and 2019, the amount of other long-term investments of the Company and subsidiary companies was 28.43 million THB, 24.66 million THB and 21.68 million THB respectively. Other long-term investments refer to the investment amount in LH THAI ESG FUND and investment amount in Thaipat Institute. The Company must hold the fund units of the Investment Fund for no less than three and five calendar years consecutively. 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 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 and Lumpini Ville Sukhumvit 113, which were delayed, as land and project costs of projects pending development.

As of 31 December 2018, the land and project costs of projects pending development of the Company and subsidiary companies were 943.10 million THB, increasing 10.52 million THB or 1.1%. It was because in 2018 the Company recorded land and project costs of area in front of Lumpini Seaview Cha-arn as land and project costs of projects pending development.

As of 31 December 2019, the land and project costs of projects pending development of the Company and subsidiary companies were 648.74 million THB, decreasing 294.36 million THB or 31.2% from the previous year. It was because in 2019 the Company developed a residential home project from Land Link namely Baan Lumpini Townplace Sukhumvit-Srinakarin and recorded its land and project costs as land and project costs of projects under construction.

## Real Estate for Investment

As of 31 December 2017, the value of the real estate for investment of the Company and subsidiary companies was 1.25465 billion THB, increasing 27.79 million THB or 2.3% from the previous year. It was because the Company only recorded shops as a real estate for investment.

As of 31 December 2018, the value of the real estate for investment of the Company and subsidiary companies was 1.62488 billion THB, increasing 370.23 million THB or 29.5% from the previous year. It was because the Company only recorded Lumpini Township Rangsit-Klong 1 (Phase 3) as a real estate for investment.

As of 31 December 2019, the value of the real estate for investment of the Company and subsidiary companies was 1.92809 billion THB, increasing 303.21 million THB or 18.7% from the previous year. It was because the Company expanded the rental base of Lumpini Township Rangsit-Klong 1 (Phase 3), Building F4 - F6.

## Land, Building and Equipment

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 2016. 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.

As of 31 December 2018, the value of land, building and equipment of the Company and subsidiary companies was 257.97 million THB, increasing 5.59 million THB or 2.2% from 2017. In 2018 eight cars used by the Company were sold and eight were purchased to replace them. This made the car value increased 12.34 million THB from the previous year. The decrease was from annual depreciation. The net value of land, building and equipment increased 5.59 million THB.

As of 31 December 2019, the value of land, building and equipment of the Company and subsidiary companies was 285.96 million THB, increasing 27.99 million THB or 10.8% from 2018. It was because the purchase of assets in rental units of Lumpini Township Rangsit-Khlong 1 (Phase 3) Building F4 – F6. Four cars were sold and eight were purchased to replace them.

## 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 2017, the value of intangible assets of the Company and subsidiary companies was 19.78 million THB, decreasing 4.96 million THB or 20.0% from 2016. It was increased from the purchase of assets and decreased from depreciation.

As of 31 December 2018, the value of intangible assets of the Company and subsidiary companies was 17.35 million THB, decreasing 2.43 million THB or 12.3% from 2017. It was increased from the purchase of assets and decreased from depreciation.

As of 31 December 2019, the value of intangible assets of the Company and subsidiary companies was 11.51 million THB, decreasing 5.84 million THB or 33.7% from 2018. 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 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 2016. The deferred tax assets of 135.94 million THB comprised the followings:

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

As of 31 December 2018, the value of the deferred tax assets of the Company and subsidiary companies was 143.29 million THB, increasing 7.35 million THB or 5.4% from 2017. The deferred tax assets of 143.29 million THB comprised the followings:

|   |                           |
|---|---------------------------|
| - Allowance for devaluation of assets           | 77.73 Million THB         |
| - Reserve fund for long-term benefits for staff | 54.82 Million THB         |
| - Estimation of expenses                        | 8.21 Million THB          |
| - Financial lease                               | 0.45 Million THB          |
| - Others  | 2.08 Million THB          |
|   | <u>143.29 Million THB</u> |



As of 31 December 2019, the value of the deferred tax assets of the Company and subsidiary companies was 152.39 million THB, increasing 9.09 million THB or 6.3% from 2018. The deferred tax assets of 152.39 million THB comprised the followings:

|   |                           |
|---|---------------------------|
| - Allowance for devaluation of assets           | 78.43 Million THB         |
| - Reserve fund for long-term benefits for staff | 65.27 Million THB         |
| - Estimation of expenses                        | 8.02 Million THB          |
| - Financial lease                               | 0.67 Million THB          |
|   | <u>152.39 Million THB</u> |

## Leasehold

The Company entered into a land lease agreement with the Crown Property Bureau (renter) to build residential condominiums 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 25<sup>th</sup> and 55<sup>th</sup> year and signed the lease extension agreement or the new lease agreement in the 28<sup>th</sup> and 58<sup>th</sup> 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.

Unit: Million THB

| As of 31 December   | 2017   | 2018   | 2019   |                 |
|---|--------|--------|--------|-----------------|
| Net leasehold value   | 205.13 | 216.60 | 209.13 | (Shown together |
| Deducting Amortization  | (6.86) | (7.47) | (7.47) | at the Account  |
| Deducting Advance payment due within one year for the classification of lease | (6.84) | (7.47) | (7.49) | Receivable and  |
| Value of the leasehold at the end   | 191.42 | 201.65 | 194.16 | Other Debtors.) |

## Other Non-Current Assets

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.

As of 31 December 2018, the value of other non-current assets of the Company and subsidiary companies was 194.31 million THB, decreasing 4.05 million THB or 2.0%. It was because the electricity insurance and other insurances increased 3.25 million THB, burden of deposit insurance decreased 20.11 million THB, the fund amount decreased 3.64 million THB in accordance with smaller amount of inventory, loan for juristic persons decreased 2.46 million THB and the credit of withholding tax increased 19.01 million THB from the tax credit in 2018. Therefore, the net value of other non-current assets decreased 4.05 million THB.

As of 31 December 2019, the value of other non-current assets of the Company and subsidiary companies was 189.26 million THB, decreasing 5.05 million THB or 2.6%. In 2019 the Company received the return of withholding tax at the amount of 2.35 million THB. The fund amount received from inventory sold during the year was 2 million THB. The loan for condominium juristic persons was returned at the amount of 0.7 million THB.

## Liabilities

Unit: Million THB

| Item  | as of 31 December of the year |                                      |                 |                                      |                  |                                      |
|---|-------------------------------|--------------------------------------|-----------------|--------------------------------------|------------------|--------------------------------------|
|   | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018            | Increase<br>(Decrease)<br>Percentage | 2019             | Increase<br>(Decrease)<br>Percentage |
| Overdraft and short-term loan from financial institutions | 4,073.96                      | 58.2                                 | 2,629.16        | (35.5)                               | 3,468.42         | 31.9                                 |
| Account payables and other creditors                      | 1,780.38                      | 41.5                                 | 2,289.53        | 28.6                                 | 1,844.87         | (19.4)                               |
| Loan and debts from financial lease due within one year   | 395.31                        | (34.9)                               | 616.92          | 56.1                                 | 7.22             | (98.8)                               |
| Unpaid corporate income tax                               | 90.25                         | (8.3)                                | 162.71          | 69.2                                 | 123.80           | (18.9)                               |
| <b>Total current liabilities</b>                          | <b>6,339.90</b>               | <b>39.7</b>                          | <b>5,688.32</b> | <b>(10.3)</b>                        | <b>5,444.31</b>  | <b>(4.3)</b>                         |
| Rental fee received in advance                            | 285.51                        | 45.6                                 | 281.77          | (1.3)                                | 271.30           | (3.7)                                |
| Debts from financial lease                                | 8.86                          | (30.4)                               | 15.23           | 71.9                                 | 17.38            | 14.1                                 |
| Long-term loan  | 34.66                         | (69.3)                               | 9.16            | (73.6)                               | -                | (100.0)                              |
| Debentures  | 1,610.00                      | 61.0                                 | 1,930.00        | 23.0                                 | 4,148.00         | 109.5                                |
| Estimation of debts of staff benefits                     | 252.44                        | 9.0                                  | 274.36          | 8.7                                  | 363.17           | 32.4                                 |
| Other non-current liabilities                             | 61.55                         | 12.8                                 | 66.73           | 8.4                                  | 70.09            | 5.0                                  |
| <b>Total non-current liabilities</b>                      | <b>2,253.02</b>               | <b>40.1</b>                          | <b>2,627.25</b> | <b>16.6</b>                          | <b>4,869.94</b>  | <b>85.4</b>                          |
| <b>Total liabilities</b>                                  | <b>8,592.92</b>               | <b>39.8</b>                          | <b>8,315.57</b> | <b>(3.2)</b>                         | <b>10,314.25</b> | <b>24.0</b>                          |

As of 31 December 2017, total liabilities of the Company and subsidiary companies were 8,592.92 billion THB, increasing 2,445.64 billion THB or 39.8% from the end of 2016. In 2017, the loan amount increased 1,817.90 billion THB as the investment amount of projects under construction in 2017 was higher than that in 2016.

As of 31 December 2018, total liabilities of the Company and subsidiary companies were 8,315.57 billion THB, decreasing 277.35 billion THB or 3.2% from the end of 2017. In 2018, the loan amount decreased 878.69 million THB as in 2018 the Company handed over more projects under construction than in 2017.

As of 31 December 2019, total liabilities of the Company and subsidiary companies were 10,314.25 billion THB, increasing 1,998.68 billion THB or 24% from the end of 2018. In 2019, the loan amount increased 839.26 million THB and the issue of debenture increased 2,168 billion THB as there were projects under construction in 2019 and inventories of properties constructed and completed in 2019.

### Overdraft and Short-Term Loan from Financial Institutions

As of 31 December 2017, the overdraft and short-term loan from financial institutions of the Company and subsidiary companies were 4,073.96 billion THB, increasing 1,498 billion THB or 58.2%. The loan was requested for investment in projects under construction.

As of 31 December 2018, the overdraft and short-term loan from financial institutions of the Company and subsidiary companies were 2,629.16 billion THB, decreasing 1,444.80 billion THB or 35.5%. The loan was requested for investment in projects under construction.

As of 31 December 2019, the overdraft and short-term loan from financial institutions of the Company and subsidiary companies were 3,468.42 billion THB, increasing 839.26 million THB or 31.9% from the previous year. In 2019, the Company withdrawn and paid back for investment in projects under construction.

### Account Payables and Other Creditors

As of 31 December 2017, the value of account payables and other creditors of the Company and subsidiary companies was 1,780.38 billion THB, increasing 522.47 million THB or 41.5% from the previous year. It was the increase in down payment from customers of 625.70 million THB.

As of 31 December 2018, the value of account payables and other creditors of the Company and subsidiary companies was 2,289.53 billion THB, increasing 509.15 million THB or 28.6% from the previous year. It was because of the increase in account payables of 229.94 million THB, the increase in the installment payment from customers of 179.08 million THB and the advance from customers which would be transferred to condominium juristic persons at the end of the year.



As of 31 December 2019, the value of account payables and other creditors of the Company and subsidiary companies was 1.84487 billion THB, decreasing 444.63 million THB or 19.4% from the previous year. Account payables increased 250.23 million THB. Advance received from real estate sold decreased 676.63 million THB because the ownership transfer was done at the end of the year.

#### **Loan and Debt from Financial Lease Due within One Year**

As of the end of 2017, 2018 and 2019 the loan and debt from financial lease due within one year of the Company and subsidiary companies were 395.31 million THB, 616.92 million THB and 7.22 million THB respectively. They were loans from financial institutions and debts from financial lease (cars and copying machines) due within one Year.

#### **Unpaid Corporate Income Tax**

As of the end of 2017, 2018 and 2019, the unpaid amount of corporate income tax of the Company and subsidiary companies were 90.25 million THB, 152.71 million THB and 123.80 million THB respectively. It was proportional to the income of each year.

#### **Rental Fee Received in Advance**

As of the end of 2017, 2018 and 2019, the rental fee received in advance were 285.51 million THB, 281.77 million THB and 271.30 million THB respectively. It was the advance received from the 30 year rental contract of Lumpini Place Rama 4-Ratchadapisek which was gradually recognized.

#### **Debts from Financial Lease**

As of the end of 2017, 2018 and 2019, the debts from financial lease of the Company and subsidiary companies were 8.86 million THB, 15.23 million THB and 17.38 million THB respectively. They were the net debts from the financial lease (cars and copying machines) that was due within one year.

#### **Long-term Loan**

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.

As of 31 December 2018, the amount of long-term loan of the Company and subsidiary companies was 9.16 million THB, decreasing 25.50 million THB or 73.6% from the previous year.

As of 31 December 2019, the Company and subsidiary companies had no long-term loan since it was the financial policy to increase the use of debentures.

#### **Debentures**

At the end of 2017, 2018 and 2019, the amount of long-term debentures of the Company and subsidiary companies was 1.610 billion THB, 1.980 billion THB and 4.148 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 2017, 2018 and 2019, the estimation of debts of staff benefit after termination of employment of the Company and subsidiary companies was 252.44 million THB, 274.36 million THB and 363.17 million THB respectively. It was estimated in accordance with actuarial science which was in line with staff salary increase rate and changes in number of staff, discount rate, other factors and so on.

#### **Other Non-Current Liabilities**

As of the end of 2017, 2018 and 2019, the value of other non-current liabilities of the Company and subsidiary companies was 61.55 million THB, 66.73 million THB and 70.09 million THB respectively.

## Shareholders' Equity

Unit : Million THB

| Item  | as of 31 December of the year |                                      |           |                                      |           |                                      |
|---|-------------------------------|--------------------------------------|-----------|--------------------------------------|-----------|--------------------------------------|
|   | 2017                          | Increase<br>(Decrease)<br>Percentage | 2018      | Increase<br>(Decrease)<br>Percentage | 2019      | Increase<br>(Decrease)<br>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     | -                                    |
| Treasury Stock  | -                             | -                                    | (37.68)   | 100.0                                | (142.11)  | 277.2                                |
| Profit (loss) from changes in shareholding proportion<br>in subsidiary companies                | 15.46                         | 100.0                                | 15.46     | -                                    | 10.19     | (34.1)                               |
| Retained earnings   |                               |                                      |           |                                      |           |                                      |
| Allocated - reserved as legally required  | 148.00                        | -                                    | 148.00    | -                                    | 148.00    | -                                    |
| Allocated - reserved for share repurchase   | -                             | -                                    | 37.68     | 100.0                                | 142.11    | 277.2                                |
| Not allocated   | 10,269.18                     | (0.4)                                | 10,777.17 | 5.0                                  | 11,020.76 | 2.3                                  |
| Other components of the capital- profit (loss) Re-measuring<br>of available-for-sale investment | 6.75                          | 186.0                                | 3.73      | (44.7)                               | (0.26)    | (107.0)                              |
| Equity of the parent company  | 12,385.96                     | (0.2)                                | 12,900.93 | 4.2                                  | 13,135.25 | 1.8                                  |
| Non-controlling interests   | 27.85                         | 27,750.0                             | 33.71     | 21.0                                 | 23.84     | (29.3)                               |
| Total shareholders' equity  | 12,413.81                     | 0.0                                  | 12,934.64 | 4.2                                  | 13,159.10 | 1.7                                  |

As of 31 December 2017, the shareholders' equity of the Company and subsidiary companies was 12,413.81 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 1,059.09 billion THB. In 2017, the dividend of 1,106.75 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 at the end of 2017 was 0.69:1, increasing from 0.50:1 at the end of 2016.

As of 31 December 2018, the shareholders' equity of the Company and subsidiary companies was 12,934.64 billion THB, increasing 520.83 million THB or 4.2% from 31 December 2017. The increase was resulting from the operational performance of the Company which earned the net profit of 1,373.13 billion THB. In 2018, the dividend of 811.61 million THB was paid to shareholders and decreased 3.01 million THB from the re-measuring of available-for-sale investment. It also decreased 37.68 million THB from the stock buyback.

The debt-to-equity ratio of the Company and subsidiary companies at the end of 2018 was 0.64:1, decreasing from 0.69:1 at the end of 2017.

As of 31 December 2019, the shareholders' equity of the Company and subsidiary companies was 13,159.10 billion THB, increasing 224.46 million THB or 1.7% from 31 December 2018. The increase was resulting from the operational performance of the Company which earned the net profit of 1,260.06 billion THB. In 2019, the dividend of 873.53 million THB was paid to shareholders and decreased 104.43 million THB from the stock buyback. The loss of 37.28 million THB which was estimated in accordance with actuarial science was amended.

The debt-to-equity ratio of the Company and subsidiary companies at the end of 2019 was 0.78:1, increasing from 0.64:1 at the end of 2018.

The dividend payment in 2017, 2018 and 2019 was at the rate of 69.46%, 64.52% and 69.77% 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 build sustainable growth in the future.

## Cash Flow Statement

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.

As of 31 December 2018, cash flow statement and cash equivalents of the Company and subsidiary companies increased 31.26 million THB or 8.8%. It was because of larger number of ownership transfer and increased construction expenses.

As of 31 December 2019 cash flow statement and cash equivalents of the Company and subsidiary companies increased 113.58 million THB or 29.3%. It was because more debentures were issued for construction than the previous year.



## COMPANY'S LOAN

List of Loans of L.P.N. Development Public Co., Ltd.  
and Subsidiary Companies as of 31 December 2019

(Unit : Million THB)

| No.   | Institution                     | Outstanding Amount<br>(Million THB) | Proportion % | Average Interest Rate (%) | Collateral         |
|-------|---------------------------------|-------------------------------------|--------------|---------------------------|--------------------|
| 1     | Loan from financial institution | 2,331.13                            | 30.64        | 3.04%                     | Land and Buildings |
| 2     | Bill of Exchange                | 1,130.00                            | 14.85        | 1.94%                     | None               |
| 3     | Debentures                      | 4,148.00                            | 54.51        | 3.32%                     | None               |
| Total |                                 | 7,609.13                            | 100.00       | 3.65%                     |                    |

Financial Institutions Contacted as of 31 December 2019

(Unit : Million THB)

| No.   | Financial Institution            | Amount |
|-------|----------------------------------|--------|
| 1     | Loan from financial institutions | 501.30 |
| Total |                                  | 501.30 |

## AUDIT FEE

### Audit fee

- The remuneration for auditor in the previous year is 1,620,000 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 1,426,000 THB

### Non-audit fee

-None-

## CONNECTED TRANSACTIONS

In 2019, the connected transactions with 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 2019 are as follows:

### Connected Transactions between the Company and Lumpini Property Management Co., Ltd.

| Income: Lumpini Property Management Co., Ltd.                                     | Contract Amount<br>(Excluding VAT) | Period          |
|---|------------------------------------|-----------------|
| <b>1. Condominium management and system integration fee</b>                       |                                    |                 |
| 1.1 Repair and maintenance service fee  |                                    |                 |
| - Lumpini Apartment Rangsit-Klong 1   | 9,346.79 THB / Month               | Jan 19 - Dec 19 |
| - Minimall Lumpini Condo Town North Pattaya-Sukhumvit                             | 20,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Minimall Lumpini Ville Naklua-Wongamat  | 30,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Market Place Rangsit-Klong 1  | 102,000.00 THB / Month             | Jan 19 - Dec 19 |
| - Mill Place Poet   | 51,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Minimall Lumpini Park Phetkasem 98  | 30,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Lumpini Residence Sathorn   | 27,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Lumpini Township Rangsit-Klong 1 Phase 3  | 28,130.84 THB / Month              | Jan 19 - Dec 19 |
| 1.2 Community Management Fee (lump sum payment)                                   |                                    |                 |
| - Lumpini Suite Din Daeng-Ratchaprarop  | 720,000.00 THB / installment       | Jan 19 - Apr 19 |
| - Lumpini Selected Sutthisan-Saphan Khwai   | 550,000.00 THB                     | Nov 19          |
| - Lumpini Place Ratchada-Sathu  | 385,000.00 THB                     | Nov 19          |
| - Lumpini Seaview Cha-Am (Building A)   | 330,000.00 THB / Time              | Nov 18 - Jan 19 |
| - Lumpini Suite Phetchaburi-Makkasan  | 664,000.00 THB / Time              | Dec 18 - Feb 19 |
| - Lumpini Ville Sukhumvit 76-Bearing Station 2                                    | 495,000.00 THB / installment       | Jan 19          |
| - Lumpini Ville Suksawat-Rama 2   | 508,750.00 THB / Time              | Dec 19          |
| - Lumpini Park Phahon 32  | 660,000.00 THB / Time              | Dec 19          |
| - Lumpini Park Vibhavadi-Chatuchak  | 510,000.00 THB / Time              | Dec 19          |
| 1.3 Condominium management fee  |                                    |                 |
| - Lumpini Place Rama 4-Ratchadaphisek   | 110,000.00 THB / Month             | Jan 19 - Dec 19 |
| - Baan 365 Rama 3   | 275,000.00 THB / Month             | Jan 19 - Aug 19 |
| - Baan 365 Rama 3   | 220,000.00 THB / Month             | Sep 19 - Dec 19 |
| 1.4 Condominium system integration fee  |                                    |                 |
| - Lumpini Ville Sukhumvit 76-Bearing Station (2)                                  | 300,000.00 THB / Time              |                 |
| - Lumpini Place Ratchada-Sathu  | 300,000.00 THB / Time              |                 |
| - Lumpini Selected Sutthisan-Saphan Khwai   | 300,000.00 THB / Time              |                 |
| - Lumpini Ville Suksawat-Rama 2   | 300,000.00 THB / Time              |                 |
| - Lumpini Park Phahon 32  | 300,000.00 THB / Time              |                 |
| - Lumpini Park Vibhavadi-Chatuchak  | 300,000.00 THB / Time              |                 |
| <b>2. Parking lots management and parking fee collection fee</b>                  |                                    |                 |
| 2.1 Parking lots management fee of 2 projects<br>(Lumpini Tower and L.P.N. Tower) | 72,000 THB / Month                 | Jan 19 - Dec 19 |
| 2.2 Parking fee collection fee<br>(Lumpini Tower and L.P.N. Tower)                | 3% of income / Month               | Jan 19 - Dec 19 |



| Income: Lumpini Property Management Co., Ltd.           | Contract Amount<br>(Excluding VAT)    | Period         |
|---|---------------------------------------|----------------|
| <b>3. Rental Management</b>                             |                                       |                |
| <b>3.1 Rental management fee</b>                        |                                       |                |
| Rental brokerage fee-Residential unit                   | 1 month's rent for 1-year contract    | Jan 19- Dec 19 |
| Rental brokerage fee-Office                             | 1 month's rent for 3-year contract    | Jan 19- Dec 19 |
| Rental agreement extension fee-Residential unit         | 0.5 month's rent for 1-year extension | Jan 19- Dec 19 |
| Rental agreement extension fee-Residential unit         | 0.5 month's rent for 3-year extension | Jan 19- Dec 19 |
| Rental unit management fee-Residential unit and office  | 10% of service fee                    | Jan 19- Dec 19 |
| Expense: Lumpini Property Management Co., Ltd.          | Contract Amount<br>(Excluding VAT)    | Period         |
| <b>1. Rental fee (Lumpini Tower, 36th Floor)</b>        |                                       |                |
| - Office rental fee                                     | 10,000.00 THB / Month                 | Oct 18- Sep 21 |
| <b>2. Office rental fee (Lumpini Tower, 28th Floor)</b> |                                       |                |
| - Office rental fee                                     | 75,476.00 THB / Month                 | May 17- Apr 20 |
| - Service fee   | 176,110.00 THB / Month                | May 17- Apr 20 |
| <b>3. Space rental contract</b>                         |                                       |                |
| <b>Lumpini Ville Naklua-Wongamat</b>                    |                                       |                |
| - Office rental fee                                     | 3,095.40 THB / Month                  | Jan 19- Dec 19 |
| - Office service fee                                    | 7,222.60 THB / Month                  | Jan 19- Dec 19 |
| <b>Lumpini Park Pinkdao</b>                             |                                       |                |
| - Office rental fee                                     | 6,458.76 THB / Month                  | Jan 19- Dec 19 |
| - Office service fee                                    | 15,070.44 THB / Month                 | Jan 19- Dec 19 |

### Connected Transactions between the Company and Lumpini Project Management Service Co., Ltd.

| Income: Lumpini Project Management Service Co., Ltd.   | Contract Amount<br>(Excluding VAT) | Period         |
|--|------------------------------------|----------------|
| <b>Project Management Contract</b>                     |                                    |                |
| <b>1. Project management fee (during construction)</b> |                                    |                |
| - Lumpini Park Phahon 32                               | 854,065.00 THB / Month             | Jan 18- May 19 |
| - Lumpini Place Ratchada-Sathu                         | 765,385.00 THB / Month             | Feb 18- Jun 19 |
| - Lumpini Place Tao Poon Interchange                   | 731,900.00 THB / Month             | Jul 19- Sep 21 |
| - Lumpini Ville Chaengwattana 10                       | 543,000.00 THB / Month             | Jul 19- Sep 20 |
| - Lumpini Place Rama 3-Riverine                        | 858,986.11 THB / Month             | Dec 17- May 19 |
| - Lumpini Ville Phattanakan-Srinakarin                 | 846,700.00 THB / Month             | Jan 19- Apr 20 |
| - Lumpini Mixx Narathiwas-Ratchada                     | 1,123,600.00 THB / Month           | Mar 19- Jul 20 |
| - Lumpini Park Borom Ratchachonni-Sirindhorn           | 642,960.00 THB / Month             | Jul 18- Oct 19 |
| - Lumpini Tower Vibhavadi-Chatuchak                    | 1,306,210.00 THB / Month           | Jul 18- Oct 19 |
| - Lumpini Park Vibhavadi-Chatuchak                     | 830,670.00 THB / Month             | Jul 18- Oct 19 |
| - Lumpini Ville Sukhumvit 101/1-Punnavithi             | 611,300 THB / Month                | Oct 19- Jun 20 |
| - The Selected Suthisan-Saphan Khwai                   | 725,610.00 THB / Month             | Aug 18- Oct 19 |
| - Lumpini Ville Sukhumvit 76-Bearing Station (2)       | 739,810.00 THB / Month             | Sep 18- May 19 |
| - Lumpini Ville Suksawat-Rama 2                        | 441,060.00 THB / Month             | Jul 18- Jul 19 |
| - Baan 365 Muang Rama 3 (Town Home)                    | 505,522.00 THB / Month             | Jan 18- May 19 |
| - Baan 365 Muang Rama 3 (Single Home)                  | 701,580.00 THB / Month             | Jan 18- May 19 |
| - Baan 365 Muang Thong                                 | 937,300.00 THB / Month             | Jul 19- Aug 21 |

| Income: Lumpini Project Management Service Co., Ltd.                 | Contract Amount<br>(Excluding VAT) | Period          |
|--|------------------------------------|-----------------|
| <b>2. Project management fee (during preparation)</b>                |                                    |                 |
| - Lumpini Mixx Narathiwas-Ratchada                                   | 1,123,600.00 THB / Month           | Sep 18 - Feb 19 |
| - Lumpini Ville Sukhumvit 101/1-Punnavithi                           | 91,700.00 THB / Month              | Apr 19 - Sep 19 |
| - Lumpini Townplace Sukhumvit-Srinakarin                             | 461,800.00 THB / Month             | Apr 19 - Sep 20 |
| <b>3. Project management fee (during handover)</b>                   |                                    |                 |
| - Lumpini Place Rama 3-Riverine                                      | 257,695.83 THB / Month             | Jun 19 - Nov 19 |
| - Lumpini Place Ratchada-Sathu                                       | 216,860.00 THB / Month             | Jul 19 - Dec 19 |
| - Lumpini Park Phahon 32   | 241,980 THB / Month                | Jun 19 - Nov 19 |
| - Lumpini Park Borom Ratchachonni-Sirindhorn                         | 214,320 THB / Month                | Nov 19 - Apr 20 |
| - Lumpini Tower Vibhavadi-Chatuchak                                  | 436,400.00 THB / Month             | Nov 19 - Apr 20 |
| - Lumpini Park Vibhavadi-Chatuchak                                   | 276,890.00 THB / Month             | Nov 19 - Apr 20 |
| - The Selected Sutthisan-Saphan Khwai                                | 181,400.00 THB / Month             | Nov 19 - Apr 20 |
| - Lumpini Ville Sukhumvit 76-Bearing Station (2)                     | 110,970 THB / Month                | Jun 19 - Nov 19 |
| - Lumpini Ville Suksawat-Rama 2 Soi 1                                | 126,970.00 THB / Month             | Aug 19 - Jan 20 |
| - Lumpini Suite Din Daeng-Ratchaprarop                               | 252,090.00 THB / Month             | Dec 18 - May 19 |
| - The Selected Kaset-Ngamwongwan by LPN                              | 120,900.00 THB / Month             | Sep 18 - Feb 19 |
| <b>4. Management fee (repair work after ownership transfer)</b>      | 825,100.00 THB / Month             | Jan 19 - Dec 19 |
| Expense: Lumpini Project Management Service Co., Ltd.                | Contract Amount<br>(Excluding VAT) | Period          |
| <b>1. Rental fee of Lumpini Tower, 36th Floor</b>                    | 5,000.00 THB / Month               | Oct 18 - Sep 21 |
| <b>2. Office rental and service fee of Lumpini Tower, 28th Floor</b> |                                    |                 |
| - office rental fee  | 26,934 THB / Month                 | May 17 - Apr 20 |
| - office service fee   | 62,846 THB / Month                 | May 17 - Apr 20 |
| <b>3. Residential unit rental fee</b>                                |                                    |                 |
| Lumpini Township Rangsit-Klong 1, Building F                         |                                    |                 |
| - Income from residential unit/office rental fee                     |                                    |                 |
| - Lumpini Township Rangsit-Klong 1, Building F-0406                  | 1,400.00 THB / Month               | Jan 19 - Jun 19 |
| - Lumpini Township Rangsit-Klong 1, Building F-0305                  | 1,400.00 THB / Month               | Jan 19 - Dec 19 |
| - Income from service fee/furniture                                  |                                    |                 |
| - Lumpini Township Rangsit-Klong 1, Building F-0406                  | 1,962.62 THB / Month               | Jan 19 - Jun 19 |
| - Lumpini Township Rangsit-Klong 1, Building F-0305                  | 1,962.62 THB / Month               | Jan 19 - Dec 19 |



### Connected Transactions between the Company and Pomsanti Co., Ltd.

| Income: Pomsanti Co., Ltd.                                      | Contract Amount<br>(Excluding VAT) | Period        |
|---|------------------------------------|---------------|
| 1. City Home Training Center rental fee                         |                                    |               |
| - City Home Training Center rental fee                          | 370,000.00 THB / Month             | Jul 16-Jun 19 |
| - City Home Training Center rental fee                          | 370,000.00 THB / Month             | Jul 19-Jun 22 |
| Expense: Pomsanti Co., Ltd.                                     | Contract Amount<br>(Excluding VAT) | Period        |
| 1. Office rental and service fee, Lumpini Tower, 36th Zone E, F |                                    |               |
| - Office rental fee   | 300 THB / Month                    | Apr 17-Mar 20 |
| - Service fee   | 600 THB / Month                    | Apr 17-Mar 20 |
| - Income from utility costs                                     | 600 THB / Month                    | Apr 17-Mar 20 |

### Connected Transactions between the Company and LPC Social Enterprise Co., Ltd.

| Income: LPC Social Enterprise Co., Ltd.                       | Contract Amount<br>(Excluding VAT) | Period        |
|---|------------------------------------|---------------|
| 1. Sponsorship for social enterprise                          | 5,000,000.00 THB                   | Jan 19-Dec 19 |
| 2. Cleaning service fee                                       |                                    |               |
| - Minisall  |                                    | Jan 19-Dec 19 |
| - Working 7 days per week                                     | 18,800.00 THB / Person / Month     |               |
| - Working 6 days per week                                     | 16,700.00 THB / Person / Month     |               |
| - Community Management office                                 |                                    | Jan 19-Dec 19 |
| - Head maid   | 23,000.00 THB / Person / Month     |               |
| - Maids   | 20,000.00 THB / Person / Month     |               |
| - Condominium repair service office                           |                                    | Jan 19-Dec 19 |
| - Working 7 days per week                                     | 18,800.00 THB / Person / Month     |               |
| - Working 6 days per week                                     | 16,700.00 THB / Person / Month     |               |
| - Construction office   |                                    | Jan 19-Dec 19 |
| - Working 7 days per week                                     | 18,800.00 THB / Person / Month     |               |
| - Working 6 days per week                                     | 16,700.00 THB / Person / Month     |               |
| - (Sunday only)   | 5,600.00 THB / Person / Month      |               |
| - Administrative office                                       |                                    | Jan 19-Dec 19 |
| - L.P.N. Development PCL Office                               | 16,700.00 THB / Person / Month     |               |
| - LPN Academy training center                                 | 16,700.00 THB / Person / Month     |               |
| - Seminar room on 11th Floor of L.P.N. Development PCL Office | 16,700.00 THB / Person / Month     |               |
| - Community Management Office (Baan 365)                      |                                    |               |
| - Head maid (Community management)                            | 23,000.00 THB / Person / Month     | Jan 19-Dec 19 |
| - Maids (Community management)                                | 20,000.00 THB / Person / Month     | Jan 19-Dec 19 |
| - Premium horizontal marketing (Baan 365)                     |                                    |               |
| - Head maid (Sales office)                                    | 23,000.00 THB / Person / Month     | Jan 19-Dec 19 |
| - Maids (Sales office)  | 20,000.00 THB / Person / Month     | Jan 19-Dec 19 |
| 3. Community receptionist fee                                 |                                    |               |
| - Condominium   | 23,700.00 THB / Person / Month     | Jan 19-Dec 19 |
| - Sales office  | 23,700.00 THB / Person / Month     | Jan 19-Dec 19 |
| - Office  | 23,700.00 THB / Person / Month     | Jan 19-Dec 19 |

| Income: LPC Social Enterprise Co., Ltd.                     | Contract Amount<br>(Excluding VAT) | Period          |
|---|------------------------------------|-----------------|
| 4. Community driver fee                                     |                                    |                 |
| - Lumpini Ville Nakhon In-Riverview                         | 48,400.00THB / Month               | Apr 18 - Mar 19 |
| 5. Call-Center Staff Service Fee, 36th floor                |                                    |                 |
| - Lumpini Tower, 36th floor                                 | 33,600.00 THB / Month              | Jan 19 - Dec 19 |
| Expense: LPC Social Enterprise Co., Ltd.                    | Contract Amount<br>(Excluding VAT) | Period          |
| 1. Rental fee, Lumpini Tower, 36th Floor, Zone D            | 300 THB / Month                    | May 17 - Apr 20 |
| 2. Office rental and service fee, Lumpini Tower, 28th Floor |                                    |                 |
| - Office rental fee   | 5,427 THB / Month                  | May 17 - Apr 20 |
| - Office Service fee  | 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<br>(Excluding VAT) | Period          |
|---|------------------------------------|-----------------|
| 1. Consultant fee for Green Community Standard  |                                    |                 |
| - Lumpini Park Vibhavadi-Chatuchak  | 151,000.00 THB / Month             | Jan 19 - Oct 19 |
| 2. Consultant service fee for Living intelligent Project  |                                    |                 |
| - Lumpini Tower Vibhavadi-Chatuchak, Building A   | 120,000.00 THB / Month             | Jan 19 - Oct 19 |
| - Lumpini Tower Vibhavadi-Chatuchak, Building B   | 80,000.00 THB / Month              | Jan 19 - Oct 19 |
| 3. Consultant service fee for Thailand's Rating of Energy and Environment Sustainability-Green building                   |                                    |                 |
| - Lumpini Park Vibhavadi-Chatuchak  | 2,703,000 THB                      | Jan 18 - Sep 19 |
| 4. Consultant service fee for Make it simple Project  |                                    |                 |
| - Lumpini Park Borom Ratchachonni-Sirindhorn  | 200,000.00 THB / Month             | Jan 19 - Oct 19 |
| 5. Consultant fee for Product Champion Project  |                                    |                 |
| - Lumpini Townplace Sukhumvit-Srinakarin  | 500,000.00THB / Month              | Jan 19          |
| - Lumpini Townplace Sukhumvit-Srinakarin  | 400,000.00THB / Month              | Feb 19 - Mar 19 |
| 6. Green construction monitoring and standard control fee-Green condominium and residential home E                        |                                    |                 |
| - Lumpini Park Phahon 32  | 12,000.00 THB / Month              | Jun 18 - Oct 19 |
| - Lumpini Park Riverside-Rama 3   | 12,000.00 THB / Month              | Jun 18 - Sep 19 |
| - Lumpini Place Ratchada-Sathu  | 12,000.00 THB / Month              | Jun 18 - Oct 19 |
| - Lumpini Tower Vibhavadi-Chatuchak   | 12,000.00 THB / Month              | Jul 18 - Oct 19 |
| - Lumpini Park Vibhavadi-Chatuchak  | 12,000.00 THB / Month              | Sep 18 - Oct 19 |
| - Lumpini Ville Suksawat-Rama 2   | 12,000.00 THB / Month              | Aug 18 - Aug 19 |
| - Lumpini Selected Suthisan-Saphan Khwai  | 12,000.00 THB / Month              | Jul 18 - Sep 19 |
| - Lumpini Park Borom Ratchachonni-Sirindhorn  | 12,000.00 THB / Month              | Nov 18 - Oct 19 |
| 7. Research service fee for research package and for supporting the coordination with A I Consultant and System Co., Ltd. |                                    |                 |
| - Lumpini Mixx Narathiwas-Ratchada  | 400,000.00 THB / Month             | Jul 18 - Jun 19 |
| - Lumpini Ville Phattanakarn-Srinakarin   | 35,000.00 THB / Month              | Aug 18 - Jan 19 |
| 8. Consultant fee on Premium service  |                                    |                 |
| - Lumpini Mixx Narathiwas-Ratchada  | 162,500.00 THB / Month             | Jan 19 - Oct 19 |



| Income: Lumpini Wisdom and Solution Co., Ltd.                                | Contract Amount<br>(Excluding VAT) | Period          |
|--|------------------------------------|-----------------|
| 9. Consultant service fee for Signature Service Project                      |                                    |                 |
| - Lumpini Ville Phattanakorn-Srinakarin                                      | 180,000.00 THB / Month             | Jan 19 - Oct 19 |
| 10. Service fee: Implement Green Community Standard                          |                                    |                 |
| - Lumpini Park Phahon 32   | 70,833.33 THB / Month              | Jan 19 - Oct 19 |
| 11. Service fee for resident behavior surveys                                |                                    |                 |
| - Lumpini Ville Sukhumvit 76-Bearing Station                                 | 100,000.00 THB / Month             | Jan 19 - Oct 19 |
| 12. LPN's new condominium project management expense calculation service fee |                                    |                 |
| - Lumpini Selected Sutthisan-Saphan Khwai                                    | 100,000.00 THB / Month             | Jan 19 - Oct 19 |
| 13. Consultant service fee for Cost Value Trade off Project                  |                                    |                 |
| - Lumpini Place Tao Poon Interchange   | 258,333.33 THB / Month             | Jan 19 - Oct 19 |
| 14. Consultant service fee for Mock up center & Material library Project     |                                    |                 |
| - Lumpini Ville Sukhumvit 101/1-Punnavithi                                   | 150,000.00 THB / Month             | Jan 19 - Oct 19 |
| 15. Consultant service fee for Curtain Wall Project                          |                                    |                 |
| - Lumpini Tower Vibhavadi-Chatuchak, Building A                              | 300,000.00 THB / Month             | Jan 19 - Jun 19 |
| - Lumpini Tower Vibhavadi-Chatuchak, Building A                              | 250,000.00 THB / Month             | Jul 19 - Oct 19 |
| Expense: Lumpini Wisdom and Solution Co., Ltd.                               | Contract Amount<br>(Excluding VAT) | Period          |
| None   |                                    |                 |

#### Connected Transactions between Pornsanti Co., Ltd. and Lumpini Property Management Co., Ltd.

| Income: Lumpini Property Management Co., Ltd.       | Contract Amount<br>(Excluding VAT) | Period          |
|---|------------------------------------|-----------------|
| 1. Housing estate management                        |                                    |                 |
| - Baan Lumpini Town Park Thakham-Rama 2             | 52,500.00 THB / Month              | Jan 19          |
| - Baan Lumpini Town Park Thakham-Rama 2             | 75,000.00 THB / Month              | Feb 19 - Dec 19 |
| - Lumpini Townville Rajchaphruek-Pinklao Phase 2    | 40,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Baan Lumpini Town Ville Chaengwattana-Tiwanon     | 37,500.00 THB / Month              | Jan 19 - Dec 19 |
| - Baan Lumpini Suanluang Grand Rama 9               | 48,100.00 THB / Month              | Jan 19 - Dec 19 |
| - Baan Lumpini Town Ville Permsin-Watcharapol       | 60,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Baan Lumpini Town Ville Rangsit-Klong 2           | 60,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Lumpini Town Residence Bangna-Srinakarin          | 10,000.00 THB / Month              | Jan 19 - Dec 19 |
| - Baan Lumpini Townville Lat Pladuk-Bangpai Station | 47,500.00 THB / Month              | Jan 19 - Dec 19 |
| Expense: Lumpini Property Management Co., Ltd.      | Contract Amount<br>(Excluding VAT) | Period          |
| None  |                                    |                 |

### Connected Transactions between Pomsanti Co., Ltd. and Lumpini Project Management Service Co., Ltd.

| Income: Lumpini Project Management Service Co., Ltd.         | Contract Amount<br>(Excluding VAT)         | Period          |
|--|--|-----------------|
| <b>1. Project management</b>                                 |  |                 |
| - Baan Lumpini Town Ville Ratchaphruek-Pinklao, Zone 2.1     | 275,700.00 THB / Month                     | Jun 18 - May 19 |
| - Baan Lumpini Town Ville Ratchaphruek-Pinklao, Zone 2.2     | 160,700.00 THB / Month                     | Jan 19 - Sep 20 |
| - Baan Lumpini Town Ville Rangsit-Klong 2 Phase 2            | 120,500.00 THB / Month                     | Apr 19 - Sep 20 |
| - Lumpini Town Place Rama 2-Tha Kham                         | 361,100.00 THB / Month                     | Jan 19 - Jun 20 |
| - Lumpini Town Ville Phaholyothin-Saphanmai                  | 182,200.00 THB / Month                     | Jul 19 - Dec 19 |
| - Lumpini Town Ville Ladkrabang-Suvarnabhumi                 | 721,600.00 THB / Month                     | Jul 19 - Dec 19 |
| <b>2. Community service (Repair after handover)</b>          | 50,000.00 THB / Month                      | Jan 19 - Dec 19 |
| <b>Expense: Lumpini Project Management Service Co., Ltd.</b> | <b>Contract Amount<br/>(Excluding VAT)</b> | <b>Period</b>   |
| None   |  |                 |

### Connected Transactions between Pomsanti Co., Ltd. and LPC Social Enterprise Co., Ltd.

| Income: LPC Social Enterprise Co., Ltd.             | Contract Amount<br>(Excluding VAT)         | Period          |
|---|--|-----------------|
| <b>1. Cleaning service fee</b>                      |  |                 |
| - Houses available for sale/Sales department        |  |                 |
| - Working 7 days per week                           | 18,800.00 THB / Person / Month             | Jan 19 - Dec 19 |
| - Working 6 days per week                           | 16,700.00 THB / Person / Month             | Jan 19 - Dec 19 |
| <b>2. Traffic Officer service fee (parking lot)</b> |  |                 |
| - P.S.T. City Home Condominium, 2 B Floor           | 23,700.00 THB / Month                      | Jan 19 - Dec 19 |
| <b>Expense: LPC Social Enterprise Co., Ltd.</b>     | <b>Contract Amount<br/>(Excluding VAT)</b> | <b>Period</b>   |
| None  |  |                 |

### Connected Transactions between Pomsanti Co., Ltd. and Lumpini Wisdom and Solution Co., Ltd.

| Income: Lumpini Wisdom and Solution Co., Ltd.  | Contract Amount<br>(Excluding VAT)         | Period          |
|--|--|-----------------|
| <b>1. Green construction monitoring and standard control fee-residential home</b>                                  |  |                 |
| - Baan Lumpini Town Ville Permsin-Watcharapol  | 18,000.00 THB / Month                      | Aug 18 - Mar 19 |
| - Baan Lumpini Town Park Thakham-Rama 2  | 18,000.00 THB / Month                      | Jul 18 - Mar 19 |
| - Baan Lumpini Town Ville Ratchaphruek-Pinklao   | 18,000.00 THB / Month                      | Jul 18 - Jun 19 |
| <b>2. Consultant fee for Green design and green construction standard development-for residential home project</b> |  |                 |
| - Baan Lumpini Town Ville Ratchaphruek-Pinklao Zone 2.1  | 175,000 THB / Month                        | Jul 18 - Jun 19 |
| <b>Expense: Lumpini Wisdom and Solution Co., Ltd.</b>  | <b>Contract Amount<br/>(Excluding VAT)</b> | <b>Period</b>   |
| None   |  |                 |



**Connected Transactions between Lumpini Property Management Co., Ltd. and  
LPC Social Enterprise Co., Ltd.**

| Income: LPC Social Enterprise Co., Ltd.      | Contract Amount<br>(Excluding VAT) | Period          |
|--|------------------------------------|-----------------|
| 1. Cleaning service fee                      |                                    |                 |
| - Office building, Lumpini Tower, 28th Floor | 16,700.00 THB / Person / Month     | Jan 19 - Dec 19 |
| - Sales office-Brokerage service             |                                    |                 |
| - Working 6 days per week                    | 16,700.00 THB / Person / Month     | Jan 19 - Dec 19 |
| - Working 7 days per week                    | 18,800.00 THB / Person / Month     | Jan 19 - Dec 19 |
| - Maid service fee (one-time service)        | calculated from unit size          | Jan 19 - Dec 19 |
|  | 350 THB / Time                     |                 |
|  | 450 THB / Time                     |                 |
|  | 650 THB / Time                     |                 |
|  | 850 THB / Time                     |                 |
|  | 1,100 THB / Time                   |                 |
|  | 1,300 THB / Time                   |                 |
| Expense: LPC Social Enterprise Co., Ltd.     | Contract Amount<br>(Excluding VAT) | Period          |
| None   |                                    |                 |

**Connected Transactions between Lumpini Property Management Co., Ltd. and  
Lumpini Project Management Service Co., Ltd.**

| Income: Lumpini Project Management Service Co., Ltd.  | Contract Amount<br>(Excluding VAT) | Period          |
|---|------------------------------------|-----------------|
| 1. Wages and office service fee                       |                                    |                 |
| - Officer service and safety analysis fee             | 50,000 THB                         | Nov 19 - Apr 20 |
| - Lumpini Place Rama 9-Ratchada, Building ABC         |                                    |                 |
| Expense: Lumpini Project Management Service Co., Ltd. | Contract Amount<br>(Excluding VAT) | Period          |
| None  |                                    |                 |

**Connected Transactions between Lumpini Project Management Service Co., Ltd. and  
LPC Social Enterprise Co., Ltd.**

| Income: LPC Social Enterprise Co., Ltd.  | Contract Amount<br>(Excluding VAT) | Period          |
|--|------------------------------------|-----------------|
| 1. Cleaning service fee                  |                                    |                 |
| - Office at Lumpini Tower, 28th Floor    |                                    |                 |
| - Working 6 days per week                | 16,700.00 THB / Person / Month     | Jan 19 - Dec 19 |
| - Construction office                    |                                    |                 |
| - Working 6 days per week                | 16,700.00 THB / Person / Month     | Jan 19 - Dec 19 |
| - Working 7 days per week                | 18,800.00 THB / Person / Month     | Jan 19 - Dec 19 |
| Expense: LPC Social Enterprise Co., Ltd. | Contract Amount<br>(Excluding VAT) | Period          |
| None                                     |                                    |                 |

**Intercompany Loan, as of 31 December 2019**

| Lender                                       | Borrower                         | Debt Instrument | Amount<br>(THB) | Interest Rate<br>(per year) (%) |
|--|----------------------------------|-----------------|-----------------|---------------------------------|
| L.P.N. Development PCL                       | Pornsanti Co., Ltd.              | Promissory note | 656,000,000.00  | 3.02 - 3.75                     |
| L.P.N. Development PCL                       | Karmala Senior Living, Co., Ltd. | Promissory note | 64,000,000.00   | 5.00                            |
| L.P.N. Development PCL                       | Dolsin Development Co., Ltd.     | Promissory note | 5,000,000.00    | 5.00                            |
| Lumpini Property Management Co., Ltd.        | L.P.N. Development PCL           | Promissory note | 228,800,000.00  | 1.80 - 1.94                     |
| Lumpini Project Management Service Co., Ltd. | L.P.N. Development PCL           | Promissory note | 35,000,000.00   | 1.86 - 1.94                     |



## 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                   |
|---|---------------------------|--------------|---------------------|----------------------|------------------------|
| <b>Lumpini Township Rangeit Klong 1-Phase 2</b>       |                           |              |                     |                      |                        |
| 1. Yukhontorn Suewaja                                 | C2-0709                   | 1            | 1,162,000.00        | 373,000.00           | Transferred in June 19 |
| 2. Suwattana Sae-tang                                 | A1-0119, C6-0417, C6-0425 | 3            | 3,436,000.00        | 1,124,000.00         | Transferred in July 19 |
| <b>Total</b>  |                           | <b>4</b>     | <b>4,588,000.00</b> | <b>1,497,000.00</b>  |                        |
| <b>Lumpini Park Phetkasem 98 (C, D)</b>               |                           |              |                     |                      |                        |
| 1. Surasawadee Suewaja                                | D-0831                    | 1            | 1,869,000.00        | 569,000.00           | Transferred in June 19 |
| <b>Total</b>  |                           | <b>1</b>     | <b>1,869,000.00</b> | <b>569,000.00</b>    |                        |
| <b>Lumpini Ville Sukhumvit 75-Bearing Station (2)</b> |                           |              |                     |                      |                        |
| 2. Suwattana Sae-tang                                 | A-0324                    | 1            | 2,120,000.00        | 810,000.00           | Transferred in June 19 |
| <b>Total</b>  |                           | <b>1</b>     | <b>2,120,000.00</b> | <b>810,000.00</b>    |                        |

# AUDIT COMMITTEE REPORT 2019

Audit Committee of L.P.N. Development Public Co., Ltd. comprises four independent directors, namely, Mr. Vudhiphol Suriyabhivadh, Chairman of Audit Committee, Mr. Khanchai Vijakkana, Audit Committee Member Mr. Krirk Vanikkul, Audit Committee Member and Mr. Weerasak Wahawisal, Audit Committee Member. All of Audit Committee Member are equipped with related qualifications, experiences and knowledge.

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 high-ranking executives and Certified Public Accountant in the agendas related to audit results report and consideration of financial information in order to be informed of the Certified Public Accountant 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 2019 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 Certified Public Accountant have also been invited to attend the meetings in which quarterly and annual financial statements of the Company are being considered. The Audit Committee asks the Certified Public Accountant 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 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 Certified Public Accountant 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 policy and the direction of risk management of the business to be in line with the changing of environment and situation, 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. 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 Certified Public Accountant on a quarterly basis from the internal audit plan and internal audit report according to the approved plan in order to have a sufficient management and quick responses to changing situation. The issues considered are the operation, the care for resources and assets, the prevention of mistakes, losses and corruption, the reliability of the financial statements and strict compliance with law and regulations. The Audit Committee has ensured that the management and internal control systems are appropriate, taking the utmost benefit of the Company into consideration and having no significant flaw. This was in line with the opinion of the Certified Public Accountant and the internal audit department.



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 strict compliance with the regulations of the Stock Exchange of Thailand and related laws about the operation of real estate development business and to give fair treatment to every stakeholders especially with regards to connected transactions of affiliated 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 the 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 2020.** The Audit Committee agrees to propose D.I.A International Auditing to be the auditor of L.P.N. Development Public Co., Ltd. in 2020 and proposes to the Board of Directors for consideration and approval from the Annual General Meeting of Shareholders 2020.

On behalf of the Audit Committee



(Mr. Vudhiphol Suriyasbhivadh)

Chairman of Audit Committee

# NOMINATION, REMUNERATION AND GOOD CORPORATE GOVERNANCE COMMITTEE REPORT

The Nomination, Remuneration and Good Corporate Governance Committee has carefully and properly 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 various directors, high-ranking executives and staff that are transparent, fair and efficient.

In 2019, the Nomination, Remuneration and Good Corporate Governance Committee of L.P.N. Development Public Co., Ltd. comprises five directors as follows:

- |                              |   |
|------------------------------|---|
| 1. Mr. Khanchai Vijakkana    | Director, Audit Committee Member and Independent Director   |
| 2. Mr. Weerasak Wahawisai    | Director, Audit Committee Member and Independent Director   |
| 3. Mr. Krikk Vanikkul        | Director, Audit Committee Member and Independent Director   |
| 4. Mr. Plohet Supakijjanusan | Director  |
| 5. Mr. Opas Sripayak         | Director, Chief Executive Director, Chief Executive Officer and Chairman of Risk Management Committee |

Mr. Khanchai Vijakkana serves as the Chairman of the Nomination, Remuneration and Good Corporate Governance Committee.

In 2019, the Nomination, Remuneration and Good Corporate Governance Committee holds the total of three meetings. The Committee Members have performed their duties to their full capacity and attend all meetings to consider various issues expressing opinions with open-minded. The Nomination, Remuneration and Good Corporate Governance Committee propose the conclusion to the Board of Directors as follows:

## 1. Nomination

The Board of Directors, as proposed by 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 is proposed to the Annual General Meeting of Shareholders in 2019 that four directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Tikhamporn Plengsrisuk, Mr. Krikk Vanikkul and Mr. Surawut Sukcharoensin 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 perfectly, appropriately and outstandingly well.

## 2. Remuneration

The remuneration for executives and staff are fairly and reasonably considered by taking into account the inflation rate 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 2019, the issues considered are as follows:

- Reward for directors in 2018, paid in 2019
- Remuneration for directors in 2019
- Bonus for staff for the performance in 2019
- Remuneration for staff in 2020
- Remuneration for executive directors in 2020
- Reward for executive directors in 2019
- Adjustment of the salary structure of subsidiary companies' staff

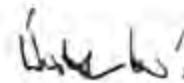


### 3. Good Corporate Governance

- 3.1 In 2019, the Nomination, Remuneration and Good Corporate Governance Committee has reviewed the Corporate Governance Policy of the Company and assured that it has followed the Corporate Governance Code (CG Code) for the sake of corporate value building. The Nomination, Remuneration and Good Corporate Governance Committee agreed that the current principles are still appropriate for the context of the Company's business and sustainably build corporate value.
- 3.2 Annual evaluation for directors. 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, Executive 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.
- 3.3 The Nomination, Remuneration and Good Corporate Governance Committee considers charters of subcommittees and duties and responsibilities of the Executive Committee to ensure that they are in line with the present roles and responsibilities of each subcommittees. This Committee also establishes duties and responsibilities of high-ranking executives. This consists of charters of three subcommittees namely Executive Committee Charter, Nomination, Remuneration and Good Corporate Governance Committee Charter, and Corporate Environmental and Social Responsibility Charter. Duties and responsibilities of Chief Executive Officer, Chief Financial Officer and Chief Strategy Officer are considered.

### 4. Other business

In 2019, 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. Khanchai Vijakkana)

Chairman of Nomination, Remuneration  
and Good Corporate Governance Committee

# EXECUTIVE COMMITTEE REPORT

Executive Committee is appointed by the Board of Directors to be in charge of the management and operation of the Company to ensure that they are in accordance with the policy and business strategy established by the Board of Directors and comply with business ethics and laws that are relevant to the Company's business.

Year 2019 is the "Year of Excellence" of the Company. There has been development in product values, service values and staff.

In 2019 there were 21 Executive Committee meetings. The Executive Committee, comprising Mr. Opas Sripayak, Mr. Apichart Kasemkulsiri and Mr. Surawut Sukharoensin attended the meetings. In each meeting, the Executive Committee members considered important issues and proposed them to the Board of Directors for approval on a case by case basis. The main points can be summarized as follows:

1. Consider and establish plans and operations strategy together with the Managing Director and executives of every departments of the Company, subsidiary companies and joint stock companies.
2. Consider and approve the business plan, annual budget and investment of the Company, subsidiary companies and affiliated companies and proposed to the Board of Directors.
3. Consider and approve the transactions related to purchases of land as assigned by the Board of Directors.
4. Consider and approve the remuneration policy and salary structure of staff of the Company, subsidiary companies and affiliated companies.
5. Consider and monitor the performance of the Company, subsidiary companies and affiliated companies on a weekly basis.
6. Consider and assign an individual to take up the position of Executives of the Company, subsidiary companies, affiliated companies and joint stock companies.
7. Work on any other business as assigned by the Board of Directors.

The Executive Committee determines to perform the duties at full capacity for the highest benefit and the equality of shareholders and all stakeholders which lead to a stable and sustainable growth of the Company.



(Mr. Opas Sripayak)

Chairman of Executive Committee



# RISK MANAGEMENT COMMITTEE REPORT

The Risk Management Committee is appointed by the Board of Directors. The duties and responsibilities are as follows:

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, subsidiary companies, affiliated companies and joint stock companies.
2. Establish risk management policy to be proposed to the Board of Directors.
3. Establish a strategy to be in accordance with risk management policy and business direction of the Company, subsidiary companies, affiliated companies, and joint stock companies.
4. Review the sufficiency of the policy, follow up and evaluate the risk management system of the Company and subsidiary companies.

Year 2019 is "Year of Excellence" of the Company. There has been development in product values, service values and staff. The appointed Risk Management Committee keeps on performing the duties as assigned and follows the Risk Management Policy proposed to the Board of Directors.

However, in 2019 the Risk Management Committee had 3 meetings. The members of the 2019 Risk Management Committee are as follows.

|                         |               |                                       |
|-------------------------|---------------|---------------------------------------|
| 1. Mr. Opas             | Sripayak      | Chairman of Risk Management Committee |
| 2. Mr. Apichart         | Kasemkulsiri  | Committee Member                      |
| 3. Mr. Surawut          | Sukoharoensin | Committee Member                      |
| 4. Ms. Somsri           | Techakrairi   | Committee Member                      |
| 5. Assist.Prof.Dr. Ponn | Virulrak      | Committee Member                      |
| 6. Mr. Surasawadee      | Suewaja       | Committee Member                      |
| 7. Mr. Prapansak        | Rakchaiwan    | Committee Member                      |

The Risk Management Committee reports risks that might have a major impact on the business plan and the strategy of the Company and risk management which covers different kinds of risks related to the Company's business to the Board of Directors on a quarterly basis. In 2019 Risk Management Committee analyzed together possible risk factors and assess potential risks including operational risk, regulatory risk, political risk, economic risk, financial risk and corruption risk. The Risk Management Committee, then, comes up with a risk management plan and direction to control risks properly and manage them to an acceptable level or to reduce future risks.

The Risk Management Committee determines to perform the duties wholeheartedly in order to control risks to an acceptable level with no major impact on the Company, subsidiary companies, affiliated companies or joint stock companies for the highest benefits of shareholders and all stakeholders.



(Mr. Opas Sripayak)

Chairman of Risk Management Committee

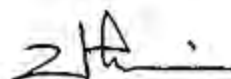
# CORPORATE ENVIRONMENTAL AND SOCIAL RESPONSIBILITY COMMITTEE REPORT

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. The meetings of the Corporate Environmental and Social Responsibility Committee is held on a quarterly basis.

During the past 30 years, the business operation of the Company and affiliated companies has been environmentally and socially responsible in all processes of LPN 6-8-10 concept of residential condominium development, namely, 6 Green LPN that respects 8 stakeholders in 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. In 2019 the Company, again, received ISO 9001:2015 Certification and ISO 14001:2015 Certification for its Quality Management System and Environmental Management System operated by related business. 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 they are able to live in the society with dignity and happiness. The Company's subsidiary company is among the first social enterprises registered in the country. At present, it takes care of 1,484 underprivileged women, increasing 12% comparing to year 2018. This caretaking is expanded to the elderly and the disabled in order to promote their quality of life and dignity. The Company also grants accommodation scholarships to 100 well-behaved college students to relieve their burden and open an opportunity for them to do something good to the society in return.

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.



(Mr. Prapansak Rakohaiwan)

Chairman of Corporate Environmental and  
Social Responsibility Committee

7 February 2020





# CHAPTER

# 5

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED



## Adhering to Good Governance Practices



# CORPORATE GOVERNANCE

## Objectives and Goals of the Company

### Short-term (within one year)

Operate business in accordance with the business plan that has been approved by the Board of Directors. The plan comprises goals and various indicators in both quantitative perspective and qualitative perspective. For the immediate situation in 2020, the country's overall economy and real estate business are in recession. Risks are all around. Hence, the priority goals of the company are to achieve the quantitative target and maintain the balance of every stakeholders.

### Mid-term (within 3 years)

Operate under the framework of organization strategy chart in order to achieve the vision of the organization in every dimension for a sustainable growth of the Company. Expand the business base to cover both upstream and downstream to gain advantage in the competition. Invest in related business with strong and capable alliances who will help strengthen the organization.

### Long-term (more than 3 years)

Determine to establish a sustainable and value organization as well as help creating a quality society and environment that is suitable for living in every dimension.

## 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 2019 comprises five subcommittees as follows:

- 1 Audit Committee
- 2 Nomination, Remuneration and Good Governance Committee
- 3 Executive Committee
- 4 Risk Management Committee
- 5 Corporate Environmental and Social Responsibility Committee

## 1. 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 2019, there are 4 Audit Committee Members as follows:

- |                  |               |                             |  |
|------------------|---------------|-----------------------------|--|
| 1. Mr. Vudhiphol | Suriyabhivadh | Chairman of Audit Committee | (has accounting and finance knowledge) |
| 2. Mr. Khanohai  | Vijakrana     |                             | (has legal knowledge)                  |
| 3. Mr. Krirk     | Vanikkul      |                             | (has legal and finance knowledge)      |
| 4. Mr. Weerasak  | Wahawisal     |                             | (has accounting and finance 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 2019, the total of four meetings of the Audit Committee is held. The details of the meetings are

| Meeting No. | Date            | Agenda                                       |
|-------------|-----------------|--|
| 1           | 7 February 2019 | Approved the financial statements of 2018    |
| 2           | 2 May 2019      | Approved the financial statements of Q1/2019 |
| 3           | 1 August 2019   | Approved the financial statements of Q2/2019 |
| 4           | 31 October 2019 | Approved the financial statements of Q3/2019 |

## 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

- 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
- 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.
- 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 Oversees 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.

## 6. 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.

## 2. Executive Committee

Appointed by the Board of Directors, the Executive Committee consists of 3 committee members who are executives. They are selected from capable and knowledgeable individuals who understand designated roles and responsibilities and have a clear understanding of the Company's business operation characteristics. Their responsibilities are to manage the Company in accordance with the policy of the Board of Directors and always take into consideration the maximum benefits of the Company. The members of the Executive Committee are as follows:

1. Mr. Opas Sripayak Chief Executive Director
2. Mr. Apichart Kasemkulsiri
3. Mr. Surawut Sukcharoensin

In 2019, the Executive Committee Meeting is held at least once every week. There are 21 meetings in total. Each meeting is participated by managing directors of subsidiary companies and managers from various departments of the Company, subsidiary companies and affiliated companies who would report the performance of the company to the meeting and be informed of the policy established by the Executive Committee. The essence of the meeting held is as follows:

- To approve various transactions as assigned by the Board of Directors of the Company.
- To oversee and 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.

### Executive Committee Charter

#### Summary of key points:

#### 1. Membership

- 1.1 The Executive Committee, selected among directors of the Company, is appointed by the Board of Directors. The number of Executive Committee members is considered by the Board of Directors.
- 1.2 The Board of Directors appoint the Chief Executive Director.
- 1.3 Secretary of the Executive Committee is an executive member. The responsibilities are making meeting arrangements, preparing meeting documents, taking meeting minutes and performing other tasks as assigned by the Executive Committee.



## 2. Term of Office

- 2.1 Term of office of members of the Executive Committee is as agreed by the Board of Directors. The Board of Directors can make any adjustment as deem appropriated.
- 2.2 Executive Committee members shall vacate office upon:
  - (1) Death
  - (2) Resignation
  - (3) No longer a director of the Company
  - (4) Being removed by the resolution of the Board of Directors
- 2.3 The resignation will be effective when a resignation letter is submitted to Chairman of the Board of Directors.

## 3. Duties and Responsibilities

- 3.1 To be in charge of the management and operation of the Company.
- 3.2 To establish the plan and business strategy of the Company, subsidiary companies, affiliated companies, and associated companies to ensure compliance with the vision, mission and policy established by the Board of Directors.
- 3.3 To oversee the management to ensure that the outcome is achieved as planned.
- 3.4 To consider and specify investment directions and business expansion.
- 3.5 To consider and manage the budget as approved by the Board of Directors.
- 3.6 To consider and approve any investment in unplanned projects or activities whose funds do not exceed 10,000,000 THB (Ten Million THB) per time as approved by the Board of Directors.
- 3.7 To be authorized by the Board of Directors to process legal transactions and documents as follows:
  - (1) Registration of the purchase and sell of land, land with buildings, buildings and condominiums including registration with related agencies as required by law.
  - (2) Registration of the rent and let of land, land with buildings, buildings and condominiums including registration with related agencies as required by law.
  - (3) 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.
  - (4) Request to measure a piece of land, to issue a title deed, to divide and combine a land and to allocate land including registration with related agencies as required by law.
  - (5) Registration of servitude as servitude and dominant properties and land donations for public use and to other related agencies for the Company's benefits.
  - (6) 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.
  - (7) Making of a loan contract and other contracts with commercial banks and financial institutions including opening of accounts.
  - (8) 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, affiliated companies and associated companies.
  - (9) 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 (1)-(8).
- 3.8 To advise and provide recommendations on management to executives.
- 3.9 To consider and/or assign an individual to take up the position of high-ranking executives of the Company, subsidiary companies, affiliated companies and associated companies.
- 3.10 To consider any other business as assigned by the Board of Directors.

Delegation of duties and responsibilities to the Executive Committee will not happen in a way or during a period of time that allows the Executive Committee or the persons authorized by the Executive Committee to approve any transaction which they have conflicts or interests with or which have a conflict of interest, in any form, with the Company, subsidiary companies, affiliated companies and associated company, except for the approval of transaction that complies with the policy and the criteria approved earlier by the Board of Directors. The above transaction approval must be proposed to the Board of Directors' meeting and/or the shareholders' meeting as required by the Stock Exchange of Thailand, the Securities and Exchange Commission or related laws.

#### 4. Meeting

- 4.1 The Executive Committee meeting shall be held when it is necessary and appropriated.
- 4.2 A quorum of the meeting shall be no less than half of Executive Committee members present in the meeting.
- 4.3 The resolution of the Executive Committee meeting will be passed by a majority of votes. Any members of the Executive Committee who has interests in the agenda must not participate in the discussion or cast a vote on the matter.
- 4.4 In case that the Chief Executive Director 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 Executive Committee may invite the Management department and related parties to attend the meeting. Related information and documents can be given to them.

### 3. Nomination, Remuneration and Good Corporate Governance Committee

The Nomination, Remuneration and Good Corporate Governance Committee is appointed by the Board of Directors. As of 31 December 2019 the Committee has five members comprising three independent directors, one non-executive director and one executive director for a balance of power. The main duty is to ease the burden of the Board of Directors and shareholders. The members of the Nomination, Remuneration and Good Corporate Governance Committee are as follows:

- |    |              |                |  |
|----|--------------|----------------|--|
| 1. | Mr. Khanchai | Vijakkana      | Chairman of Nomination and Remuneration Committee and Independent Director |
| 2. | Mr. Krikk    | Vanikkul       | Independent Director   |
| 3. | Mr. Weerasak | Wahawisal      | Independent Director   |
| 4. | Mr. Pichet   | Supakijjanusan | Non-Executive Director   |
| 5. | Mr. Opas     | Sripayak       | Executive Director   |

with Ms. Somjai Techakraisi as the Secretary of the Nomination, Remuneration and Good Corporate Governance Committee.

In 2019, the total of five Nomination and Remuneration Committee's meetings are held as follows:

| Meeting No. | Date             | Agenda  |
|-------------|------------------|---|
| 1           | 7 February 2019  | <ul style="list-style-type: none"><li>- Considered the appointment of directors to replace those who retire by rotation for proposing to the Annual General Meeting of Shareholders 2019</li><li>- Considered rewards for directors for their performance in 2018</li><li>- Considered the remuneration for directors in 2019</li><li>- Considered charters of subcommittees and roles and responsibilities of Executive Committee.</li></ul> |
| 2           | 1 August 2019    | <ul style="list-style-type: none"><li>- Considered rewards for staff for the performance during the first six months.</li></ul>   |
| 3           | 11 December 2019 | <ul style="list-style-type: none"><li>- Considered the rewards for staff in 2019</li><li>- Considered the remuneration for the Board of Directors in 2020</li><li>- Considered the 2019 overall result of the evaluation of directors, the Chief Executive Director and subcommittee members</li><li>- Considered and reviewed the practice of good corporate governance principle</li></ul>  |



## Nomination, Remuneration and Good Corporate Governance Committee Charter

### Summary of key points

#### 1. Membership and Qualifications

- 1.1 The Board of Directors will select members of the Nomination, Remuneration and Good Corporate Governance Committee from directors of the Company and determine numbers of its members.
- 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, Remuneration and Good Corporate Governance Committee, they should be minority. The Chairman of the Nomination, Remuneration and Good Corporate Governance Committee should be an independent director.
- 1.3 The Nomination, Remuneration and Good Corporate Governance Committee is to appoint a Secretary of the Nomination, Remuneration and Good Corporate Governance Committee and report to the Board of Directors.
- 1.4 The Nomination, Remuneration and Good Corporate Governance Committee is able to appoint a subcommittee to perform related works.

#### 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 Board of Directors.
- 2.4 In case that a 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, Executive Committee, Chief Executive Director and high-ranking executives of the Company.
- Nominate, select and propose qualified candidates for the positions of directors, subcommittee members, Executive Committee, Chief Executive Director and high-ranking executives to the Board of Directors for consideration and/or to the shareholders' meetings for approval depending on cases.
- If a director position is vacant from:
  - 1) Retirement by rotation, a qualified candidate shall be nominated and proposed to the Board of Directors for consideration and to the Annual General Meeting of Shareholders for approval;
  - 2) Other reasons apart from retirement by rotation, a qualified candidate shall be nominated and proposed to the Board of Directors for consideration and appointment.
- Propose criteria and guidelines for the evaluation of the directors, subcommittees, Chief Executive Director, Chief Executive Officer, Managing Director and high-ranking executives of the Company.
- Perform any other business as assigned by the Board of Directors.

### 3.2 Remuneration

- Propose criteria and guidelines for the remuneration for directors, subcommittee members, Chief Executive Director, Chief Executive Officer, Managing Director, high-ranking executives and employees to the Board of Directors for consideration and/or to the Shareholders' meeting for approval, depending on circumstances.
- Consider to improve the policy and structure of the remuneration management for directors, subcommittee members, high-ranking executives and employees of the Company, subsidiary companies and affiliated company to be in compliance with the labor market atmosphere at the time and propose to the Board of Directors.
- Perform 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 an Employee Code of Conduct 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 Employee Code of Conduct in compliance with international standard as well as rules, regulations and laws related to the business of the Company.
- Ensure that a proper anti-corruption policy is in place and support the business operation.
- Perform 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 three 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.

## 4. Risk Management Committee

As of 31 December 2019, there are 7 members in the Risk Management Committee as follows:

- |                   |               |   |
|-------------------|---------------|---|
| 1. Mr. Opas       | Sripayak      | Chairman of the Risk Management Committee |
| 2. Mr. Apichart   | Kasemkulsiri  |   |
| 3. Mr. Surawut    | Sukcharpensin |   |
| 4. Ms. Somari     | Techakraiseri |   |
| 5. Mr. Ponn       | Virulrak      |   |
| 6. Ms. Surasawadi | Suewaja       |   |
| 7. Mr. Prapansak  | Rakchalyawan  |   |

In 2019, three Risk Management Committee's meetings are held. The detail is as follows:

| Meeting No. | Date       |      | Agenda  |
|-------------|------------|------|---|
| 1           | 24 July    | 2019 | Considered risks and risk management measures to propose to the Board |
| 2           | 30 October | 2019 | of Directors of the Company.  |
| 3           | 6 November | 2019 |   |

In addition to the above meetings to summarize the risk management and operation 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

### Summary of key points:

#### 1. Membership

- 1.1 The Risk Management Committee, selected among directors and/or qualified executives of the Company, is to be appointed by the Board of Directors who will also determine the numbers of its members.
- 1.2 The Chief Executive Director of L.P.N. Development Public Co., Ltd. or a person assigned by the Chief Executive Director will be the Chairman of the Risk Management Committee.
- 1.3 The Secretary of the Risk Management Committee is selected among executives. The main responsibilities are making meeting arrangements, preparing meeting documents, taking meeting minutes and other tasks as assigned by the Risk Management Committee.
- 1.4 The Executive Committee is able to appoint subcommittees to perform related work.

#### 2. Term of Office

- 2.1 The term of office of Risk Management Committee members is 2 years.
- 2.2 The Risk Management Committee members will vacate office upon:
  - (1) Death
  - (2) Resignation
  - (3) Retire from the position of executive director and/or executives
  - (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 Chairman of the Board of Directors.

#### 3. Duties and Responsibilities

- 3.1 Study, review and assess possible risks, including potential impact of risks on the organization and internal and external risks of the Company, subsidiary companies, affiliated companies and associated 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, subsidiary companies, affiliated companies and associated companies.
- 3.4 Review the sufficiency of the policy, follow up and evaluate the risk management system of the Company, subsidiary companies, affiliated companies and associated 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.

## 5. Corporate Environmental and Social Responsibility Committee

The Corporate Environmental and Social Responsibility Committee comprises 36 members appointed by the Company, subsidiary company and trade partners (a group of companies known as "LPN Team") as of 31 December 2019 as follows:

|                    |                   |   |
|--------------------|-------------------|---|
| 1. Mr. Prapansak   | Rakchaisriyawan   | Chairman of the Corporate Environmental and Social Responsibility Committee |
| 2. Ms. Surasawadi  | Suewaja           | Member, LPC Social Enterprise Co., Ltd.                                     |
| 3. Mrs. Priyanuch  | 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   | Luangphutamas     | Member, L.P.N. Development Public Co., Ltd.                                 |
| 7. Ms. Panadda     | Kajomsilpa        | Member, L.P.N. Development Public Co., Ltd.                                 |
| 8. Ms. Suporn      | Wongwaipairote    | Member, L.P.N. Development Public Co., Ltd.                                 |
| 9. Ms. Nittaya     | Wongtavilarb      | Member, L.P.N. Development Public Co., Ltd.                                 |
| 10. Mr. Paisarn    | Lertbantanawong   | Member, Lumpini Property Management Co., Ltd.                               |
| 11. Mr. Tamrongpon | Daengbubpa        | Member, Lumpini Property Management Co., Ltd.                               |
| 12. Mr. Pichet     | Chulachan         | Member, Lumpini Project Management Service Co., Ltd.                        |
| 13. Mr. Worapoj    | Ratchatapiti      | Member, Lumpini Project Management Service Co., Ltd.                        |
| 14. Ms. Suttiwan   | Dechpae           | Member, LPC Social Enterprise Co., Ltd.                                     |
| 15. Mr. Kraisor    | Kanlayanamongkhon | Member, LPC Social Enterprise Co., Ltd.                                     |
| 16. Mr. Siwarak    | Chusak            | Member, LPC Social Enterprise Co., Ltd.                                     |
| 17. Ms. Suwimon    | Kornsri           | Member, L.P.N. Development Public Co., Ltd.                                 |
| 18. Mr. Sampan     | Tangtaworn        | Member, L.P.N. Development Public Co., Ltd.                                 |
| 19. Mrs. Jariya    | Natapan           | Member, L.P.N. Development Public Co., Ltd.                                 |
| 20. Ms. Malaiwan   | Chitphattanakun   | Member, L.P.N. Development Public Co., Ltd.                                 |
| 21. Ms. Yanee      | Amarutruedee      | Member, L.P.N. Development Public Co., Ltd.                                 |
| 22. Mr. Supat      | Pongchotpiroon    | Member, L.P.N. Development Public Co., Ltd.                                 |
| 23. Ms. Monapat    | Supakijjanusan    | Member, L.P.N. Development Public Co., Ltd.                                 |
| 24. Ms. Phunna     | Thongsawang       | Member, L.P.N. Development Public Co., Ltd.                                 |
| 25. Mr. Prachayan  | Laohasakdadej     | Member, L.P.N. Development Public Co., Ltd.                                 |
| 26. Mr. Sihut      | Srisorn           | Member, L.P.N. Development Public Co., Ltd.                                 |
| 27. Ms. Jeeranan   | Chombuatong       | Member, L.P.N. Development Public Co., Ltd.                                 |
| 28. Ms. Ploenchit  | Ridthawat         | Member, Lumpini Property Management Co., Ltd.                               |
| 29. Mr. Vanlop     | Vongmuangkan      | Member, Lumpini Property Management Co., Ltd.                               |
| 30. Ms. Ratikorn   | Saigarn           | Member, LPN Team (trade partner company)                                    |
| 31. Ms. Amornrat   | Detudomrat        | Member, Lumpini Wisdom and Solution Co., Ltd.                               |
| 32. Mr. Phoomphong | Bhumabhuti        | Member, LPN Team (trade partner company)                                    |
| 33. Mr. Komsan     | Chaiyanat         | Member, LPN Team (trade partner company)                                    |
| 34. Mr. Pitchakorn | Srethaphakdi      | Member, LPN Team (trade partner company)                                    |
| 35. Mr. Attasit    | Uaapisitwong      | Member, LPN Team (trade partner company)                                    |
| 36. Ms. Kunteera   | Sinnitikon        | Member, L.P.N. Development Public Co., Ltd. and Secretary of the Committee  |

| Meeting No. | Date           | Agenda  |
|-------------|----------------|---|
| 1           | 4 April 2019   | Oversee and monitor the operation to ensure consistency with the business plan. |
| 2           | 4 July 2019    |   |
| 3           | 3 October 2019 |   |



## Corporate Environmental and Social Responsibility Committee Charter

### Summary of key points

#### 1. Mission

The duty of the Corporate Environmental and Social Responsibility Committee is to provide oversight of the Company, subsidiary companies and affiliated companies' environmental and social responsibility which will focus on the impact on stakeholders.

#### 2. Membership and Qualifications

- 2.1 The Board of Directors will appoint an appropriated person to be the Chairman of the Corporate Environmental and Social Responsibility Committee.
- 2.2 The Chairman of the Committee will select members of the Committee from qualified executives of the Company, subsidiary companies and affiliated companies and determine numbers of the Committee members.

#### 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 Chairman and members 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, subsidiary companies, affiliated companies and associated 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 no less than half of its 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.

## Report on Meeting Attendance of Committees' Members

In 2019, the details of meeting of subcommittees are as follows:

#### 1. Audit Committee

In 2019, 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 of the Audit Committee | 4/4                     |
| 2   | Mr. Kriek Vanikkul          | Committee Member                | 4/4                     |
| 3   | Mr. Khanohai Vijakkana      | Committee Member                | 4/4                     |
| 4   | Mr. Weerasak Wahowisal      | Committee Member                | 4/4                     |

## 2. Executive Committee

In 2019, the total of 21 meetings of the Executive Committee which are planned in advance are held with the attendance of the following members:

| No. | Name         |              | Position         | No. of Meeting Attended |
|-----|--------------|--------------|------------------|-------------------------|
| 1   | Mr. Opas     | Sripayak     | Chairman         | 21/21                   |
| 2   | Mr. Apichart | Kasemkulsiri | Committee Member | 20/21                   |
| 3   | Mr. Surawut  | Sukharoensin | Committee Member | 21/21                   |

## 3. Nomination, Remuneration and Good Corporate Governance Committee

In 2019, the total of three 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. Khanchai | Vijakkana       | Chairman         | 3/3                     |
| 2   | Mr. Kriak    | Vanikkul        | Committee Member | 2/3                     |
| 3   | Mr. Weerasak | Wahawisal       | Committee Member | 3/3                     |
| 4   | Mr. Pichet   | Supakijjanusari | Committee Member | 3/3                     |
| 5   | Mr. Opas     | Sripayak        | Committee Member | 3/3                     |

## 4. Risk Management Committee

In 2019, the total of three meetings of the Risk Management Committee which are planned in advance are held with the attendance of the following members:

| No. | Name           |              | Position         | No. of Meeting Attended |
|-----|----------------|--------------|------------------|-------------------------|
| 1   | Mr. Opas       | Sripayak     | Chairman         | 3/3                     |
| 2   | Mr. Apichart   | Kasemkulsiri | Committee Member | 3/3                     |
| 3   | Mr. Surawut    | Sukharoensin | Committee Member | 3/3                     |
| 4   | Ms. Somsri     | Techakrasi   | Committee Member | 3/3                     |
| 5   | Dr. Ponn       | Virulrak     | Committee Member | 3/3                     |
| 6   | Ms. Surasawadi | Suewaja      | Committee Member | 3/3                     |
| 7   | Mr. Prapanisak | Rakchaiyawan | Committee Member | 3/3                     |

## 6. Non-Executive Directors Meeting

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 2018, there is a 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      | 1/1                     |
| 2   | Mr. Vudhiphol Suriyabhivadh | Vice Chairman | 1/1                     |
| 3   | Mr. Tikhamporn Plengsisuk   | Vice Chairman | 1/1                     |
| 4   | Mr. Khanchai Vijakkana      | Director      | 1/1                     |
| 5   | Mr. Krirk Vanikkul          | Director      | 1/1                     |
| 6   | Mr. Weerasak Wahawisal      | Director      | 1/1                     |
| 7   | Mr. Pichet Supakijjanusan   | Director      | 1/1                     |
| 8   | Mrs. Yupa Techakraisri      | Director      | 1/1                     |
| 9   | Mr. Kumpee Chongthurakit    | Director      | 1/1                     |

## Director and Executive Nomination Process

In 2019, there are meetings of each committee as follows:

### Independent Director

As of 31 December 2019, 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. Mr. Vudhiphol Suriyabhivadh
3. Mr. Khanchai Vijakkana
4. Mr. Krirk Vanikkul
5. Mr. Weerasak Wahawisal

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 or 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 percent 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 of 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 Directors' 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. Executives of the Company, Subsidiary Companies, Affiliated Companies and Associated Companies Nomination Process

With regard to the nomination of executives i.e. Deputy Managing Director and Assistant Managing Director of the Company, subsidiary companies, affiliated companies and associated companies, the Board of Directors assigns the Executive Committee to nominate candidates from both inside and outside of the organization based on the qualifications, experiences, expertise in the profession and transparent professional background.



## Corporate Governance of the Operation of Subsidiary Companies and affiliated 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. Pomsanti 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. LPC Social Enterprise Co., Ltd. (originally called 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, Affiliated Companies and Associated 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 in subsidiary companies, affiliated companies and associated 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 companies and affiliated companies. 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, Affiliated Companies and Associated Companies

The Board of Directors has established the duties and responsibilities of directors of subsidiary companies, affiliated companies and associated 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 companies, affiliated companies and associated companies
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 companies, affiliated companies and associated companies 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 2019, 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 2019.
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 2019, the Company does not do anything that violated 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 2019, 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 2019. The audit fee is as follows:

| No.   | Company                                      | Amount    |
|-------|--|-----------|
| 1     | L.P.N. Development Public Co., Ltd.          | 1,620,000 |
| 2     | Pornsanti Co., Ltd.                          | 445,000   |
| 3     | Lumpini Property Management Co., Ltd.        | 317,000   |
| 4     | Lumpini Project Management Service Co., Ltd. | 222,000   |
| 5     | LPO Social Enterprise Co., Ltd.              | 141,000   |
| 6     | Lumpini Wisdom and Solution Co., Ltd.        | 206,000   |
| Total |  | 2,951,000 |

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, affiliated companies and associated 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.

This Corporate Governance Policy establishes eight principles for 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 Community 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 and affiliated 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-G 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:

##### **2.1 Structure of the Board of Directors**

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 2019 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 right 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 2019, in the Annual General Meeting of Shareholders 2019 held on 28 March 2019, there are four directors who retire by rotation, namely,

- |                  |              |
|------------------|--------------|
| 1. Mr. Vudhiphol | Suriyabhidh  |
| 2. Mr. Tikhampon | Pfengsisuk   |
| 3. Mr. Krirk     | Vanikkul     |
| 4. Mr. Surawut   | Sukharoensin |

In the Annual General Meeting of Shareholders 2019, the resolution is passed by the majority of votes of all the votes of the shareholders attending the meeting and having the right 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 or Other Listed Companies |
|-----|---------------|---------------|------------------------|--|
| 1   | Mr. Amornsuk  | Noparumpa     | 2                      | -  |
| 2   | Mr. Vudhiphol | Suriyabhivadh | 3                      | -  |
| 3   | Mr. Tikhampom | Plengsrisuk   | -                      | -  |
| 4   | Mr. Khanchai  | Vijakkana     | 3                      | -  |
| 5   | Mr. Krirk     | Vanikkul      | 2                      | -  |
| 6   | Mr. Weerasak  | Wahawisal     | -                      | -  |
| 7   | Mr. Pichet    | Supakijenusan | -                      | -  |
| 8   | Mrs. Yupa     | Techakraisi   | 1                      | -  |
| 9   | Mr. Kumpee    | Chongthurakit | 1                      | -  |
| 10  | Mr. Opas      | Sripayak      | -                      | -  |
| 11  | Mr. Apichart  | Kasemkulciri  | 2                      | -  |
| 12  | Mr. Surawut   | Suktharoensin | -                      | -  |

Note: Board of Directors as of 31 December 2019

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 Chief Executive Officer (CEO) in Other Companies

In order to enable the Managing Director to dedicate his time to the performance of his duties as the Chief Executive Officer for the utmost benefit of the Company, it is the policy established by the Board of Directors that the Chief Executive Officer must not serve as a Chief Executive Officer 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 : CEO

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 and monitoring the performance of the Executives and the Management. The duties and responsibilities are as follows:

1. Oversee the operational management and/or the management of the Company including overall operation to ensure that they are in line with the policy, business strategy, operational goals and plans, financial goals and budget of the Company as approved by the Board of Directors and/or the resolution of the Shareholders' meetings and that they comply with the objectives and rules and regulations of the Company.
2. Oversee investment plans with the endorsement of the Executive Committee to be proposed to the Board of Directors for consideration and approval.
3. Specify management methods as well as recruitment, training, employment and dismissal of employees including wage rates, salary, remuneration, bonus and employee welfare with the endorsement of the Executive Committee.
4. Communicate, on behalf of the company, with shareholders and stakeholders.
5. Ensure that the Company has a good corporate governance in compliance with the Board of Directors' policy.
6. Has an authority to formulate, amend, add, and improve rules and regulations relating to the Company's operation with the agreement of the Executive Committee.
7. Consider/approve contract signing and/or any procedure relating to the Company's operation and/or management with the agreement of the Executive Committee.
8. Perform any duties and responsibilities as assigned by the Board of Directors.

#### Duties and Responsibilities of Chief Finance Officer (CFO)

1. Oversee and manage accounting system to ensure that it is in line with the Generally Accepted Accounting Principles (GAAP).
2. Oversee and manage financial system and financial conditions including working capital, investment with remaining cash and management of loans for business operation as well as financial management.
3. Oversee and manage tax planning.
4. Ensure that there will be a decent risk management and internal control system.
5. Communicate, on behalf of the company, with shareholders and stakeholders.

#### Duties and Responsibilities of Chief Strategic Officer (CSO)

1. Oversee the communication and the process of internal and external strategy of the Company to ensure that employees, alliances of the organization and stakeholders understand the organizational strategy which will allow the Company to achieve overall goals.
2. Oversee the execution of organizational strategy and monitor the development to ensure that it is in accordance with medium-term plan and long-term plan.
3. Formulate, monitor, and review the main strategic plan of the organization and formulate a qualitative organizational strategy which is inclusive and practical.
4. Support and promote important creative strategic thinking by cooperating with alliances or setting up a committee to mobilize it.
5. Promote the inter-departmental coordination on strategic planning and set up a working team that cooperate with various departments.
6. Communicate, on behalf of the company, with shareholders and stakeholders.

#### **3.9 Directors and Executives Development**

The Board of Directors gives 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"><li>- 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</li><li>- Curriculum in Security Psychology, Class 31</li><li>- Curriculum in Advanced Management, Class 7</li><li>- Diploma from the National Defence College of Thailand (Class 399)</li></ul> |
| 2   | Mr. Vudhiphol  | Suriyabhivadh | <ul style="list-style-type: none"><li>- Certification of Completion of Directors Certification Program (DCP 36/2003), Audit Committee Program (ACP 7/2006) and Director Certification Program Update (CDPU 3/2015) from the Thai Institute of Directors</li></ul>   |
| 3   | Mr. Tikhamporn | Plengrisuk    | <ul style="list-style-type: none"><li>- Director Certification Program (DCP 23/2002) from the Thai Institute of Directors and Finance for Non-Finance Directors (FND 4/2003) from the Thai Institute of Directors</li></ul>   |



| No. | Name         |                | Course Attended   |
|-----|--------------|----------------|---|
| 4   | Mr. Weerasak | Wahawisai      | - Director Accreditation Program (DAP 63/2007),<br>Director Certification Program (DCP 91/2007),<br>Role of Compensation Committee (RCC 15/2012),<br>Audit Committee Program (ACP 45/2013),<br>Director Certification Program update (DCPU 1/2014),<br>Chartered Director Class (CDC 8/2014) and<br>Advance Audit Committee Program (AACP 20/2015)<br>from the Thai Institute of Directors  |
| 5   | Mr. Khanchai | Vijakkana      | - Director Accreditation Program (DAP 112/2014),<br>Role of Compensation Committee (RCC 19/2014) and<br>Director Certification Program (DCP 119/2015)<br>from the Thai Institute of Directors   |
| 6   | Mr. Pichet   | Supakijjanusan | - Director Certification Program (DCP 27/2003),<br>Finance for Non-Finance Directors (FND 4/2003) and<br>Audit Committee Program (ACP 21/2008)<br>from the Thai Institute of Directors  |
| 7   | Mrs. Yupa    | Techakraisi    | - Director Certification Program (DCP 32/2003)<br>from the Thai Institute of Directors  |
| 8   | Mr. Kumpee   | Chongtharakit  | - Director Accreditation Program (DAP 4/2003) and<br>Director Certification Program (DCP 48/2004)<br>from the Thai Institute of Directors   |
| 9   | Mr. Opas     | Sripayak       | - Director Certification Program (DCP 71/2006) and<br>Finance for Non-Finance Directors (FND 24/2005)<br>from the Thai Institute of Directors   |
| 10  | Mr. Kriak    | Vanikkul       | - Advanced Management Program (AMP),<br>Harvard Business School<br>- Chartered Director Course,<br>Thai Institute of Directors Association<br>- Curriculum in Advanced Management (Class 7),<br>Capital Market Academy<br>- Improving the Quality of Financial Reporting (QFR 3/2006) and<br>Director Certification Program (DCP 42/2004),<br>Thai Institute of Directors Association (IOD) |
| 11  | Mr. Apichart | Kasemkulsiri   | - Curriculum in Advanced Management (Class 27),<br>Capital Market Academy (2018)<br>- Director Certification Program (DCP 73/2006)<br>- TLCA CFO Professional Development Program<br>(TLCA CFO CPD) 2019 from Thai Listed Companies Association   |
| 12  | Mr. Surawut  | Sukcharoensin  | - Director Certification Program (DCP 267/2018)<br>from Thai Institute of Directors (IOD)<br>- MIT SA+P Commercial Real Estate Analysis Investment  |

As for the capacity building of executives who are staff of the Company, the details will be included in section 6.5.2 "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 2019, 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 of 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 November 2018. 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 2019 has been presented to the Board of Directors' Meeting Ref. 7/2019 on 13 December 2019.



• The overall result of the evaluation of individual directors (self-evaluation) is as follows:

| No.     | Topic                       | Result (%) | Level     |
|---------|-----------------------------|------------|-----------|
| 1       | Core Competency             | 85.42      | Very Good |
| 2       | Independence                | 82.81      | Very Good |
| 3       | Preparedness                | 85.94      | Very Good |
| 4       | Practice as a Director      | 94.64      | Very Good |
| 5       | Board Activities            | 88.43      | Very Good |
| 6       | Development of Organization | 88.10      | Very Good |
| Overall |                             | 87.56      | Very Good |

• The overall result of the evaluation of individual directors (cross-evaluation) is as follows:

| No.     | Topic                       | Result (%) | Level     |
|---------|-----------------------------|------------|-----------|
| 1       | Core Competency             | 89.58      | Very Good |
| 2       | Independence                | 82.52      | Very Good |
| 3       | Preparedness                | 90.80      | Very Good |
| 4       | Practice as a Director      | 93.65      | Very Good |
| 5       | Board Activities            | 92.44      | Very Good |
| 6       | Development of Organization | 92.06      | Very Good |
| Overall |                             | 90.18      | 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              | 97.22      | Very Good |
| 2       | Roles and Responsibilities of the Board of Directors                | 95.68      | Very Good |
| 3       | Board of Directors' Meeting   | 97.22      | Very Good |
| 4       | Directors' Performance  | 96.43      | Very Good |
| 5       | Relationship with the Management                                    | 93.33      | Very Good |
| 6       | Self-Development of Directors and the Development of the Executives | 90.28      | Very Good |
| Overall |   | 95.03      | 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                               | 76.14      | Good      |
| 2       | Strategy                                 | 78.41      | Good      |
| 3       | Implementation of Strategy               | 80.30      | Very Good |
| 4       | Financial Planning and Performance       | 84.09      | Very Good |
| 5       | Relationship with the Board of Directors | 85.61      | Very Good |
| 6       | Relationship with External Parties       | 80.45      | Very Good |
| 7       | Management and Relationship with Staff   | 79.55      | Good      |
| 8       | Succession Plan                          | 69.70      | Fair      |
| 9       | Knowledge about Products and Services    | 85.80      | Very Good |
| 10      | Personal Qualifications                  | 80.30      | Very Good |
| Overall |  | 83.03      | Very Good |

### 3.10.3 The Evaluation of Subcommittees

In 2019, 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 five 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 and Qualifications of the Committee | 100.00     | Very Good |
| 2       | Committee Meeting                             | 96.88      | Very Good |
| 3       | Roles and Responsibilities of the Committee   | 98.75      | Very Good |
| Overall |   | 98.54      | 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 and Qualifications of the Executive Committee           | 83.33      | Very Good |
| 2       | Executive Committee Meeting                                       | 97.92      | Very Good |
| 3       | Roles and Responsibilities as a member of the Executive Committee | 93.33      | Very Good |
| Overall |   | 91.53      | Very Good |

### 2) Result of the Evaluation of Executive Committee

| No.     | Topic   | Result (%) | Level     |
|---------|---|------------|-----------|
| 1       | Structure and Qualifications of the Executive Committee | 87.50      | Very Good |
| 2       | Executive Committee Meeting                             | 93.06      | Very Good |
| 3       | Roles and Responsibilities of the Executive Committee   | 91.67      | Very Good |
| Overall |   | 90.74      | 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        | 95.00      | Very Good |
| 2       | Committee Meeting                                   | 100.00     | Very Good |
| 3       | Roles, Duties and Responsibilities of the Committee | 96.00      | Very Good |
| Overall |   | 97.00      | Very Good |

### 2) Result of the Evaluation of Nomination, Remuneration and Good Corporate Governance Committee

| No.     | Topic   | Result (%) | Level     |
|---------|---|------------|-----------|
| 1       | Structure and Qualifications of the Committee | 99.00      | Very Good |
| 2       | Committee Meeting                             | 98.33      | Very Good |
| 3       | Roles and Responsibilities of the Committee   | 93.18      | Very Good |
| Overall |   | 96.84      | 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 and Qualifications of the Committee | 87.50      | Very Good |
| 2       | Committee Meeting                             | 95.83      | Very Good |
| 3       | Roles and Responsibilities of the Committee   | 95.00      | Very Good |
| Overall |   | 92.78      | Very Good |

##### 2) Result of the Evaluation of Risk Management Committee

| No.     | Topic   | Result (%) | Level     |
|---------|---|------------|-----------|
| 1       | Structure and Qualifications of the Committee | 91.67      | Very Good |
| 2       | Committee Meeting                             | 97.22      | Very Good |
| 3       | Roles and Responsibilities of the Committee   | 91.67      | Very Good |
| Overall |   | 93.52      | 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 and Qualifications of the Committee | 73.44      | Good      |
| 2       | Committee Meeting                             | 76.16      | Good      |
| 3       | Roles and Responsibilities of the Committee   | 80.69      | Very Good |
| Overall |   | 76.76      | Good      |

##### 2) Result of the Evaluation of Corporate Environmental and Social Responsibility Committee

| No.     | Topic   | Result (%) | Level     |
|---------|---|------------|-----------|
| 1       | Structure and Qualifications of the Committee | 85.07      | Very Good |
| 2       | Committee Meeting                             | 84.17      | Very Good |
| 3       | Roles and Responsibilities of the Committee   | 84.38      | Very Good |
| Overall |   | 84.54      | Very Good |



#### **Principle 4 Ensure Effective High-Ranking Executives and Personnel Management**

All high-ranking executives such as Chief Executive Officer, Chief Finance Officer, Chief Strategy Officer, Managing Director of the Company and subsidiary companies, Deputy Managing Director and Assistant Managing Director of the Company, subsidiary companies, affiliated companies and associated companies are of importance to the achievement of goals of the Company. Therefore, one of the responsibilities of the Board of Directors 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 Board of Directors 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. LPN Academy is responsible for this matter which has to continuously been done.

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 an executive-level position. Managerial and Leadership training course is organized to develop managerial knowledge, skill and competencies for individual management, team management and work management as well as to build leadership competency until the staff reach proficiency level expected by the organization.

##### **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 2019, no new director is appointed so there is no orientation for new directors.

## 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 2019 the Company identifies 7 topics for improvement: reducing time, reducing costs, initiating innovations, increasing quality, increasing safety, increasing staff management efficiency and others. Staffs of the Company, subsidiary companies and affiliated companies are interested in participating in this activity. The activity benefits the organization as follows:

- Qualitatively, 80%, or more, of the projects submitted can be developed further and used to improve Work Standard Procedure. They can really increase income and reduce expenses and time. Moreover the organization can create activities out of it, such as Quality built - in and Make it Simple, for the continuous development of quality work process throughout the year.
- In term of value, organizational culture and lateral thinking are concretely promoted through organizational innovation project until they become actual work behaviors.



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 services. 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 products and services received.

Apart from the policy for joint business operations with its trade partners, the Company has established a policy in the Code of Business Conduct to be used as a practical guideline for the employees of the Company and subsidiary companies. The Company also encourages its trade partners to conduct their businesses with ethics and social and environmental responsibilities.

#### 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 2019, 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.
- Improving the quality of life of construction workers working in under-construction projects of the Company i.e. waste segregation in construction units, health examination for construction workers and waste management at construction sites.
- Managing electricity usage in various projects whose condominium juristic persons are managed by subsidiary companies such as an electricity reduction campaign and the participation in Turn Off the Light activity, water management and waste management.
- Reduce the negative effects of PM2.5 pollution in L.P.N.'s projects under-construction and in communities.

The details are included in Sustainability Report 2019 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](http://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.

In the year 2018, the Company has monitored and managed conflicts of interest that may occur amongst the Company, the Management and the Board of Directors as well as prevention of exploitation and Related Person Transactions. Main points are as follows:

#### 6.1 Criminal Record of Directors and Executives

During the past years and 2018, 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.

In 2019 there was an accident during the construction of a Company's project. According to the Occupational Safety, Health and Environment Act B.E. 2554 (2011), Section 34, the project owner was required to report a safety inspector immediately upon acknowledgement of such incident. The Company failed to comply with it. Therefore, the Company was penalized with a fine not exceeding fifty thousand THB. Since the fine has already been paid by the Company, the case is terminated. When such incident occurs, the Company's first priority is to assist and heal victims.

## 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 spouses and the next four executives succeeding the Managing Director as well as the Accounting Manager and Finance Manager must be reported in the Board of Directors' Meeting. In 2019, there is a total of five acquisition reports of the directors and their spouse and executives of the Company as follows:

1. Board of Directors' Meeting Ref. 1/2019 on 14 February 2019
2. Board of Directors' Meeting Ref. 3/2019 on 9 May 2019
3. Board of Directors' Meeting Ref. 4/2019 on 7 August 2019
4. Board of Directors' Meeting Ref. 6/2019 on 7 November 2019
5. Board of Directors' Meeting Ref. 7/2019 on 12 December 2019

The shareholding of the directors including their spouses and the next four executives as of 31 December 2019 accounts for 3.55% of all the distributed shares. The details are as follows:

| Name              |                                      | No. of Shares<br>(20 Feb 2019) | No. of Share<br>(31 Dec 2019) | Increase (Decrease)<br>during the year (Shares) |
|-------------------|--------------------------------------|--------------------------------|-------------------------------|---|
| 1. Mr. Amornsuk   | Noparumpa                            | -                              | -                             | -   |
| 2. Mr. Vudhiphol  | Suriyabhivadh                        | 547,000                        | 547,000                       | -   |
|                   | Mrs. Thasanee Suriyabhivadh (spouse) | 900,000                        | 900,000                       | -   |
| 3. Mr. Tikhamporn | Plengsrisuk                          | 4,000,000                      | 4,000,000                     | -   |
| 4. Mr. Khanchai   | Vijakkana                            | -                              | -                             | -   |
| 5. Mr. Krirk      | Vanikkul                             | 559,100                        | 559,100                       | -   |
|                   | Mrs. Methinee Vanikkul (spouse)      | 20,000                         | 20,000                        | -   |
| 6. Mr. Weerasak   | Wahawisal                            | -                              | -                             | -   |
| 7. Mr. Pichet     | Supakijjanusan                       | 4,000,000                      | 4,000,000                     | -   |
| 8. Mrs. Yupa      | Techakraisi                          | 23,769,499                     | 23,769,499                    | -   |
| 9. Mr. Kumpee     | Chongthurakij                        | 18,000,000                     | 18,000,000                    | -   |
|                   | Mrs. Choopan Chongthurakij (spouse)  | 50,000                         | 50,000                        | -   |
| 10. Mr. Opas      | Sripayak                             | -                              | -                             | -   |
| 11. Mr. Apichart  | Kasemkulsi                           | -                              | -                             | -   |



| Name  |                             | No. of Shares<br>(28 Feb 2019) | No. of Share<br>(31 Dec 2019) | Increase (Decrease)<br>during the year (Shares) |
|-------|-----------------------------|--------------------------------|-------------------------------|---|
| 12.   | Mr. Surawut Sukcharoensin   | 250,000                        | 250,000                       | -   |
| 13.   | Mr. Montien Weerotai        | -                              | -                             | -   |
| 14.   | Mrs. Piyahuch Naveenavakun  | -                              | -                             | -   |
| 15.   | Ms. Saowanee Angkoonpipat   | -                              | -                             | -   |
| 16.   | Ms. Suwattana Tang          | -                              | -                             | -   |
| 17.   | Mr. Saengchai Luangchutamas | 105,000                        | 105,000                       | -   |
| 18.   | Mr. Nakul Tangprasit        | -                              | -                             | -   |
| 19.   | Ms. Suporn Wongwaipairoj    | 74,300                         | 74,300                        | -   |
| 20.   | Ms. Nittaya Wongtavilarp    | -                              | -                             | -   |
| 21.   | Mrs. Panadda Kajornsilpa    | -                              | -                             | -   |
| Total |                             | 52,274,899                     | 52,274,899                    | -   |

### 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 to the Board of Directors' Meeting in every quarter of the year for acknowledgement. In 2019, there are three reports on interest of the directors and executives as follows:

1. Board of Directors' Meeting Ref.3/2019 on 9 May 2019
2. Board of Directors' Meeting Ref.4/2019 on 7 August 2019
3. Board of Directors' Meeting Ref.6/2019 on 7 November 2019

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](http://www.set.or.th) and that of the Company i.e. [www.lph.co.th](http://www.lph.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.lph.co.th](http://www.lph.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.



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 2019, the Company has regularly provided information and news of the Company through various channels and media so that shareholders, investors, analysts, other stakeholders and general public are well-informed 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:
  - Eight company visits
  - Ten conference calls
  - Two road shows
  - Three analyst meetings
  - One Opportunity Day
  - One site visit
  - One shareholders' meeting

There are also twenty analysis reports of securities firms that analyze the information of the Company.

- 2) Five 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. Chief Executive Officer and Managing Directors of the Company and subsidiary companies are interviewed by the media. There are the total of 84 news articles about the Company. There are the total of 85 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. Varish Maemaun

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 residential condominiums and single houses in various projects of the Companies and subsidiary companies via the website of the Company i.e. [www.lpn.co.th](http://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, 36 Floor, Lumpini Tower, Rama 4, Tungmahamek, Sathorn, Bangkok 10120 or

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 through the Whistleblower Policy of 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 2019, 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 2019 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 the Global Reporting Initiative Standards (GRI Standards): Core Option, which is different from the previous year report that used the G4 Guideline, and the GRI's G4 Construction and Real Estate Sector Disclosure. It can be downloaded from the Company's website: [www.lpn.co.th](http://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](http://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](http://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 8.30-17.00 h. and the venue will be in Bangkok.

In 2019, one Annual General Meeting of Shareholders is organized i.e. the Annual General Meeting of Shareholders 2019 on 28 March 2019. 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 09.30 h. 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 2019.

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](http://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
  - 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.ipn.co.th](http://www.ipn.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 2019, the Annual General Meeting of Shareholders will be held on 28 March 2019. The meeting invitation letter and meeting handouts are published on the website of the Company both in Thai and English on 26 February 2019 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 2019, the Annual General Meeting of Shareholders will be held on 28 March 2019. The Company assigns Thailand Securities Depository Co., Ltd. to deliver the meeting invitation letter to shareholders on 7 March 2019 or 21 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, right 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' right 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 2019, 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](http://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 right 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 2019, 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](http://www.lpn.co.th) both in Thai and in English.

In 2019, after the Annual General Meeting of Shareholders 2019 on 28 March 2019, 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 (28 March 2019). 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 2019. The minutes is published on the website of the Company i.e. [www.lpn.co.th](http://www.lpn.co.th) both in Thai and 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](http://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](http://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 2019 the Company has invited minor shareholders on 14 August 2019 via the information system of the Stock Exchange of Thailand and the website of the Company i.e. [www.lpn.co.th](http://www.lpn.co.th) to propose a meeting agenda in advance during 1 September-30 November 2019.. As of 30 November 2019, 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 2019, 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 26 February 2019 to 22 March 2019. 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](http://www.lpn.co.th) under Investor Relations on 26 February 2019. 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.

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 three 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 copyright, patent or trademarks. Operational guidelines have been established clearly, for example, in terms of copyright, 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 Right 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 Right has also been included in the Code of Business Conduct.

## 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 "Together, 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 LPN Academy, the center for human resources development and knowledge sharing, and LPC Social Enterprise Co., Ltd. (originally called Lumpini Property Service and Care Co., Ltd.), the center for the development of quality of life of underprivileged women.

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 2019 which is available for download at [www.lpn.co.th](http://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 negligent 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 Council.

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 Collective Action Coalition 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.

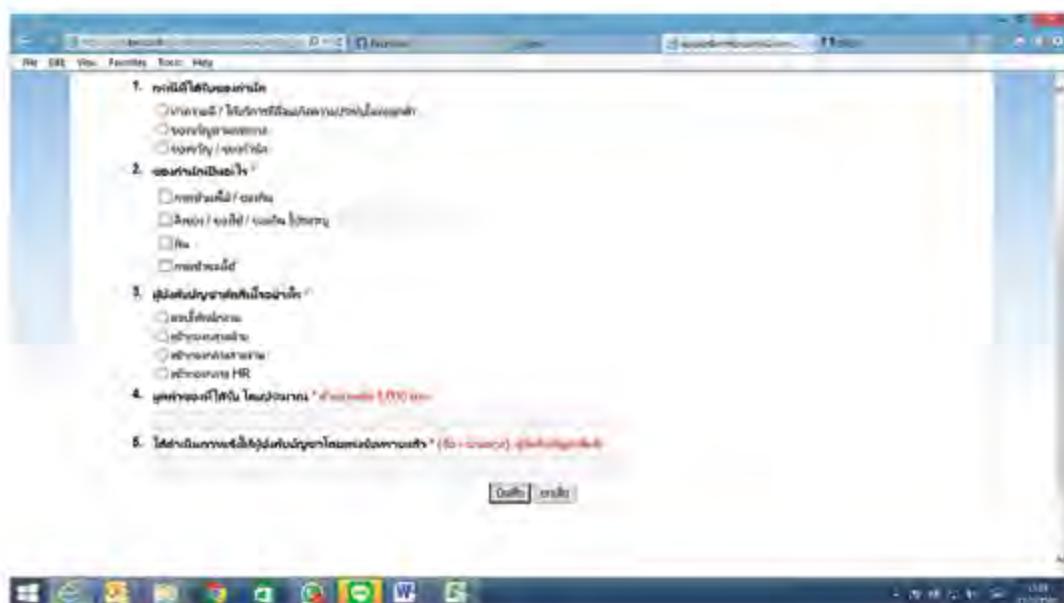
## Assessment of Compliance with Anti-corruption Policy

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







## 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](mailto: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 Director.
- 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, together with the Organization Development Department, will be responsible for concluding the information and submit it to the Executive Committee for consideration.



In 2019, the total of eight complaints are received. The facts are investigated, and it is found that none of the complaints violate anti-corruption policy of the Company and they do not cause any damage to the Company. All complaints are related to violation of operational regulations and announcement of the Company. The details are as follows:

- No violation found in 2 complaints.  
The fact has been communicated to staff for acknowledgement.
- Six complaints on the violation of operational regulations and announcement of the Company which are not so serious. The penalty is verbal warning and written warning.

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 Committee for consideration of courses of action and reported to the Audit Committee if the violation is found. If the investigation concludes that there is no violation, the results of the complaints will be communicated to staff in the organization. The awareness of the importance of the Code of Conduct is also raised among staff.



## Corruption Risk Assessment

Every departments of the Company and subsidiary companies are required to perform the Corruption Risk Assessment. The process is as follows:

1. Corruption Risk is defined as one of the risk factors of the organization that need to be managed.
2. Risk Assessment and Reporting: All departments in the Company, subsidiary companies and affiliated companies will assess risk in their department once every quarter. The information shall be compiled and presented to the Risk Management Committee for consideration.
3. Risk Management: The Risk Management Committee will assess, analyze and prioritize risks. Risk management guideline and strategy will be identified and proposed to the Board of Directors for consideration and approval at least once every quarter.
4. Communication: Risk management guideline will be communicated to all departments for compliance and implementation.
5. The outcome of risk assessment and management will be reported to the 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              | Panahasarp            | Director                                |
| 9. Mrs. Jongjit              | Thapanangkun          | Director                                |
| 10. Mr. Sinchai              | Charoensakwattana     | Director                                |
| 11. Mr. Chales               | Yi Kwong Lee          | Director                                |
| 12. Mr. Somkiat              | Tangthaworn           | Director                                |
| 13. Assoc. Prof. Dr. Somchai | Phakaphasvivat        | Director                                |
| 14. Mr. Tikhamporn           | Plengsrisuk           | Managing Director                       |
| 15. Mrs. Yupa                | Techakraisi           | Director and Deputy Managing Director   |
| 16. Mr. Pjohet               | 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. Nawanuoh | 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 Plengarisuk 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 Thayisin as a Chairman of the Board of Directors
    - 1.2 Prof. Siri Keiwalinsit as a Vice Chairman of the Board of Directors
    - 1.3 Mr. Amornsuk Noparumpa as a Director
    - 1.4 Mr. Tikhamporn Plengsisuk 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 Plengsisuk
  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 an 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 Shipayak as an Executive Director and Managing Director
- In November 2009, Mr. Amornsuk Noparumpa and Mr. Thep Roongtanapirom attended the Role of Compensation Committee (RCG 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 Plengsisuk 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 Chongthursak 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 Keiwalinsri 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. Khanchai Vijakkana 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 | Sunyabhivadh    | 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. (Seven Hundred and Fifty Million Baht Only)
- The Board of Directors' Meeting Ref. 1/2016 on 11 February 2016 resolved to appoint Mr. Khanchai Vijakkana, Director, as an Independent Director of the Company.
- The Board of Directors' Meeting Ref. 3/2016 on 31 March 2016 resolved to appoint Mr. Khanchai Vijakkana, Director and Independent Director, as Audit Committee Member, effective from 1 May 2016. The Board of Directors' Meeting Ref. 3/2016 on 31 March 2016 resolved to appoint Mr. Khanchai Vijakkana, 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 located at Kamala subdistrict, Kathu 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).

## 2018

- Prof. Siri Keiwalinsrit resigned from the position of Vice Chairman of the Board of Directors and Independent Director, effective on 1 February 2018.
- Mr. Vudhiphol Suriyabhivadh resigned from the position of Chairman of Nomination, Remuneration and Good Corporate Governance Committee.
- Mr. Tikhamporn Plengsrisuk resigned from the position of Chief Executive Director, Chief Executive Officer and a Nomination, Remuneration and Good Corporate Governance Committee Member.
- Mr. Opas Sripayak is appointed as Chief Executive Officer, effective on 11 January 2018.
- The resolution of the Board of Directors' Meeting Ref. 1/2018 on 11 January 2018 is as follows:
  - 1) Mr. Krirk Vanikku is to be appointed as a director, an Audit Committee Member, a Nomination, Remuneration and Good Corporate Governance Committee Member and an Independent Director.
  - 2) Mr. Vudhiphol Suriyabhivadh is to be appointed as Vice Chairman of the Board of Directors.
  - 3) Mr. Khanchai Vijakkana is to be appointed as Chairman of the Nomination, Remuneration and Good Corporate Governance Committee.
  - 4) Mr. Opas Sripayak is to be appointed as a Nomination, Remuneration and Good Corporate Governance Committee Member and Chairman of the Risk Management Committee, effective on 1 February 2018.
- Mrs. Jongjit Thapanangkun and Mr. Charan Kesorn resigned from a position of director, effective on 1 May 2018.
- The resolution of the Board of Directors Ref. 4/2018 on 10 May 2018 is as follows:
  - 1) Mr. Apichart Kasemkulsiri is to be appointed as a director and Chief Finance Officer (CFO).
  - 2) Mr. Surawut Sukcharoensin is to be appointed as a director and Chief Strategy Officer (CSO).
- A new Executive Committee is to be appointed to replace the former one, comprising Mr. Opas Sripayak, Mr. Apichart Kasemkulsiri and Mr. Surawut Sukcharoensin with Mr. Opas Sripayak as the Chief Executive Director.
- A new Risk Management Committee is to be appointed to replace the former one, comprising Mr. Opas Sripayak, Mr. Apichart Kasemkulsiri, Mr. Surawut Sukcharoensin, Mr. Charan Kesorn, Ms. Somsri Techakrasiri, Mr. Ponn Virulak, Ms. Surasawadi Suewaja and Mr. Prapansak Rakchayawan with Mr. Opas Sripayak as the Chairman of the Risk Management Committee.
- The Company issued two private placement debentures by the resolution of the Annual General Meeting of Shareholders 2018 at the combined amount of 980,000,000.- THB (Nine Hundred and Eighty Million Baht Only).
- Subsidiary companies have received ISO standards from Bureau Veritas Certification as follows:
  - 1) Lumpini Property Management Co., Ltd. receives ISO 9001:2015 Certification.
  - 2) Lumpini Project Management Service Co., Ltd. received ISO 9001:2015 Certification and ISO 14001:2015 Certification.
  - 3) LPG Social Enterprise Co., Ltd. (originally called Lumpini Property Service and Care Co., Ltd.) receives ISO 9001:2015 Certification.
- The Board of Directors' Meeting Ref. 8/2018 on 20 November 2018 resolves to approve the Treasury Stock Project. The objective of the share repurchase is for financial management. Maximum fund for the share repurchase is 400 million THB (Four Hundreds Million Baht Only). The amount of shares to be repurchased is 42 million shares with a par value of 1 THB per share, or 2.65% of all shares sold. The shares are to be repurchased via the Stock Exchange of Thailand from 4 December 2018 to 3 June 2019.

## 2019

- The Company issues private placement debentures and offers for sale twice from the outstanding balance approved by the Annual General Meeting of Shareholders 2018 and the balance approved by the Annual General Meeting of Shareholders 2019.
 

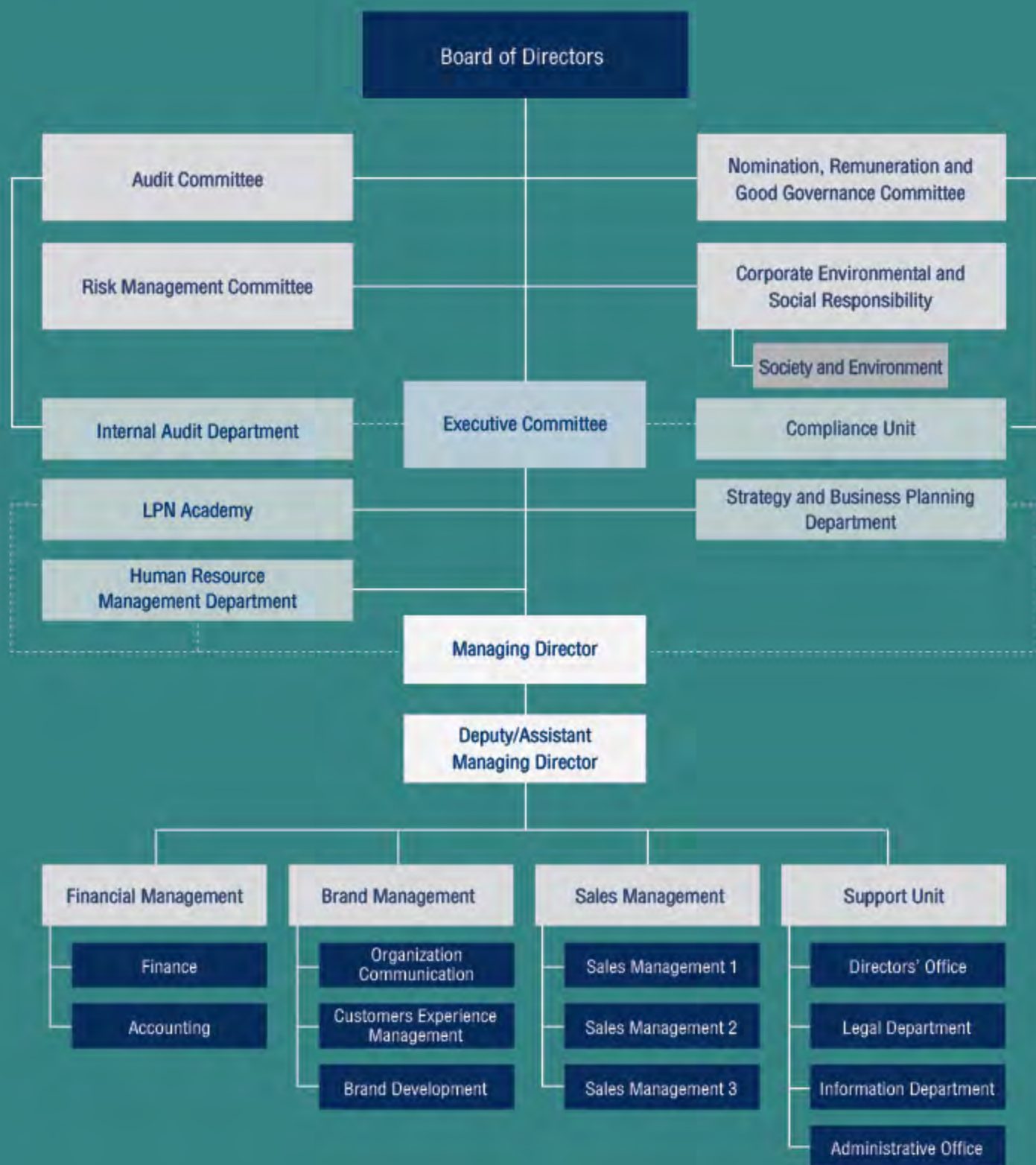
|  |                   |
|--|-------------------|
| - For sale to institution investor                     | 1,168,000,000 THB |
| - For sale to institution investor and major investors | 1,000,000,000 THB |
| Total balance  | 2,168,000,000 THB |
- The Company signs a joint venture agreement with Nye Estate Co., Ltd. and establishes a joint-stock company namely Dolsiri Development Co., Ltd. to develop buildings for rent on a lease hold plot on Rama 4 Road. Investment in project development is 1.452 billion THB (One Billion Four Hundred and Fifty Two Million Baht Only). The proportion of investment of the Company is 50% of the total investment of 3.791 billion THB (Three Billion Seven Hundred and Ninety One Million Baht Only).
- The Board of Directors' Meeting Ref. 6/2019 on 7 November 2019 resolves to approve the reissuance of 21,500,000 shares (Twenty One Million Five Hundred Thousand Shares) of treasury stock for financial management purpose, accounting for 1.46% of all shares sold. Timeframe of the reissuance of treasury stock is from 4 December 2019 to 3 June 2022.
- The 2019 Annual General Meeting of Shareholders held on 28 March 2019 resolves to approve the amendment of Article 21 to the Company's Articles of Association to be made in compliance with Section 100 of the Public Limited Company Act B.E. 2535 (1992), which is amended according to the Order of the Head of the National Council for Peace and Order No. 21/2560 (2017) Re: Amendment of Laws to Facilitate the Ease of Doing Business.
- The Company receives the renew membership certification of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), level 4 (Certified).







# MANAGEMENT STRUCTURE





## Board of Directors

The Board of Directors of L.P.N. Development Public Co., Ltd., as of 31 December 2019 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. Mr. Vudhiphol            | Suriyabhivadh  | Vice Chairman of the Board of Directors and Independent Director   |
| 3. Mr. Tikhamporn           | Plengsrisuk    | Vice Chairman of the Board of Directors and Non-Executive Director |
| 4. Mr. Khanchai             | Vijakkana      | Non-Executive Director and Independent Director                    |
| 5. Mr. Krirk                | Vanikkul       | Non-Executive Director and Independent Director                    |
| 6. Mr. Weerasak             | Wahawisal      | Non-Executive Director and Independent Director                    |
| 7. Mr. Pichet               | Supakijjanusan | Non-Executive Director   |
| 8. Mrs. Yupa                | Techakraisi    | Non-Executive Director   |
| 9. Mr. Kumpae               | Chongtharakit  | Non-Executive Director   |
| 10. Mr. Opas                | Sripayak       | Executive Directors and Chief Executive Officer                    |
| 11. Mr. Apichart            | Kasemkulsiri   | Executive Directors  |
| 12. Mr. Surawut             | Sukcharoensin  | Executive Directors  |
| with Miss Somri Techakraisi |                | as the Company Secretary.  |

During 2018 Prof. Siri Keiwalinsri, Mrs. Jongjit Thaparangkun and Mr. Charan Kesorn resigned from the position of Director. Mr. Krirk Vanikkul, Mr. Apichart Kasemkulsiri and Mr. Surawut Sukcharoensin are appointed to replace them.

### 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 2019 are as follows:

| 1. Five Independent Directors<br>(42%), namely, | 2. Nine Non-Executive Directors<br>(75%), namely, | 3. Three Executive Directors<br>(25%), namely, |
|---|---|--|
| 1) Mr. Amornsuk Noparumpa                       | 1) Mr. Amornsuk Noparumpa                         | 1) Mr. Opas Sripayak                           |
| 2) Mr. Vudhiphol Suriyabhivadh                  | 2) Mr. Vudhiphol Suriyabhivadh                    | 2) Mr. Apichart Kasemkulsiri                   |
| 3) Mr. Khanchai Vijakkana                       | 3) Mr. Tikhamporn Plengsrisuk                     | 3) Mr. Surawut Sukcharoensin                   |
| 4) Mr. Krirk Vanikkul                           | 4) Mr. Khanchai Vijakkana                         |  |
| 5) Mr. Weerasak Wahawisal                       | 5) Mr. Krirk Vanikkul                             |  |
|   | 6) Mr. Weerasak Wahawisal                         |  |
|   | 7) Mr. Pichet Supakijjanusan                      |  |
|   | 8) Mrs. Yupa Techakraisi                          |  |
|   | 9) Mr. Kumpae Chongtharakit                       |  |

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.

### Authority to Sign

The directors who have the authority to sign on behalf of the Company are "Mr. Opas Sripayak or Mr. Apichart Kasemkulsiri or Mr. Surawut Sukcharoensin, providing two of the above three 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. 1/2016 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, subsidiary companies, affiliated companies and associated companies. Ad-hoc meetings may be organized when urgent issue arise.

- The agenda of each meeting is clearly identified. The Chairman of the Board of Directors and Chief Executive Director 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 Managing Directors of subsidiary companies, the Management team of the Company, subsidiary companies, affiliated companies and associated 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 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 who is responsible for the organization of the meeting will let the directors evaluate 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 filled 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, Chief Executive Director, 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 2019 the Board of Directors has 7 meetings which have been planned in advance and attends one Annual General Meeting of Shareholders. There are 8 meetings in total. The details are as follows: (Information as of 31 December 2019)

| Meeting No. | Date        |      | Agenda  |
|-------------|-------------|------|---|
| 1           | 14 February | 2019 | Considered the 2018 financial statements, notified the resolution of dividend payment and considered the date of the Annual General Meeting of Shareholders |
| 2           | 28 March    | 2019 | Annual General Meeting of Shareholders 2019   |
| 3           | 28 March    | 2019 | Considered the appointment of directors for various positions in subcommittees  |
| 4           | 9 May       | 2019 | Approved the financial statements in Q 1/2019   |
| 5           | 7 August    | 2019 | Approved the financial statements in Q 2/2019   |
| 6           | 29 August   | 2019 | Considered the business plan in 2020 of the Company and subsidiary companies  |
| 7           | 7 November  | 2019 | Approved the financial statements in Q3/2019 and considered the selling of treasury stock   |
| 8           | 12 December | 2019 | Considered the performance in 2019 and approved the business plan in 2020   |



The details of the attendance of the directors are as follows:

| No. | Name                        | Position   | No. of Meeting Attended | Annual General Meeting of Shareholders (1) | %      |
|-----|-----------------------------|--|-------------------------|--|--------|
| 1   | Mr. Amornsuk Noparumpa      | Chairman of the Board of Directors and Independent Director  | 7/7                     | 1  | 100%   |
| 2   | Mr. Vudhiphol Suriyabhiwadh | Vice Chairman of the Board of Directors, Chairman of Audit Committee Member and Independent Director   | 7/7                     | 1  | 100%   |
| 3   | Mr. Tikhamporn Plengsitsuk  | Vice Chairman of the Board of Directors  | 7/7                     | 1  | 100%   |
| 4   | Mr. Khanchai Vijakdana      | Director, Audit Committee Member, Chairman of Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director   | 7/7                     | 1  | 100%   |
| 5   | Mr. Krirk Vanikkul          | Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director   | 7/7                     | 1  | 100%   |
| 6   | Mr. Weerasak Wahawisal      | Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director   | 7/7                     | 1  | 100%   |
| 7   | Mr. Pichet Supakijjanusan   | Director and Nomination, Remuneration and Good Corporate Governance Committee Member   | 7/7                     | 1  | 100%   |
| 8   | Mrs. Yupa Teohakraisri      | Director   | 6/7                     | 1  | 85.71% |
| 9   | Mr. Kumpee Chongthurakit    | Director   | 7/7                     | 1  | 100%   |
| 10  | Mr. Opas Sripayak           | Director, Chief Executive Director, Chief Executive Officer, Nomination, Remuneration and Good Corporate Governance Committee Member, Chairman of Risk Management Committee Member and Managing Director | 7/7                     | 1  | 100%   |
| 11  | Mr. Apichart Kasemkulsiri   | Director and Risk Management Committee Member  | 7/7                     | 1  | 100%   |
| 12  | Surawut Sukcharoensin       | Director and Risk Management Committee Member  | 7/7                     | 1  | 100%   |

Note: Number of meetings does not include the meeting organized during a project site visit which happens once.

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 2019 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 2019, 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         | Location                            |
|-------------|--------------|-------------------------------------|
| 1           | 20 June 2019 | Lumpini Suite Dindaeng-Ratchaprarop |

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   | Mr. Vudhiphol Suriyabhidh  | Vice Chairman of the Board of Directors,<br>Chairman of Audit Committee Member and Independent Director   | 1/1                     | 100% |
| 3   | Mr. Tikhamporn Plengsrisuk | Vice Chairman of the Board of Directors   | 1/1                     | 100% |
| 4   | Mr. Khanchai Vijakkana     | Director, Audit Committee Member, Chairman of Nomination,<br>Remuneration and Good Corporate Governance Committee<br>Member and Independent Director  | 1/1                     | 100% |
| 5   | Mr. Krirk Vanikkul         | Director, Audit Committee Member, Nomination, Remuneration<br>and Good Corporate Governance Committee Member and<br>Independent Director  | 1/1                     | 100% |
| 6   | Mr. Weerasak Wahawisal     | Director, Audit Committee Member, Nomination, Remuneration<br>and Good Corporate Governance Committee Member and<br>Independent Director  | 1/1                     | 100% |
| 7   | Mr. Pichet Supakijjanusan  | Director and Nomination, Remuneration and<br>Good Corporate Governance Committee Member   | 1/1                     | 100% |
| 8   | Mrs. Yupa Techakraisi      | Director  | 1/1                     | 100% |
| 9   | Mr. Kumpee Chongthurakit   | Director  | 1/1                     | 100% |
| 10  | Mr. Opas Sripayak          | Director, Chief Executive Director, Chief Executive Officer,<br>Nomination, Remuneration and Good Corporate Governance<br>Committee Member, Chairman of Risk Management Committee<br>Member and Managing Director | 1/1                     | 100% |
| 11  | Mr. Apichart Kasemkulsiri  | Director and Risk Management Committee Member   | 1/1                     | 100% |
| 12  | Surawut Sukcharoensin      | Director and Risk Management Committee Member   | 1/1                     | 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 Plengsrisuk and Mr. Surawut Sukcharoensin
2. Architecture : Mr. Pichet Supakijjanusan and Mr. Opas Sripayak
3. Management : Mr. Apichart Kasemkulsiri and Mr. Surawut Sukcharoensin
4. Accounting-Finance : Mr. Vudhiphol Suriyabhidh, Mr. Krirk Vanikkul, Mr. Weerasak Wahawisal, Mrs. Yupa Techakraisi and Mr. Apichart Kasemkulsiri
5. Legal : Mr. Amornsuk Noparumpa, Mr. Khanchai Vijakkana and Mr. Krirk Vanikkul
6. Land : Mr. Amornsuk Noparumpa and Mr. Khanchai Vijakkana
7. Marketing : Mr. Kumpee Chongthurakit and Mr. Surawut Sukcharoensin



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."

## Executives

As of 31 December 2019, the Company has 9 high-ranking executives comprising the next four executives succeeding the Managing Director and executives in the accounting and finance department namely:

|                  |                |  |
|------------------|----------------|--|
| 1. Mr. Montien   | Weerotai       | Director, LPN Academy and Director, Human Resource Management Department                                       |
| 2. Mrs. Piyanuch | Naveenavakun   | Assistant Managing Director, Internal Audit Department   |
| 3. Ms. Saowanee  | Angkoonpipat   | Assistant Managing Director, Sales Management Department and<br>Assistant Managing Director, Pomsanti Co., Ltd |
| 4. Ms. Suwattana | Tang           | Assistant Managing Director, Information Department  |
| 5. Mr. Saengchai | Luangchutamas  | Assistant Managing Director, Horizontal Project (Premium) Development Department                               |
| 6. Mr. Nakul     | Tangprasit     | Assistant Managing Director, Legal Department  |
| 7. Ms. Suporn    | Wongwaipairots | Assistant Managing Director, Financial Management Department   |
| 8. Ms. Nittaya   | Wongtavilarp   | Assistant Managing Director, Brand Management Department   |
| 9. Mrs. Panadda  | Kajornsilpa    | Assistant Managing Director, Financial Management Department   |

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 ten 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 for Directors and Executives

### Remuneration for Directors and Subcommittee Members

#### Remuneration Policy 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 and subcommittee members. 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 2019 is calculated from the Dividend Growth Rate.

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 2019, the remuneration for the Board of Directors and subcommittee members are as follows:

#### 1. Financial Remuneration

Remuneration for directors in 2019 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 2019 on 28 March 2019 resolves to approve the remuneration at the amount of 6,210,000.-THB. Rewards for directors in 2018 for the performance in 2018 are approved at the amount of 6,811,564.67.-THB. The latter amount will be allocated by the Board of Directors. According to usual practice, the reward for directors are calculated according to the dividend growth rate or the reduction rate of dividend paid to shareholders. However, in requesting the 2017 dividend payment approval, the Board of Directors considers that the company's profits have decreased considerably. Therefore, it proposes to increase the dividend to 0.50 THB per share, from 0.45 THB which should have been proposed. Although the dividend payment is adjusted, the Board of Directors does not propose an increase in the reward for directors. The proposed reward is calculated based on the dividend payment of 0.45 THB.

Since the company's performance has improved in 2018, the Board of Directors agrees to propose that the reward for Directors be the amount mentioned above. This is to compensate for the rewards paid less than the usual amount in the previous year and will cause the dividend payment and reward for Directors to increase or decrease in the same proportion. The details are as follows:

| Position   | Remuneration (THB)   |              | Reward to Directors for the Performance in 2018 Paid in 2019                           |
|--|----------------------|--------------|--|
|  | Monthly Remuneration | Position Fee |  |
| Director   | 25,000               | -            | 6,811,564.67.-THB<br>increasing 33% of<br>the rewards<br>for Directors paid<br>in 2018 |
| Chairman of the Board of Director  | 25,000               | 60,000       |  |
| Vice Chairman of the Board of Director                                       | 25,000               | 30,000       |  |
| Chairman of Audit Committee  | 25,000               | 45,000       |  |
| Audit Committee Member   | 25,000               | 35,000       |  |
| Chairman of Nomination, Remuneration and Good Corporate Governance Committee | 25,000               | 7,500        |  |
| Nomination, Remuneration and Good Corporate Governance Committee Member      | 25,000               | 5,000        |  |



## Remuneration for Each Director and Subcommittee Member in 2019

| No. | Directors      |                | Remuneration in 2019 (THB) | Reward for Directors Paid in 2019 (THB) |
|-----|----------------|----------------|----------------------------|---|
| 1   | Mr. Amornsuk   | Noparumpa      | 1,020,000                  | 1,122,422.61                            |
| 2   | Prof. Siri     | Keiwalinsrit   | -                          | 60,522.79                               |
|     | Mr. Krirk      | Vanikkul       | 780,000                    | 786,796.24                              |
| 3   | Mr. Vudhiphol  | Suriyabhivadh  | 1,200,000                  | 1,295,737.87                            |
| 4   | Mr. Tikhamporn | Plengsrisuk    | 660,000                    | 632,738.24                              |
| 5   | Mr. Khanchai   | Vijakkana      | 810,000                    | 888,584.57                              |
| 6   | Mr. Weerasak   | Wahawisal      | 780,000                    | 858,323.17                              |
| 7   | Mr. Pichet     | Supakijjanusan | 360,000                    | 396,149.16                              |
| 8   | Mrs. Yupa      | Techakraisri   | 300,000                    | 330,124.30                              |
| 9   | Mr. Kumpée     | Chongtharakit  | 300,000                    | 330,124.30                              |
| 10  | Mr. Opas       | Sripayak       | -                          | -                                       |
| 11  | Mrs. Jongjit   | Thapanangkun   | -                          | 110,041.43                              |
|     | Mr. Apichart   | Kasemkulsiri   | -                          | -                                       |
| 12  | Mr. Charun     | Kesorn         | -                          | -                                       |
|     | Mr. Surawut    | Sukcharoensin  | -                          | -                                       |

- Note:
- The reward for directors in 2019 is the reward for the performance in 2018 which is approved by the Annual General Meeting of Shareholders 2019 on 28 March 2019.
  - Mr. Opas Sripayak is the Chief Executive Director, Chief Executive Officer, Managing Director and a 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, executive director and subcommittee members of the Company.
  - Prof. Siri Keiwalinsrit resigned from the Board of Directors, effective on 1 February 2018.
  - Mrs. Jongjit Thapanangkun resigned from the Board of Directors, effective on 1 May 2018.
  - Mr. Charun Kesorn resigned from the Board of Directors, effective on 1 May 2018, but he is an employee of the Company so he is not entitled to monthly remuneration and reward for directors as a director of the Company.
  - Mr. Krirk Vanikkul is appointed as a Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director, effective on 1 February 2018.
  - Mr. Vudhiphol Suriyabhivadh resigned from the position of Chairman of Nomination, Remuneration and Good Corporate Governance Committee and is appointed as Vice Chairman of the Board of Directors, effective on 1 February 2018.
  - Mr. Khanchai Vijakkana is appointed as a Nomination, Remuneration and Good Corporate Governance Committee Member, effective on 1 February 2018.
  - Mr. Tikhamporn Plengsrisuk resigned from the position of Nomination, Remuneration and Good Corporate Governance Committee Member, effective on 1 February 2018 and is appointed as Vice Chairman of the Board of Directors, effective on 30 March 2018.
  - Mr. Apichart Kasemkulsiri and Mr. Surawut Sukcharoensin are appointed as Directors, effective on 10 May 2018 but they are employees of the Company so they are not entitled to monthly remuneration as a director.
  - Five Independent Directors of the Company, namely Mr. Amornsuk Noparumpa, Mr. Vudhiphol Suriyabhivadh, Mr. Khanchai Vijakkana, Mr. Krirk Vanikkul and Mr. Weerasak Wahawisal do not take up Independent Director position or any position 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, Chief Executive Officer and Managing Director

#### Remuneration Policy for Executive Directors

The Nomination, Remuneration and Good Corporate Governance Committee 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 will be taken into consideration.

#### Remuneration Policy for Chief Executive Officer

The Nomination, Remuneration and Good Corporate Governance Committee will consider the remuneration and bonus for the Chief Executive Officer and Managing Director and propose to the Board of Directors' Meeting for approval. The positions of Chief Executive Officer and Managing Director are taken up by one person who is also an employee of the Company. The remuneration considered is for both short term and long term. There are clear consideration processes as follows:

1. 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.
2. As for the consideration for the long-term remuneration, it will be based on the ability to turn the vision, mission, objectives and strategy of the Company into performances and the ability to develop, improve the efficiency of operation and provide solutions to problems in a timely manner.
3. Consider from the performance and compliance with policy, business plan and goals of that year.

#### Remuneration Policy for Managing Director of Subsidiary Companies and Affiliated Companies

The Managing Director of the subsidiary companies and affiliated companies 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 of the subsidiary companies and affiliated companies and propose to the Board of Directors for approval. The consideration for short-term and long-term remuneration will be based on the overall economic and social situation and remuneration of the current year and the past. The consideration process is as follows:

1. Consider from the duties and 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 comparing to the previous year.
3. Consider from the ability to develop the business and improve the efficiency and performance of the Company.

In 2019, the remuneration for the Executive Committee, Chief Executive Officer and Managing Director comprises the followings:

#### 1. Financial Remuneration

The total amount of the remuneration for Executive Committee is 18,540,000.- THB. The details are as follows:

| No. | Name                      | Total Remuneration in 2019 (THB) |
|-----|---------------------------|----------------------------------|
| 1   | Mr. Opas Sripayak         | 6,427,200                        |
| 2   | Mr. Apichart Kasemkulsiri | 6,180,000                        |
| 3   | Mr. Surawut Sukcharoensin | 5,932,800                        |

- Note:
1. Mr. Opas Sripayak is appointed as the Chief Executive Director and Chief Executive Officer 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. Mr. Apichart Kasemkulsiri and Mr. Surawut Sukcharoensin are executive directors and also employees of the Company so they are entitled only to monthly remuneration and bonus as an employee. They are not entitled to monthly remuneration and rewards for directors 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

### Remuneration Policy for High-Ranking Executives

The Executive Committee will consider the remuneration and bonus for high-ranking executives of the Company, subsidiary companies and affiliated 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 2019 (as of 31 December 2019) refer to the followings:

1. Mr. Opas Sripayak, Mr. Apichart Kasemkulsiri and Mr. Surawut Sukharaensin are employees of the Company so the remuneration refers to the remuneration as employees.
2. Deputy Managing Directors, Assistant Managing Directors, Accounting Manager and Finance Manager (as listed in 8.2)  
In 2019, the remunerations paid for the total of 21 high-ranking executives are as follows:

### 1. Financial Remuneration

| Details               | Amount (THB)         |
|-----------------------|----------------------|
| Remuneration (salary) | 62,380,830.00        |
| Bonus                 | 10,851,790.00        |
| Provident Fund        | 3,244,155.00         |
| Social Security Fund  | 186,000.00           |
| Other remunerations   | 3,210,979.00         |
| <b>Total</b>          | <b>79,873,754.00</b> |

### 2. Non-Financial Remuneration

- Non-financial remunerations include medical insurance and annual medical check-up.
- Mr. Opas Sripayak 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. Apichart Kasemkulsiri and Mr. Surawut Sukharaensin are the directors and executive directors of the Company by position as well as employees of the Company. Therefore, they are entitled to the provident fund as employees but not as directors of the Company.
- The Company does not have any policy related to ESOP/EJIP/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, Subsidiary Companies and Affiliated 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 2019, there are the total of 4,003 employees in the Company and subsidiary companies (including 21 high-ranking executives) which can be divided into different lines of work as follows (as of 31 December 2019):

|  |               |
|--|---------------|
| Strategy and Business Planning Department    | 6 persons     |
| Finance Management                           | 53 persons    |
| Brand Management                             | 32 persons    |
| Sales Management                             | 136 persons   |
| Information Department                       | 33 persons    |
| Support Unit                                 | 44 persons    |
| Internal Audit                               | 9 persons     |
| Human Resource Management                    | 12 persons    |
| LPN Academy                                  | 13 persons    |
| Premium Brand Business Unit                  | 8 persons     |
| Lumpini Property Management Co., Ltd.        | 1,081 persons |
| Lumpini Project Management Service Co., Ltd. | 155 persons   |
| LPC Social Enterprise Co., Ltd.              | 2,336 persons |
| Pornsanti Co., Ltd.                          | 39 persons    |
| Lumpini Wisdom and Solution Co., Ltd.        | 25 persons    |

Total Remuneration (including 21 high-ranking executives) is as follows:

| Details               | Amount (THB)          |
|-----------------------|-----------------------|
| Remuneration (salary) | 623,057,601.00        |
| Bonus                 | 156,000,000.00        |
| Provident Fund        | 26,027,234.00         |
| Social Security Fund  | 15,802,102.00         |
| Other remunerations   | 142,768,947.00        |
| <b>Total</b>          | <b>963,656,084.00</b> |

During 2012-2019, there has been no significant change in the number and staff and labor dispute.

## Staff Development Policy

In 2019, the Company stresses the importance of building leadership competency of executive staff, developing coaching skills of managers and developing functional competency of operational staff in their line of work in order to develop capable and professional personnel. 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 LPN Academy as the center for development and training for staff of the Company and subsidiary companies.

In 2019, LPN 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-G 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. 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.
3. 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.



#### 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. LPN Academy has developed the leadership competency of middle to high-level executives (level 8-13) in seven aspects of competency.

In 2019, LPN Academy has continually developed coaching culture and innovative mindset of staff through the Make It Simple project and the Quality Built-in project. Every Friday of each week is scheduled as a Development Day. Every department's heads will organize a team brainstorming to enhance a better quality and more convenient work process. Each month twelve managers from different departments take turn sharing their knowledge in the Show & Share activity which is participated by 1,186 staff members. The continuous learning and development that happen every week and every month bring about staff self-learning. Therefore, the score in "people" aspects have improved.

### Development and training

In 2019, 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. 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, Omotenashi or the spirit of Japanese hospitality, Digital Literacy, and so on.



### 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 2019, the Company aims to create learning and development opportunity for no less than 80% of staff. They must attend development training of no less than 56 hours/person/year. In 2019, the average training hours of staff is 57.40 hours/person and can be categorized by level and gender as follows:

| Staff                               | Female    |                      | Male      |                      |
|-------------------------------------|-----------|----------------------|-----------|----------------------|
|                                     | Total     | Average (per person) | Total     | Average (per person) |
| - High-ranking executive (L.11-15)  | 628.50    | 66.06                | 625.00    | 56.82                |
| - Middle-ranking executive (L.8-10) | 3,422.50  | 83.48                | 3,370.80  | 108.74               |
| - Entry level manager (L.5-7)       | 15,840.40 | 62.12                | 10,267.30 | 58.01                |
| - Operational staff (L.2-4)         | 30,640.70 | 54.42                | 27,770.00 | 52.90                |

| Level | Category                 | No. (Persons) | Total Training Hours | Average Training Hours |
|-------|--------------------------|---------------|----------------------|------------------------|
| 11-15 | High-ranking executive   | 19            | 1,153.50             | 60.71                  |
| 8-9   | Middle-ranking executive | 72            | 6,793.30             | 94.35                  |
| 5-7   | Entry level manager      | 432           | 26,107.70            | 60.43                  |
| 2-4   | Operational staff        | 1,088         | 58,410.70            | 53.69                  |

| Gender       | No. (Persons) | Total Training Hours | Average Training Hours |
|--------------|---------------|----------------------|------------------------|
| Male         | 744           | 42,033.10            | 56.50                  |
| Female       | 867           | 50,432.10            | 58.17                  |
| <b>Total</b> | <b>1,611</b>  |                      |                        |

## Development of Trainers in the Organization

In 2019, LPN Academy organizes 6 training courses that are led by 47 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. Intensive courses led by internal trainers are signature courses in each department. For example, New Staff Orientation, Preliminary Knowledge in Community Management and Preventive & Maintenance (CMP&M New Staff), LPN Proactive Services, Community Management Training Course (CMTc), Sales Management Training Course (SMTc), Preventive and Maintenance Training Course (P&MTC), Service Community Management Training Course (SCMTc), Condominium Act in Community Management, English for Communication, Preparation of Financial Documents of Juristic Persons, Legal Knowledge in Community Management, Development of Mentor, Information Technology for Sale-Transfer-Community Management Work, Development courses for each department, and etc.

## E-Learning

In 2019 the LPN Academy, together with the Information Department, has continually developed LPN Academy website. 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 the trained staff. In addition, the Company develops an online system that can record knowledge and benefits from self-learning so that the staff can use it as another channel for self-development. Moreover, the Company has created E-Learning courses including an A3 Report course, a PDCA course, a Real Estate Know-How course and Service True Story. These courses will promote online learning and increase learning opportunity which is more conveniently accessible for staff.



### Development of Signature Courses to Create Professional-Quality Personnel

In 2019 LPN Academy has personnel development courses that serve as signature courses for developing professional staff in each department. The courses are designed to develop strong leadership competency, management competency and team management competency as well as deliver service value to build service excellence. Throughout the year, LPN Academy has created 973 quality staff according to the following details.

|  |            |             |
|--|------------|-------------|
| - Develop professional service delivery team through LPN Proactive SERVICES course | 35 classes | 900 persons |
| - Develop Living Advisor through SMTC #2   | 1 class    | 23 persons  |
| - Develop professional community manager through CMTC #17                          | 1 class    | 21 persons  |
| - Develop professional community service head through SCMTC #15                    | 1 class    | 29 persons  |

### Promotion of Fundamental Education, Higher Education (High Vocational Certificate) and Extra Careers of Community Service Staff (Underprivileged Women)

In 2019 LPN Academy together with LPC, Social Enterprise in LPN Group, sign an MOU with Earnla-or Vocational College for the collaboration on educational opportunity for Lumpini community service staff, most of whom are underprivileged women. High Vocational Certificate Program in Hotel Housekeeping, Hospitality Division, Tourism Industry Department, is provided for the Lumpini community service staff who graduated from the Non-Formal Education Promotion Project organized by the Company and the Office of the Non-formal and Informal Education as well as to the ones who finished Grade 12 from elsewhere. In 2019 there are:

- 17 participants in High Vocational Certificate Program
- 41 participants in Fundamental Education Promotion Program (illiteracy-primary education-secondary education)
- 47 participants in Thai Massage Training Program

### 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 by sharing direct experiences. In 2019, the total of five study groups have visited the Company, all of which are governmental agencies. There are 110 participants in total. The topics of interest are as follows:

- Community management, Preventive and Maintenance management and construction management (three study groups)
- System, Technology and Tools in organizational communication (one study group)
- Social Enterprise (one study group)

### Accommodation Scholarship for University Students

The Company signs an MOU with Rajamangala University of Technology Thanyaburi (RMUTT) for the collaboration on LPN Scholarship, granting 4-year accommodation scholarships to university students. The Company sponsors 50 condominium units in Lumpini Township Rangsit-Klong 1, Building C2 to 100 students which is equivalent to 100 scholarships worth 12 million THB (calculated from the rental price of 5,000 baht per unit for 4 years). The students' qualification is reviewed by the Rajamangala University of Technology Thanyaburi. They must be new or current students who get good grades and are well-behaved but lack accommodation or have hometown in countryside. This scholarship helps reducing the students' expenses and anxiety and allow the student to have a good quality of life living in Condo Lumpini. Moreover, the Company also gives an opportunity to the students to work on holidays to get an extra income by being part-time salespersons at Lumpini Township Rangsit-Klong 1 so that they can gain work experiences and have a chance to work with LPN in the future. The students who receive the scholarship have done social activities for the community, so called Give and Take activity, through the volunteer program "We do good by heart". They give foot massage to 165 co-owners and community's residents. The details are as follows:

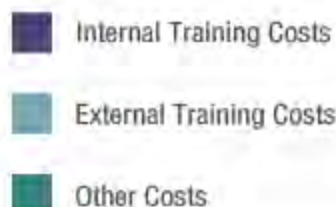
|          |                          |              |
|----------|--------------------------|--------------|
| Children | Age: 1-10 years old      | = 3 persons  |
| Teenager | Age: 11-20 years old     | = 41 persons |
| Adult    | Age: 21-55 years old     | = 84 persons |
| Elder    | Age: 56 years old and up | = 27 persons |

## Budget for Training, Development and Seminar

In 2019, the Company supports the budget of 8,856,515.00 THB for development, training and seminar events through LPN Academy.

The details are as follows:

|                           |                  |
|---------------------------|------------------|
| - Internal training costs | 4,756,893.73 THB |
| - External training costs | 1,151,898.69 THB |
| - Other costs             | 2,774,804.00 THB |



The average training cost per person is 5,497.53 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 2019, LPN 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 all year round.

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. Employee Code of Conduct training is held every month especially for new staff.
2. Anti-corruption policy approved by the Board of Directors' Meeting Ref. 6/2014, effective on 11 December 2014.
3. 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.

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, effective from 21 June 2016 until further notice. The 2005 Code of Conduct of Directors and Code of Conduct of staff are invalidated. 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, subsidiary companies and affiliated companies to comply with the principles of Conduct. The Code of Conduct is included in the orientation for new staff.

In 2019 the training on anti-corruption is organized for 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.

# CODE OF CONDUCT

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, effective from 21 June 2016 until further notice. The 2005 Code of Conduct of Directors and Code of Conduct of Staff are terminated. The Code of 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 |

## Code of Conduct L.P.N. Development Public Co., Ltd.

### Definition

|                              |  |
|------------------------------|--|
| Code of Conduct of LPN Group | refers to the good practice for business operation of LPN Group, hereinafter referred to as "Code of Conduct."   |
| Company                      | refers to L.P.N. Development Public Co., Ltd.  |
| LPN Group                    | refers to 1. L.P.N. Development Public Co., Ltd.<br>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 LPN's Managerial staff at Level 5 and higher   |
| Staff                        | refers to staff of LPN   |
| 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 LPN 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 LPN. Should such information be wrongfully and inappropriately disclosed, it may have significant impact on the business operation of LPN, 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. |
| LPN'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 LPN.   |
| 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

LPN 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, LPN 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

LPN 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

LPN 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 LPN 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

LPN 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 LPN must be done in a rightful, transparent and auditable manner. Related laws and regulations and anti-corruption policy of LPN must be strictly complied with. All staff must not take any actions that will impact the reputation and image of LPN 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 LPN. 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 LPN 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

LPN is determined to do the right things. Therefore, staff must aim for the utmost benefit of LPN, 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 LPN, you must inform the Executive Committee in a written format.
2. Must not conduct a business that would compete with the business of LPN. 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 LPN.
3. Avoid conflict of personal interests and that of LPN'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 LPN.
5. Avoid conducting other business for personal interests that may affect your performance in or the image of LPN 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 LPN except from financial institutions as this may influence your performance as the representative of LPN.
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 LPN'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 LPN 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 LPN 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, LPN realizes that political right is the fundamental right of a citizen and recognizes the freedom of staff to exercise their political right in the constitution such as voting or belonging to a political party. Staff also have the right to participate in a political activity which must be legal and must not affect LPN.

### Guideline

1. Exercise the political right on your behalf and avoid taking any action that will make other people believe that it is done on LPN's behalf.
2. Avoid any act that others might construe as signifying LPN's involvement in or support or preference for a political action, political party, political group or persons with political influence.
3. Not wearing LPN uniform or using any LPN symbols that would lead others to believe that you are a staff of LPN 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

LPN 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 LPN must protect personal information of staff and business related 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

LPN 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 LPN 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 LPN 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 the 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 right 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

LPN'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 LPN's property and prevent it from damage or loss.
2. Must not misuse LPN's property or use the property illegally.

## Use and Maintenance of Information Technology System

### Principle

LPN emphasizes that information technology is used efficiently and safely according to LPN'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 LPN. The use of electronic equipment and information must be in compliance with LPN's policy and regulations and the laws. Executives and staff must not take action that violates LPN'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.



6. 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

LPN regards intellectual property i.e. copyright, patent, trademark and trade secrets as valuable assets of LPN Executives and staff must strictly comply with the established policy and protect LPN'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 copyright, 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 LPN'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 LPN or others.
4. The usage of various software programs of LPN 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 LPN staffs are regarded as the property of LPN 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 LPN whether it is for their own benefit or for the benefit of others except for the case that a written permission is obtained from LPN.
8. When the employment is terminated, staff must hand intellectual properties and/or trade secrets as well as the work they create as LPN staff over to the Company.

## Disclosure of Information and Communication

### Disclosure of Information

#### Principle

LPN'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

LPN honestly and transparently conducts its business and communicates to internal and external audiences. The marketing communication of brand and the use of LPN 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 LPN. Also, LPN 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 LPN 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 LPN, 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 LPN.

## Transaction of LPN

### 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 LPN 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 LPN.
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 LPN although such transactions are beneficial for LPN.

## Trade Competition

### Principle

The policy of LPN 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

LPN complies with the guidelines and laws related to the prevention of money laundering. LPN 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 LPN 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 LPN 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 LPN. Directors must not use the name of LPN in personal transactions or other businesses, must not involve in the business that will damage the reputation LPN 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 LPN. 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 LPN 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 LPN.

### 6. Equal Opportunities to Shareholders

Directors must maintain shareholders' interests as being trusted and consider the benefits of other stakeholders to LPN.

### 7. Roles and Responsibilities of the Board of Directors and Directors of Subsidiary Companies

#### 7.1 Duty to LPN

- Dedicate their time fully to perform their duty as a director of LPN 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 LPN.
- Ensure that the Management reports important issues of LPN 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 LPN 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 LPN are accurate and appropriate to entail suitable rewards to the shareholders.
- Ensure that LPN has disclosed important information to all shareholders equally in the complete, accurate, factual, timely and transparent manner.
- Ensure that LPN equally gives importance to and respect the rights of all shareholders.
- Ensure that LPN explains the details of the performance and financial status of the Company in accordance with the disclosure of information principles.
- Ensure that LPN 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 LPN complies with related laws and regulations.
- Ensure that LPN 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 LPN.
- 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 LPN.
- 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 LPN 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 LPN.
  - Have interests directly or indirectly in any contracts made with LPN Directors must identify the nature of the contract, name of the parties and interests in the contract.
  - Hold assets or debentures of LPN 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 director 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 LPN for short-term investments.

#### 10. Use of the Information of LPN

10.1 Must not use the information received as a director of LPN 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 LPN 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 LPN staff. It is one of the mechanisms to remind the staff to be cautious. However, LPN 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 LPN

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 LPN.
- 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 LPN by claiming that it is to increase the profit of LPN or any other reasons are not justifiable.
- Staff must perform their duty with honesty by taking into consideration the interests of LPN in spite of the appearance of any loopholes in the regulations, rules and orders of LPN.
- Staff must report the violation of LPN's policies or suspicious behavior immediately and cooperate in the following investigation of such violation.
- Staff must show leadership and comply with LPN'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 LPN. 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 LPN or the premises that are under the responsibility of LPN.

## Other Jobs or External Activities

LPN's staff must not be employed by other companies or do any external activities that are not related to LPN while being employed by LPN or being on duty.

## Duty and Responsibilities of Staff

### Duty to LPN

- Maintain the reputation of LPN.
- Be honest.
- Comply with rules, regulations and disciplines of LPN.
- Maintain good attitude, be proud of LPN and do not dispraise the Company.
- Inform related agency of any situation which may affect LPN, misbehavior and illegal behavior in order to prevent and solve the problem.
- Make use of LPN'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 LPN.
- Be punctual and make full use of the working hours for the benefit of LPN.
- 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 LPN.

### 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.

### 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 LPN.
- Respect the right of shareholders in receiving necessary information to equally assess LPN 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.

### 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.

#### 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 LPN for personal benefit.
- Refrain from showing off their position or relations with LPN for political benefits or to support any political parties.

## Receipt of Complaints and Whistleblower Protection

### Receipt of Complaints

LPN 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](mailto: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 LPN, 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 LPN.

### 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 LPN to provide appropriate protection, or LPN may provide such protection without the complainant's request if it is believed that danger or harm is likely to occur.



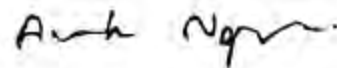
### Unethical behavior

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 AND RISK MANAGEMENT

## Internal Control

The Board of Directors of the Company emphasizes on the importance of effective and efficient management in order to achieve the operational goals and minimize losses caused by fluctuating circumstances. 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 and Stock Exchange 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. Control Environment

- The Company has effectively adjusted its organizational structure to be in correspondence with situation. The chain of command, approval authority and designation of responsibilities for the balance of power are established under the supervision of the Board of Director.
- Internal control activities that sufficiently and appropriately cover all activities are established and the operations are regularly examined to ensure that they are in compliance with related laws and regulations.
- The Code of Conduct is in writing and communicated to every level of staff so they can strictly comply with.
- 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 business goals.
- The anti-corruption policy of the Company is established together with clear and concrete channels for receiving complaints and information about wrongdoings and corruptions.
- The Company demonstrates commitment in personnel development. LPN 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 and move toward sustainability.

### 2. Risk Assessment

- Vision, mission and objectives of the Company are clearly established in the business plan. The internal and external risks are assessed and analyzed. The Risk Management Committee is established to efficiently manage risks to be at acceptable level.

### 3. Control Activities

- The organization prepares an operational manual for all departments to identify control points and to be used as a reference. The Executive Committee is responsible for ensuring compliance with the policy of the Company.
- Scope of authority, approval limit, financial transactions process, purchasing process and others are clearly established in written format in order to control the Company's assets and control connected transaction or conflict of interest transaction.
- 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 Company develops information and communication technology systems to continuously support all operational processes in preparation for the expansion of the Company. Payments are controlled by budget system and approval authority. A network is established and monitored to ensure that the information received is accurate and reliable. The Company also gives importance to secure information technology system, the right of access to information and electronic filing system and backup system.
- The Company has effective internal communication channels. Thus, employees at all levels receive accurate, reliable, and up-to-date information. For communication with external publics, the Company provides information and receives complaints and suggestions on its products through its website, [www.lpn.co.th](http://www.lpn.co.th), or Call Center, 02-689-6888.

#### 5. Monitoring Activities

- The Company systematically monitors and controls every level of operation, from supervisors, their lines of supervision to high-ranking executives in charge of that line of work to ensure the completion and appropriateness of the process.
- The internal audit department inspects and assesses internal control activities and reports to the Audit Committee directly and later to the Board of Directors. The Board of Directors will discuss how to adjust the direction of operation in response to fluctuating circumstances.

### Risk Management

The Company focuses on the Risk Management in order to achieve the set goals. The Board of Directors of the Company has established the Risk Management Committee to be responsible for identifying the risk management policy and directions 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

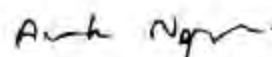
overall economic situation including the present real estate business situation that is under recession. In 2019 the Company has expanded its income base to other related business to increase business opportunity. Important policies of the company are also communicated to staff at all levels via various communication channels so the staff also plays a part in risk management, enabling the Company to oversee risk management efficiently. The Board of Directors' Meeting Ref. 1/2020 on 13 February 2020 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. 1/2020 on 13 February 2020, 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 and the Stock Exchange of Thailand. The Audit Committee agrees that the internal control system of the Company is appropriate and efficient enough for its business operation and 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 stakeholders is sufficient and able to respond to inconstant risks. The allocation of human resources is sufficient and the tool development is promoted in order to ensure effective operation.

In 2019, the Company keeps on organizing Code of Conduct trainings for staff and executives. It is the guideline for best practice and comply with anti-corruption guideline. The Company has also focused on 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.

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. Wirote Satjathamnukul from D.I.A. International Auditing Co., Ltd. who is the auditor of the quarterly financial statements of 2019 does not recognize any insufficiencies of the internal control system of the Company.



(Mr. Amornsuk Noparumpa)  
Chairman of the Board of Directors



## 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 2019 and has presented the audit report dated 13 February 2020 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 2019.

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. Wirote Satjathamnukul)

Certified Public Accountant No. 5128

13 February 2020

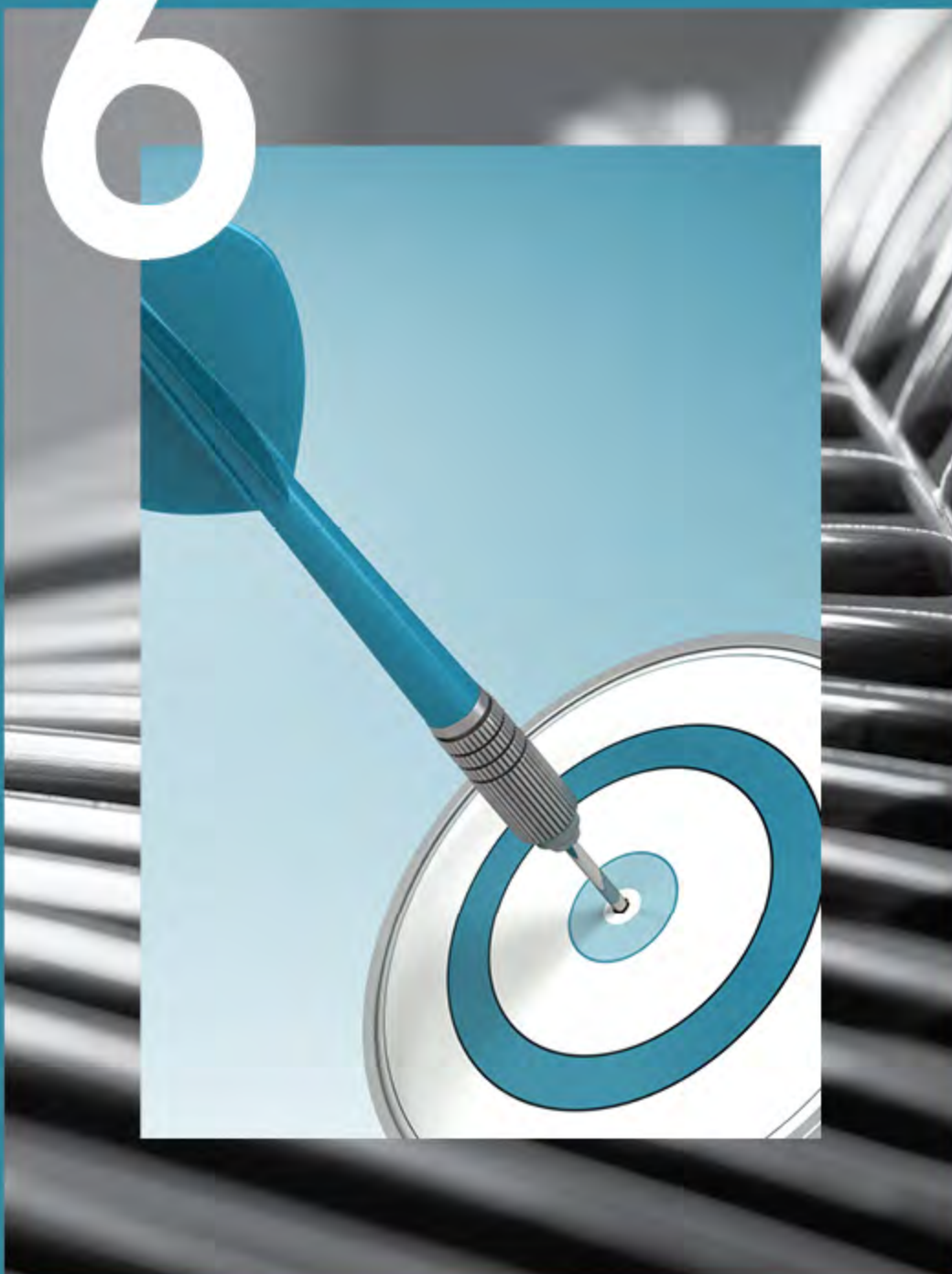
## Legal Dispute

The Company does not have any legal dispute which would have significant negative impact on the business operation of the Company.

# CHAPTER

# 6

L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED



## Stepping forward Securely under Risk Management



# REAL ESTATE BUSINESS TREND 2020

The real estate business in 2020 has faced challenges caused by several factors. These include challenges from slowdown of domestic purchasing power, resulting from increases in household debts by 79.1% of the Gross Domestic Products (GDP) as of the end of the third quarter of 2019, according to the Bank of Thailand report. In addition, private investments have tended to slow down, disbursements of the 2020 Budget have been delayed and the political situation within the country has been unstable. In the same way, the export and tourism sectors in 2020 have been on the decline since 2019, due to the outbreak of the Coronavirus disease 2019 (COVID-19). Later on, the pandemic has resulted in the Chinese economy likely to grow below 6% for the first time in the past 10 years. Under these circumstances, the World Bank had to adjust the global economic growth forecast in 2020 down from 3% to 2.5%. The Bank of Thailand has estimated that the Thai economy in 2020 would see a growth rate of less than 2.8%.

For the real estate business, the Bank of Thailand has adjusted the loan to value (LTV) ratio from the previously specified conditions. The adjustment allows financial institutions to release a loan at 100% of the collateral value for the first home loan applications and to increase the loan limit by an additional 10% for furnishing of the first home. However, the Bank of Thailand has maintained stringent measures on loans for the second and third houses. This was due to concerns over the non-performing loan of 3.49% in the third quarter of 2019 which increased from 3.34% in the second quarter of 2019, as reported by the Bank of Thailand. Consequently, the rate of loan rejections by financial institutions has increased from 20% in 2018 to 40% in 2019 in order to reduce the risk of possible increase of bad debts. The LPN Wisdom, a real estate research center of the L.P.N. Development Public Company Limited has predicted that financial institutions would tend to reject more loan requests. This is due to the impact of the new policy direction on Debt Service Coverage Ratio (DSCR) that the Bank of Thailand planned to announce in 2020. This policy direction will reduce the ability of the borrowers to take loans.

At the same time, the inventory for sale in Bangkok and the peripheral markets as reported by the Real Estate Information Center of the Government Housing Bank and by the survey of L.P.N. Wisdom at the end of 2019 have been estimated at 196,000 units, an increase of 4% from 2018. Out of this amount, 89,000 were condominium units, which has increased by 6% from 2018. This has resulted in a decline in the launch of new real estate business projects in 2020 because entrepreneurs must focus their efforts on liquidating existing inventory in the market.

Furthermore, the land and building tax law which will be enforced in 2020 will have a direct impact on ownership of land and buildings, especially among real estate investors who will be subject to tax on holding a second home at the rate of 0.02% to 0.1% according to the price level of the property being held. This has increased the costs of holding residential properties for investors.

When considering the purchasing power from abroad, it has been found that the Thai Baht has appreciated by 6.7%, strengthening its value of 32.54 Baht per US dollar on January 2, 2019, to 30.35-30.50 Baht per US dollar in December 2019. It is likely that the value will further appreciate in 2020, when the Federal Reserve of the United States of America plans to cut the standard interest rates by another 0.25-0.5% in 2020 to stimulate the economy of the United States. In effect, the purchasing power of foreign real estate investors in Thailand has therefore decreased continuously. According to the Bank of Thailand report, the volume of international transfers for purchase of real estate projects in Thailand during the first 8 months of 2019 ending August 31, 2019 was at 30 billion Baht, a decrease of 50% from the 60 billion Baht of ownership transfers during the same period in 2018. It was forecast that by the end of 2019, international transfers for real estate purchase in Thailand would not be more than 50 billion Baht or 50% decrease from the 100 billion Baht in 2018.

Under this situation, the real estate business in 2020 will tend to slow down further from 2019 when the overall market outlook was negative by 15%, according to the research findings of the LPN Wisdom, a real estate research center of the L.P.N. Development Public Company Limited. This is regardless of beneficial factors for real estate business in 2020 such as the Bank of Thailand's low-interest rate policy and stimulus measures announced in October 2019, two measures of which have remained valid in 2020: Decrease of ownership transfer fees from 2% to 0.01% and decrease of mortgage fees from 1% to 0.01% for residences with value not more than 3 million Baht, effective until December 24, 2020. There is also a project on returning down payments to buyers, entitled "Good House with Down Payment", which return a down payment of 50,000 Baht to home buyers whose income does not exceed 100,000 Baht per month or 1.2 million Baht per year and who bought houses between November 27, 2019 and March 31, 2020.

Based on this trend, LPN Wisdom predicts that in 2020, there will be new launches of real estate projects in Bangkok and its peripheral area by 100,000-110,000 units. This represents a decrease of 5% when compared to 2019. The new residential home projects will include 50,000-55,000 units, an increase of 10-15% from 2019 because there is still absorbing capacity in the market. Regarding residential condominium projects, 50,000-55,000 new units are expected to be launched, a decrease of 5-10% from 2019, with an emphasis on liquidating ready-for-sale products.

Transfer of ownership is forecast to go down to the level similar to that of 2018 due to high levels of ownership transfers in the third and the fourth quarters in 2019, resulting from ownership transfers under the Baan Eua Arthorn Project of the National Housing Authority as well as from the acceleration of ownership transfers under the project "Good House with Down Payment." Therefore, it is expected that in 2020, ownership transfers in Bangkok and its peripheral area will amount to 180,000-185,000 units, a decrease of 2-5% when compared to 2019.



## BUSINESS OPERATION DIRECTION 2020

Starting by the end of 2014, Thailand has experienced problems with cumulative household debts. The problem intensifies every year, resulting in financial institutions being more stringent in granting loans and in loan rejection rates being higher accordingly. Coupled with the slowdown of domestic and international economic conditions, these factors have caused recession of the real estate sector in 2017. The impact of the recession has shown more clearly in 2018. In order to cope with the said situation, the Company has therefore restructured its business operations since 2017, and designated 2017 as the "Year of Shift," 2018 as the "Year of Change" in all dimensions, and 2019 as "Year of Excellence" that scaled up and promoted strength and excellence in "Product" including "service" and "personnel" as well as "operational process." The aim was to deliver excellence to consumers while still being able to operate. This change has resulted in the L.P.N. Development Group being able to maintain operational efficiency and to experience growth in real estate service business and generate income of about 20% of its existing assets. Nevertheless, signs of economic slowdowns both domestically and internationally, including recession, still show in 2020, and will become clearer. The Company has therefore prepared the following action plan:

1. Set the Company's growth rate that is suitable for the current situation by expanding the development of the residential home projects while maintaining the scale of residential condominium project development.
2. Select project locations with potential based on in-depth information.
3. Strengthen communications, marketing and management of customers' experience to create pride in product brands of the L.P.N. Development Group.
4. Create excellence in product and service development through "Product Research and Development Center" and "Service Development Center" on a continuous basis.
5. Improve operational processes and capacity development of the Company and its subsidiary companies in order to create excellence and increase efficiency and effectiveness in the operation of "Value (Price)" and "Value (Worth)" in every dimension.
6. Generate continuous growth of income from service business and regular income from conversion of Assets for sale to Assets for rent.

The targets in 2020 are set as follows:

1. The target of the gross income from sale is 9 billion THB.
2. The target of the sales volume is 12 billion THB.
3. The target of new projects launched is 10-15 projects with the combined value of 15 billion THB.
4. The inventory will be liquidated to generate income for the Company, with the sale volume and sales revenue targets being set at 3 billion THB.
5. Operation expenditures will be monitored to maintain at the target or lower-than-target level, to increase operation efficiency.
6. Business operation will continue to adhere to the sustainable development approach (6 Green LPN concept) in all dimensions in order to achieve excellence in social and environmental responsibility.

With prudent and responsible operation, together with stable and reliable financial status of the Company, according to the rating by the TRIS Company Limited, it is expected that the Company will continue its stable operation in 2020. It will overcome challenges, maintain efficiency and create growth in a sustainable and continuous manner.

## 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:



## Operational Risks

### Financial Risks

Maintaining sales revenue becomes one of the major risks because of the economic slowdown, the stringent loan approval of financial institutions and the challenging situation in real estate business. It must be closely monitored, and a control measure is needed especially on the backlog that will be recognized in 2020.

#### Preventive Measures and Solution

1. Create a customer assessment form to assess customers' loan eligibility with financial institutions and prepare to provide advice to customers on financial status management so that customers can transfer ownership according to plan.
2. Revise the 2020 new project launches plan by focusing on horizontal project launches that would encourage more sales and ownership transfers in order to compensate for the transfers of Backlog which may not happen according to plan.
3. Establish a marketing plan to spur sale values of completed projects that are ready to be handed over in order to increase sale values and revenue recognition until the target is reached.

### Strategic Risks

In 2020, Thai economy is affected by both internal and external factors. The delay in 2020 budget disbursement and the drought has slowed down investment and domestic purchasing power. At the same time, the pandemic of the 2019 novel coronavirus directly impacts tourism and export sector. As a result, the overall economic growth is in decline when compared to 2019. The Bank of Thailand estimates that Thailand's economic growth in 2019 will not reach 2.8% as expected earlier.

This trend directly affects domestic purchasing power, including purchasing power in Real Estate. The company has to face strategic risks, since 90% of its gross income currently come from the sale of residential condominiums and residential homes. Only 10% of its gross income come from service providing and recurring income.

Since the Company's main source of income are mainly from the sale of residential projects, the Company will face the risk from the decreasing purchasing power in the market which will directly decrease the sales and revenue of the company in 2020 and make it lower than the original plan.

#### Preventive Measures and Solution

1. Expand the Company's revenue base from selling residential projects to service business, including building management, construction, research and development consultancy, through subsidiary companies, such as Lumpini Property Management Co., Ltd., Lumpini Project Management Services Co., Ltd. and Lumpini Wisdom and Solution Co., Ltd. These subsidiary companies expand their consumer bases by providing building and project management service and engineering service to other entrepreneurs besides L.P.N. Development Public Co., Ltd. in order to expand income base of this group of business. The targeted income growth in 2020 is 20% or more when compared to 2019.
2. Create an additional income for the Company by managing and renting out completed condominium inventory as a part of existing asset management.
3. Expand the investment in rental business by jointly investing with Nye Estate Co., Ltd. to develop a 22,600 square meters office building on Rama 4 Road. It is expected to be completed and opened in 2022. It would generate an income of 200-300 million THB per year which will increase the regular income.

### Marketing Risks

In the past, L.P.N. Development Public Co., Ltd. focused on developing residential projects for specific target customers. When the target customers have less purchasing power, there is marketing risk. This directly affects the Company's operational performances. The Company, then, has to adjust its marketing strategies to reduce the business risks.

#### Preventive Measures and Solution

1. Adjust the marketing strategy by expanding customer base from existing customers to new group of customers to spread the marketing risks. The existing customer base is maintained while new customer groups with purchasing power are added for the growth of the Company.
2. Develop product varieties, such as residential condominiums, residential homes, and office buildings, so that they respond to the various demand of customers in the market in order to spread the marketing risks.

## Risks on Environmental and Social Impacts Awareness

Nowadays people are more aware of the impacts of construction on environment and society. The development of real estate projects especially the residential condominium project development is a large-scale construction project which undeniably impacts the society, environment and neighboring communities throughout the whole construction process.

Real estate entrepreneurs must have a management process and adhere to environmental impact reduction measures that strictly abide by international standard. Without the management process and adequate operation in accordance with the measure to reduce environmental impacts, the environment and neighboring communities may be affected by the construction of the projects, leading to lawsuits and court orders to halt the construction. The business operation of the Company will, then, be seriously affected in terms of business planning and corporate image.

### Preventive Measures and Solution

1. Incorporate environmental and social responsibility into the strategic map of the Company and intensify the environmental and social operation. Continuously monitor and follow up in order to raise awareness of staff regarding environmental and social responsibility in every project operated by the Company.
2. Establish Community Relations Department to be directly responsible for managing the relationship with surrounding communities before, during and after construction and until the handover of the project.
3. In the land procurement process, carefully select location for project development that is not in any sensitive area to avoid problems.

## Risk from severe accidents during operation process causing loss of life and property.

Construction process and operation of real estate development business pose a high risk of severe accidents and may cause loss of life and property. Although the Company does not operate this process by itself but outsources it, the Company cannot avoid social responsibility if such accidents occur. The Company's brand can be damaged. Hence, the Company, together with contractors, must prevent such accidents from happening. If it does happen, there must be no aftermath except that it is a pure accident which is uncontrollable.

### Preventive Measures and Solution

1. Establish safety standards that are as strict as or even stricter than law and comply with engineering standards.
2. Strictly implement the safety standards at construction sites since most accidents happen from negligence or failing to implement safety standards and establish penalties in case of violation.
3. Provide safety specialists, from both the Company and contractors, suitable for construction work during each period of time.
4. Remind workers of safety consciousness during every morning talk so that they are aware of possible dangers caused by negligence.
5. Prepare an emergency plan in case of accidents in order to alleviate aftermaths and control situations.

## Legal and regulatory risks

### Risks relating to enactment of the Personal Data Protection Act

The Personal Data Protection Act B.E. 2562 (2019) will come into effect in May 2020. This law provides for the protection of personal information of the general public. The Company, as an entity that collects information on large numbers of customers and employees must observe legal measures and disallow utilization of customers' and employees' personal data without the consent of the data owner.

### Preventive Measures and Solution

1. Design data collection systems in accordance with the provisions in the Personal Data Protection Act B.E. 2562 (2019), i.e., the collection, usage and disclosure of customers' and employees' data must always have consent of the data owners.
2. Set up a working group to oversee collection, usage and disclosure of customers' and employees' data within the framework of law.
3. Clearly specify the purpose of collection, usage and disclosure of information to customers and employees who will give consent, in order to prevent misuse of data.
4. Use customers' and employees' data in a prudent manner, within the framework of law, to prevent possible errors.



## Risks relating to enactment of the Land and Buildings Tax Act B.E. 2562 (2019)

The Land and Buildings Tax Act B.E. 2562 (2019) has come into effect on the January 1, 2020 and tax claim must be filed within August 2020 (postponed from April 2020). Consequently, those who own land and buildings must bear increased tax burdens. This Act has direct impact on customers who have purchased secondary residential condominiums and homes that are subject to tax on land and buildings. Property costs have therefore increased for customers. This has affected purchase and investment decisions of 24% of the customers who purchase the Company's residential condominiums.

At the same time, the Company is also directly affected by this Act because it is obliged to pay tax on ownership of land and buildings projects that are in the selling process, as well as tax on land that is under development. These properties will be subject to 0.03% tax in 2020-2022 then to an adjusted tax rate of 0.3% in 2023.

The said tax has caused an increase in the Company's operating costs proportional to the volume of products in the inventory.

### Preventive Measures and Solution

1. Accelerate the sale of existing inventory amounting 10 billion THB in order to reduce the costs burden related to land and buildings taxes.
2. Develop small-scale residential condominium and home projects in order to increase sale and reduce burden of holding product inventory.
3. Emphasize on penetrating the customer groups who purchase residential properties to compensate for the customer groups who purchase properties for investment, due to the increase costs of holding properties, as provided in the land and buildings tax law.

## Risks from Violation of Regulations

The development of real estate projects is related to various regulations which are very complicated and involve many agencies. It is necessary to emphasize each regulation and operate with caution and prudence. The failure to comply with the regulations may bring about serious damages on the operation of the Company, for example, making mistake in land purchasing, constructing buildings that are not in compliance with the regulations, etc.

### Preventive Measures and Solution

1. 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.
2. The importance is given to strict compliance with the regulations.

## Misconduct and Corruption Risks

### Misconduct Risks

Since real estate business has a high investment value, misconduct risks can take place in every operational process. For example, the misconduct can happen in the first process of project development which is the land procurement process, 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 Measures 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 Risks

The operation of property development business involves contacting different government agencies. There is a risk of corruption and in compliance with regulations in exchange for special treatment or favor.

### Preventive Measures and Solution

1. Strictly comply with regulations and rules to avoid abuse of 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.





# CHAPTER

# 7



L.P.N. DEVELOPMENT PUBLIC COMPANY LIMITED

## Appendix

## Board of Directors

|  |  |   |  |
|--|--|---|--|
|      | <p><b>Mr. Amornsuk Noparumpa</b></p> <p>Chairman of the Board of Directors and Independent Director</p>  |    | <p><b>Mr. Vudhiphol Suriyabhivadh</b></p> <p>Vice Chairman of the Board of Directors, Chairman of Audit Committee and Independent Director</p>                                 |
| <p><b>Mr. Tikhamporn Plengsrisk</b></p> <p>Vice Chairman of the Board of Directors</p> |   | <p><b>Mr. Khanohai Vijakkana</b></p> <p>Director, Audit Committee Member, Chairman of Nomination, Remuneration and Good Corporate Governance Committee and Independent Director</p> |   |
|     | <p><b>Mr. Krirk Vanikkul</b></p> <p>Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director</p> |   | <p><b>Mr. Weerasak Wahawisal</b></p> <p>Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director</p> |



**Mr. Pihet  
Supakijjanusan**

Director and Nomination,  
Remuneration and Good  
Corporate Governance  
Committee Member



**Mrs. Yupa  
Teohakraisri**

Director



**Mr. Kumpee  
Chongthurakit**

Director



**Mr. Opas  
Sripayak**

Director, Chief Executive  
Director, Chief Executive Officer,  
Nomination, Remuneration and  
Good Corporate Governance  
Committee Member, Chairman  
of Risk Management Committee  
and Managing Director



**Mr. Apiohart  
Kasemkulsiri**

Director, Executive Director,  
Risk Management Committee  
Member and  
Chief Finance Officer



**Mr. Surawut  
Sukoharoensin**

Director, Executive Director,  
Risk Management Committee  
Member and Chief Strategy  
Officer



**Ms. Somsri  
Teohakraisri**

Company Secretary and Risk  
Management Committee  
Member



## Mr. Amornsuk Noparumpa

Chairman of the Board of Directors and Independent Director

Year of Appointment as a Director: 2005  
Age: 74 years



### 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

- Chairman of Audit Committee and 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, Ayudhya Securities Public Co., Ltd.
- Vice President, Bank of Ayudhya 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 2019) :

- None -



## Mr. Vudhiphol Suriyabhivadh

Vice Chairman of the Board of Directors, Chairman of Audit Committee and Independent Director

Year of Appointment as a Director: 1998  
Age: 75 years



### Education

- Bachelor of Commerce (Accountancy), University of New South Wales, Australia
- LL.B., Sukhothai Thammathirat University
- Diploma, Management Course, International Institute for Management Development: 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)

### Work Experiences During the Past Five Years

#### Listed companies

- |                |  |
|----------------|--|
| 1998 - Present | • Vice Chairman of the Board of Directors, Chairman of Audit 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 -

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

- None -

#### Positions in the government sector

- None -

### Work Experiences in the Past

- Chairman of Nomination, Remuneration and Good Corporate Governance Committee, L.P.N. Development Public Company Limited
- Director, East Asiatic (Thailand) Public Co., Ltd.

Criminal records during the past 10 years : - None -

Shareholding in the Company (including spouse's) (as of 31 December 2019) :  
1,447,000 shares or 0.10% of the total issued shares

## Mr. Tikhamporn Plengsrisk

Vice Chairman of the Board of Directors

Year of Appointment of a Director: 1989

Age: 70 years



### 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 • Vice Chairman of the Board of Directors,  
L.P.N. Development Public Co. Ltd.

#### Non-Listed Companies

- 2007 - 2019 • Director, Lumpini Project management Service Co., Ltd.

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, 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.
- Director, Lumpini Property Management Co., Ltd.
- Director, Pomsanti Co., Ltd.
- Director, Lumpini Wisdom and Solution Co., Ltd.
- 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 2019) :  
4,000,000 shares or 0.27% of the total issued shares

Note : Mr. Tikhamporn Plengsrisk resigned from the Board of Director  
of Lumpini Project Management Service Co., Ltd. effective on 5 April 2019



## Mr. Khanchai Vijakkana

Director, Audit Committee Member, Chairman of Nomination, Remuneration and Good Corporate Governance Committee and Independent Director

Year of Appointment as a Director: 2014

Age: 71 years



### 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

- 2017 - Present • Vice Chairman of the Board of Directors and Director of Tonghua Holding Public Company Limited
- 2014 - Present • Director, Audit Committee Member, Chairman of 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 -

#### Other positions that may cause a conflict of interest with the Company - None -

#### Positions in the government sector

- Honorary Director, University Council, Rajamangala University of Technology Krungthep
- Director of Asset Management, Thai Red Cross Society
- Committee Member, Association and Foundation of Pensioners, Ministry of Interior
- Member of Triam Udom Suksa Alumni Foundation
- Member of Property Management Committee, Srisavarindhira Thai Red Cross Institute of Nursing

### Work Experiences in the Past

- Honorary Director, National Council of the Boy Scouts
- 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
- 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, Nakornnayok province
- Land Officer, Uttaradit province (Land Officer level 7)

Criminal records during the past 10 years : - None -

Shareholding in the Company (including spouse's)

(as of 31 December 2019) : - None -

## Mr. Krirk Vanikkul

Director, Audit Committee Member, Nomination, Remuneration and Good Corporate Governance Committee Member and Independent Director

Year of Appointment as a Director: 2018  
Age: 65 years



### Education

- B.A. In Jurisprudence (Hons. Oxon), University of Oxford
- Barrister-at-Law, Middle Temple
- Barrister-at-Law, Institute of Legal Education of the Thai Bar
- LL.B. (Second Class Honors), Chulalongkorn University

### Training

- Advanced Management Program (AMP), Harvard Business School
- Chartered Director Course, Thai Institute of Directors Association
- Curriculum in Advanced Management (Class 7), Capital Market Academy
- Director Certification Program (DCP 42/2004) and Improving the Quality of Financial Reporting (QFR 3/2006), Thai Institute of Directors Association (IOD)

### Work Experiences During the Past Five Years

#### Listed Companies

- 2018 - 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 • Independent Director and Audit Committee Member, Osotspa Public Co., Ltd.
- 2015 - Present • Independent Director, Siam Commercial Bank, 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

- 2015 - Present • Steering Committee, King Chulalongkorn Memorial Hospital
- 2012 - Present • Member of the Council of State, Office of the Council of State

### Work Experiences in the Past

- Expert Commission Member, Office of Knowledge Management & Development (Public Organization)
- Independent Director, Italian-Thai Development Public Company Limited
- Director and Chairman of the Audit Committee, Agro Enterprise Co., Ltd.
- Chairman of Government Housing Bank
- Chairman for Real Estate Information Center
- Deputy Governor of Financial Institutions Stability, Bank of Thailand
- Assistant Governor of Financial Institutions Policy Group at Bank of Thailand
- Senior Director, Legal Department, Bank of Thailand
- Director, Legal Department, Bank of Thailand
- Judge

Criminal records during the past 10 years : - None -

Shareholding in the Company (including spouse's) (as of 31 December 2019) :

579,100 shares or 0.04% of the total issued shares



## Mr. Weerasak Wahawisal

Director, Audit Committee Member, Nomination, Remuneration and  
Good Corporate Governance Committee Member and Independent Director

Year of Appointment of a Director: 2006

Age: 63 years



### 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)

### Work Experiences During the Past Five Years

- 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 • Corporate Admin 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 (including spouse's) (as of 31 December 2019) : - None -

## Mr. Pichet Supakijjanusan

Director and Nomination, Remuneration  
and Good Corporate Governance Committee Member

Year of Appointment of a Director: 1989  
Age : 70 Years



### 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 and Nomination, Remuneration  
and Good Corporate Governance Committee Member,  
L.P.N. Development Public Co. Ltd.

#### Non-Listed Companies

- 2007 - Present • Chairman of the Board of Directors,  
Lumpini Project Management Service Co., Ltd.

Other positions that may cause a conflict of interest with the Company - None -

Positions in the government sector - None -

### Work Experiences in the Past

- Executive Director, Risk Management Committee Member and Chairma  
of Corporate Environmental and Social Responsibility Committee,  
L.P.N. Development Public Co. Ltd.
- Director, Lumpini Property Management Co., Ltd.
- Director, Pornsanti Co., Ltd.
- Director, Lumpini Wisdom and Solution Co.,Ltd
- Qualified Director, Engineering and Business Management Program (EBM),  
Faculty of Engineering, Thammasat University
- 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 (including spouse) (as of 31 December 2019):

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



## Mrs. Yupa Techakraisri

Director

Year of Appointment of a Director: 1989

Age : 69 Years



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

1989 - Present • Director, T. Krungthai Industries 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 -

#### Criminal records during the past 10 years :

- None -

#### Shareholding in the Company (including spouse) (as of 31 December 2019) :

23,769,499 shares or 1.61% of the total issued shares

\* Mrs. Yupa Techakraisri and Mr. Kumpee Chongtharakij are siblings.

## Mr. Kumpee Chongthurakit

Director

Year of Appointment of a Director: 1989

Age : 65 Years



### 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, L.P.N. Development Public Co. Ltd.
- 1987 - Present • Director, T. Krungthai Industries Public Co., Ltd.

#### Non-Listed Companies

- 1987 - Present • Director, S.S.A. Industries Co., Ltd.
- 1980 - Present • Director, Srisamang Factory Co., Ltd.

Other positions that may cause a conflict of interest with the Company - None -

Positions in the government sector - None -

### Work Experiences in the Past

- Executive Director and Risk Management Committee Member, L.P.N. Development Public Co. Ltd.
- Director, Lumpini Property Management Co., Ltd.
- Director, Pomsanti Co., Ltd.
- Director, Lumpini Project Management Service Co., Ltd.
- Director, Srisamang Factory Co., Ltd.
- Marketing Officer, Diethelm Bangkok Co., Ltd.

Criminal records during the past 10 years : - None -

Shareholding in the Company (including spouse's) (as of 31 December 2019) :

18,050,000 shares or 1.22% of the total issued shares

\* Mrs. Yupa Techakraisri and Mr. Kumpee Chongthurakit are siblings.



## Mr. Opas Sripayak

Director, Chief Executive Director, Chief Executive Officer, Nomination, Remuneration and Good Corporate Governance Committee Member, Chairman of Risk Management Committee, and Managing Director

Year of Appointment of a Director: 2006

Age : 57 Years



### 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, Chief Executive Director, Chief Executive Officer, Nomination, Remuneration and Good Corporate Governance Committee Member, Chairman of Risk Management Committee, and Managing Director, L.P.N. Development Public Co., Ltd.

#### Non-Listed Companies

- 2019 - Present • Director, Dolsiri Development Co., Ltd.  
 2018 - Present • Chairman of the Board of Directors, Lumpini Property Management Co., Ltd.  
 2018 - Present • Chairman of the Board of Directors, Pomsanti Co., Ltd.  
 2018 - Present • Chairman of the Board of Directors, LPC Social Enterprise Co., Ltd.  
 2017 - Present • Chairman of the Board of Directors, Lumpini Wisdom and Solution Co., Ltd.  
 2017 - Present • Directors, Lumpini Project Management Service Co., Ltd.

Other positions that may cause a conflict of interest with the Company - None -

Positions in the 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's) (as of 31 December 2019) : - None -

## Mr. Apichart Kasemkulsiri

Director, Executive Director, Risk Management Committee Member and Chief Financial Officer

Year of Appointment as a Director: 2018  
Age : 53 Years



### Education

- MBA, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- BBA, Department of Banking and Finance, Chulalongkorn Business School, Chulalongkorn University

### Training

- Curriculum in Advanced Management (Class 27), Capital Market Academy (2018)
- Directors Certification Program (DCP 73/2006), Thai Institute of Directors Association (IOD)

### Work Experiences During the Past Five Years

#### Listed Companies

- 2019 - Present • Chairman of the Audit Committee and Independent Director, Thitikon Public Company Limited
- 2018 - Present • Director, Executive Director, Risk Management Committee Member and Chief Finance Officer, L.P.N. Development Public Company Limited
- 2004 - Present • Director, T. Krungthai Industries Public Co., Ltd.

#### Non-Listed Companies

- 2019 - Present • Director, Dolsiri Development Co., Ltd.
- 2018 - Present • Director, Lumpini Property Management, Co., Ltd.
- 2018 - Present • Director, Pornsanti Co., Ltd.
- 2018 - Present • Director, LPC Social Enterprise Co., Ltd.
- 2007 - Present • Director, Sri Sam Ank Suppliers Co., Ltd.

Other positions that may cause a conflict of interest with the Company - None -

Positions in the government sector - None -

### Work Experiences in the Past

- Member of the Executive Committee and Senior Executive Vice President, Treasury and Banking Operations Group, Industrial and Commercial Bank of China (Thai) Public Co., Ltd.
- Director, ICBC (Thai) Leasing Co., Ltd.
- Director, ACL Securities Co., Ltd.
- Chief Financial Officer, Samart I-Mobile Public Co., Ltd.

Criminal records during the past 10 years : - None -

Shareholding in the Company (including spouse's) (as of 31 December 2019) : - None -



## Mr. Surawut Sukcharoensin

Director, Executive Director, Risk Management Committee Member  
and Chief Strategy Officer

Year of Appointment as a Director: 2018  
Age : 44 Years



### Education

- Certificate in Supply Chain and Logistics, Massachusetts Institute of Technology, USA
- MBA, Sasun Graduate Institute of Business Administration of Chulalongkorn University
- M.Sc., Engineering Business Management, University of Warwick, UK
- Master's Degree, Engineering Management, Chulalongkorn University
- B.Eng., Electronics Engineering, Assumption University

### Training

- Directors Certification Program (DCP 267/2018), Thai Institute of Directors Association (IOD)

### Work Experiences During the Past Five Years

#### Listed Companies

- 2018 - Present • Director, Executive Director, Risk Management Committee Member and Chief Strategy Officer, L.P.N. Development Public Company Limited

#### Non-Listed Companies

- 2019 - Present • Director, Dolsiri Development Co., Ltd.  
2018 - Present • Director, Lumpini Property Management, Co., Ltd.  
2018 - Present • Director, Pomsanti Co., Ltd.  
2018 - Present • Director, LPC Social Enterprise Co., Ltd.

Other positions that may cause a conflict of interest with the Company - None -  
Positions in the government sector - None -

### Work Experiences in the Past

- Head of Business Planning and Operations Development, Ekachai Distribution System, Co., Ltd.
- Operation Manager, Renoir Consulting (Thailand) Co., Ltd.
- Freelance Consultant
- Chief Operation Officer (Internet Media), Gamenet (Asia) Co., Ltd. (Hong Kong)
- Consultant, Accenture (Thailand, Hong Kong)
- Process Engineer, Chartered Semiconductor (Singapore)

Criminal records during the past 10 years : - None -

Shareholding in the Company (including spouse) (as of 31 December 2019) :  
6,863,000 shares or 0.47% of the total issued shares

## Miss Somsri Techakraisri

Company Secretary and Risk Management Committee Member

Year of Appointment as a Director: 2005

Age : 58 Years



### 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,<br>L.P.N. Development Public Co., Ltd. |
|----------------|--|

#### Non-Listed Companies

- |                |   |
|----------------|---|
| 2014 - Present | • Director, Lumpini Property Service and Care Co., Ltd. |
| 2011 - Present | • Director, LPC Social Enterprise Co., Ltd.             |

Other positions that may cause a conflict of interest with the Company - None -  
Positions in the government sector - None -

### Work Experiences in the Past

- Managing Director, Pornsanti Co., Ltd.
- Deputy Managing Director, 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 2019): - None -



# GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

## General Information

### Listed Company

|                               |   |
|-------------------------------|---|
| Company                       | : L.P.N. Development Public Co., Ltd.<br>Real Estate Developer (Residential Condominium Projects) |
| Registered Capital:           | : 1,475,698,768 THB   |
| Paid-up Capital               | : 1,475,698,768 THB   |
| Office Address                | : 1168/109 Lumpini Tower, 36 <sup>th</sup> Floor, Rama 4 Road, Tungmahamek, Sathorn, Bangkok      |
| Registration No.              | : 0107537002303 (BorMorJor. No. 447)  |
| Telephone                     | : (02) 285-5011-6   |
| Fax                           | : (02) 679-8699   |
| Call Center                   | : (02) 689-6888   |
| Website                       | : www.lpn.co.th   |
| Board of Directors:           | : director@lpn.co.th  |
| Investor Relations Department | : Mr. Varish Meemaun<br>Email: ir@lpn.co.th<br>(02) 285-5011                                      |

### Subsidiary Companies

|                     |  |
|---------------------|--|
| Company             | : Pomsanti Co., Ltd.<br>Real Estate Developer (Non Condominium Projects)                     |
| Registered Capital: | : 350,000,000.00 THB (Shareholding of the Company: 99.99%)                                   |
| Office Address      | : 1168/109 Lumpini Tower, 36 <sup>th</sup> Floor, Rama 4 Road, Tungmahamek, Sathorn, Bangkok |
| Registration No.    | : 0105533054218 (formerly 5421/2533)   |
| Telephone           | : (02) 285-5011-6  |
| Fax                 | : (02) 679-8699  |

|                     |  |
|---------------------|--|
| Company             | : Lumpini Property Management Co., Ltd.<br>Community Management Services Provider            |
| Registered Capital: | : 10,000,000.00 THB (Shareholding of the Company: 99.99%)                                    |
| Office Address      | : 1168/109 Lumpini Tower, 36 <sup>th</sup> Floor, Rama 4 Road, Tungmahamek, Sathorn, Bangkok |
| Registration No.    | : 0105535058865  |
| Telephone           | : (02) 285-5011-6  |
| Fax                 | : (02) 679-8699  |

|                     |  |
|---------------------|--|
| Company             | : Lumpini Project Management Service Co., Ltd.<br>Construction Management Services Provider  |
| Registered Capital: | : 50,000,000.00 THB (Shareholding of the Company: 52.00%)                                    |
| Office Address      | : 1168/109 Lumpini Tower, 36 <sup>th</sup> Floor, Rama 4 Road, Tungmahamek, Sathorn, Bangkok |
| Registration No.    | : 0105550127691  |
| Telephone           | : (02) 285-5011-6  |
| Fax                 | : (02) 679-8699  |

## Subsidiary Companies (Cont.)

|                    |  |
|--------------------|--|
| Company            | <ul style="list-style-type: none"> <li>LPC Social Enterprise Co., Ltd.</li> <li>(Originally Lumpini Property Service and Care Co., Ltd., Registering a Change of Company Name at the Department of Business Development, Ministry of Commerce on 1 October 2018)</li> <li>Community Services Provider</li> </ul> |
| Registered Capital | <ul style="list-style-type: none"> <li>1,000,000.00 THB (Shareholding of the Company: 99.96%)</li> </ul>   |
| Office Address     | <ul style="list-style-type: none"> <li>1168/109 Lumpini Tower, 36<sup>th</sup> Floor, Rama 4 Road, Tungmahamek, Sathorn, Bangkok</li> </ul>  |
| Registration No.   | <ul style="list-style-type: none"> <li>0105554043692</li> </ul>  |
| Telephone          | <ul style="list-style-type: none"> <li>(02) 285-5011-6</li> </ul>  |
| Fax                | <ul style="list-style-type: none"> <li>(02) 679-8699</li> </ul>  |
| Company            | <ul style="list-style-type: none"> <li>Lumpini Wisdom and Solution Co., Ltd.</li> <li>(a subsidiary company of Lumpini Project Management Service Co., Ltd.)</li> <li>Product Research and Development Services and Other Real Estate Services Provider</li> </ul>   |
| Registered Capital | <ul style="list-style-type: none"> <li>3,000,000.00 THB (Shareholding of Lumpini Project Management Service Co., Ltd. 99.99%)</li> </ul>   |
| Office Address     | <ul style="list-style-type: none"> <li>1168/59 Lumpini Tower, 21<sup>st</sup> Floor, Rama 4 Road, Tungmahamek, Sathorn, Bangkok</li> </ul>   |
| Registration No.   | <ul style="list-style-type: none"> <li>0105556045967</li> </ul>  |
| Telephone          | <ul style="list-style-type: none"> <li>(02) 285-5011-6</li> </ul>  |
| Fax                | <ul style="list-style-type: none"> <li>—</li> </ul>  |

## Associated Company

|                    |   |
|--------------------|---|
| Company            | <ul style="list-style-type: none"> <li>Kamala Senior Living Co., Ltd.</li> <li>Residential Project for Senior Citizens Developer and Manager</li> </ul> |
| Registered Capital | <ul style="list-style-type: none"> <li>1,000,000.00 THB (Shareholding of the Company: 25.00%)</li> </ul>  |
| Office Address     | <ul style="list-style-type: none"> <li>21/14 &amp; 21/16 Thai Wah Tower, South Sathorn Road, Tungmahamek, Sathorn, Bangkok</li> </ul>                   |
| Registration No.   | <ul style="list-style-type: none"> <li>0105560114439</li> </ul>   |
| Telephone          | <ul style="list-style-type: none"> <li>(02) 677-3344</li> </ul>   |
| Fax                | <ul style="list-style-type: none"> <li>(02) 667-3354</li> </ul>   |
| Company            | <ul style="list-style-type: none"> <li>Dolsiri Development Co., Ltd.</li> <li>Real Estate Development Business-Office Buildings for Rent</li> </ul>     |
| Registered Capital | <ul style="list-style-type: none"> <li>100,000,000 บาท (Shareholding of the Company: 49.99%)</li> </ul>   |
| Office Address     | <ul style="list-style-type: none"> <li>1168/109, 36th FL, Lumpini Tower, Rama 4 Road, Tungmahamek, Sathorn, Bangkok</li> </ul>                          |
| Registration No.   | <ul style="list-style-type: none"> <li>0105562045761</li> </ul>   |
| Telephone          | <ul style="list-style-type: none"> <li>(02) 285-5011-6</li> </ul>   |
| Fax                | <ul style="list-style-type: none"> <li>(02) 679-8699</li> </ul>   |

## Legal Consultant

|                  |   |
|------------------|---|
| Company          | <ul style="list-style-type: none"> <li>Sermak, Vejj &amp; Associates Law Office</li> </ul>  |
| Office Address   | <ul style="list-style-type: none"> <li>399/365-368 Chokechai Ruammit Condominium, 12<sup>th</sup> Floor, Vibhavadi Rangsit, Ladyao, Jatujak, Bangkok</li> </ul> |
| Registration No. | <ul style="list-style-type: none"> <li>4760/2525</li> </ul>   |
| Telephone        | <ul style="list-style-type: none"> <li>(02) 691-5541-5</li> </ul>   |
| Fax              | <ul style="list-style-type: none"> <li>(02) 691-5545</li> </ul>   |



## Auditor

|                |  |
|----------------|--|
| Company        | : D.I.A International Auditing   |
| Office Address | : 316/32 Sukhumvit Soi 22, Sukhumvit Road, Klongtoey, Bangkok  |
| Auditor        | : Mr. Nopparuek Pitsanuwong, Certified Public Accountant No. 7764<br>Ms. Somjintana Pholhirunrat, Certified Public Accountant No. 5599 |
| Telephone      | : (02) 259-6300  |
| Fax            | : (02) 259-8956  |

## Registrar

|                |   |
|----------------|---|
| Company        | : Thailand Securities Depository Co., Ltd.                        |
| Office Address | : 99 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400       |
| Telephone      | : (02) 009-9000   |
| Fax            | : (02) 009-9991   |
| Call Center    | : (02) 009-9999   |
| Website        | : <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a> |

## Other significant information that affects investors' decision making

-None-

Note: In this annual report, meanings of subsidiary company, affiliated company and associated company are as follows:

A subsidiary company is a company or a juristic person which L.P.N. Development Public Co., Ltd. holds over 50% of voting shares no matter it is a direct or indirect stock ownership.

An affiliated company is a company or a juristic person which L.P.N. Development Public Co., Ltd. has a completed or major managerial power and holds no less than 25% of voting shares no matter it is a direct or indirect stock ownership.

An associated company is a company or a juristic person which L.P.N. Development Public Co., Ltd., subsidiary companies and affiliated companies holds shares, no matter it is direct or indirect stock ownerships, in order to perform business operation together.

# 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. Pomsanti 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 lower-middle to upper 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 which is in accordance with the Principles of Universal Design. 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. 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 condominium. The target group of the second category is the customers of the Company who wish to have their own vacation condominium.

## 1

### The First City Home :

Apart from developing residential condominiums in Bangkok and peripheral area, since 2012 the Company has also developed projects in other provinces i.e. Chonburi, Udonthani, Phetchaburi and Pattaya including the development of Baan 365, a premium housing project. The brand positioning is as follows:

**BAAN 365**  
RAMA III

#### "Baan 365"

It is a flagship project of premium single house and townhome of the Company. The location is meticulously selected. The first project is developed on Rama 3 Road as it is right in the city and yet private.



#### "The Lumpini"

It is the premium brand developed for the special occasion of the 24<sup>th</sup> year of operation of LPN. The project is situated on the highest potential location in Soi Sukhumvit 24 surrounded by convenient facilities. The design of the building is Y-shaped in which all condominium units are able to enjoy the outside view. It is perfect for simple and yet luxurious living in the heart of Sukhumvit 24 Road.



## LUMPINI SUITE

UIN SAENG KATHANAPRABUP

### "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.

## LUMPINI SELECTED

### "The Selected by LPN"

It is the mid-to high-end brand that develops the product value to match the unique lifestyle of target groups. The Selected Kaset-Ngamwongworn by LPN is the first project developed under this brand. It is located on Ngamwongworn 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. The design of common areas is perfect for studying i.e. spaces for group working and quiet reading corners. There are areas for brainstorming, exercising, and outdoor activities.

## LUMPINI PLACE

### "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

### "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

### “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 SAENGKA MegaCity

## LUMPINI TRIPUNRAK-SRINAKARIN MiXX

### “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

## LUMPINI TRIPUNRAK-SRINAKARIN CondoTown

### “Lumpini Center” and “Lumpini CondoTown”

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”

It is the mid-to low-end brand developed to create an opportunity of owning a home at the affordable. The “Livable Township” strategy is initiated for middle and lower income groups. 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 and 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 ParkBeach"

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, The project is managed under the "Livable Community" concept, 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

##### "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.

Pomsanti 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. Four 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 for both condominiums and residential homes developed by LPN and provides management service to external projects as follows:



#### 1.1 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.



#### 1.2 Management of residential condominiums, offices and commercial buildings

is responsible for management of common assets and common areas for the sake of building efficiency. It does not only make the building suitable for its use but also take care of operational efficiency under an adequate and suitable environment. Other services include providing management service for rental asset management system, setting up and operating condominium management system and managing office buildings, commercial buildings, superstores or other business buildings as required by clients.

In addition to providing building management services and building supervision to ensure the suitability of the building for its uses, the company supervises the operational efficiency under a suitable and worthwhile environment starting from planning, controlling, evaluating, managing database and auditing by personnel and teams who have high experiences in all fields.



#### 1.3 Brokerage services

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.



#### 1.4 Engineering Service

is responsible for providing comprehensive condominium engineering services according to customers' needs. The operation includes supervision of the maintenance and repair of condominiums, such as electrical system, sanitation system, fire prevention system, air-conditioning system, building painting work, etc. Work plan and cost control plan are done by our expert and experienced personnel for the highest benefits such as repairing the interior of condominium units, designing and renovating wastewater treatment system and improving M&E system.



## 2. Lumpini Project Management Service Co., Ltd. (LPS)

provides project management 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 service to external organizations. The emphasis is put on project management in order to deliver product values to customers as well as quality management, 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. In 2019 the company has achieved ISO 9001:2015 Quality Management System Certification and ISO 14001:2015 Environmental Management System Certification.

## 3. LPC Social Enterprise Co., Ltd. (LPC)

or originally called Lumpini Property Service and Care Co., Ltd. provides full services in community including cleaning. In 2017, the company will not only provide services to the projects developed by the Company but also to external parties. The employees are not only underprivileged women but also persons with disabilities and elderly people. In 2018 the company has become a social enterprise as certified by the Department of Social Development and Welfare, Ministry of Social Development and Human Security. Together with LPP, in 2019 the company has achieved ISO 9001:2015 Quality Management System Certification.



## 4. Lumpini Wisdom and Solution Co., Ltd. (LWS)

is responsible for providing product research and development services to the Company and affiliated companies. The company also provides consultation and research services on green operation, sustainable development and Building Information Modeling (BIM) to the Company and other domestic and international organizations outside LPN Group.

The achievement of ISO 9001:2015 Quality Management System Certification of the three affiliated companies namely LPP, LPC and LPS has raised the standard of service business, increased competitive potential and built customer confidence in brand. Moreover, it can reduce cost in the long run and reduce work procedure and errors, resulting in decreasing complaints, maintaining of service standard and positive customer perception.

# MARKETING AND COMPETITION

## Marketing of Products and Services

### Marketing of Products and Services

The Company has established an after-sale service policy to continuously take care of customers in every project. It sets up 3 companies that offer business services relating to real estate development. The services are as follows:

#### 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 for the development of products and services using human-centric design to meet customer needs to have a good life and to live happily with a balance in the Livable Community.

- **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, that suits the needs of target groups while 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 use of online media to reach the target groups is promoted. The Company can maintain very low marketing expenses which is around 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 launched a campaign to communicate the "the Better Balance" concept which LPN determines to incorporate into every work process to ensure that LPN's "home" is the most balanced "home" for living. The 3 components of balance in the Better Balance concept are perfectly included in all LPN project developments.





## 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.

**Offline media:** The advertisement is done through various media such as billboards in the area surrounding the project sites and in the department stores, printed media like magazines and pamphlets, etc.

**Online media:** Nowadays marketing communication through digital media such as internet, mobile application, social media and online marketing is important for the organization and customers. They are used as a communication tool and widely accepted because they can efficiently reach target groups, reduce cost, and control expenses. The communication can be done anytime and anywhere. The Company has continuously developed online media as a channel to communicate project information and progress to the customers in a timely and convenient manner. In addition, the interaction between the Company and customers brings about perception, acceptance, acquaintance, trust, reliability and positive image building and leads to the creation of reciprocal participation.

**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.

**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.

**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 2018, 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:

### 4.1 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.
- 5) **Tenants:** are the customers who rent for residential purpose and for commercial purpose.



#### 4.2 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 LPN Wisdom, 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.

#### 4.3 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 expend to other sources of income than that from sale.

#### 4.4 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 products 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:



## 6.1 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.

## 6.2 Building Product Differentiation

To ensure utmost customer satisfaction, the Company has never stopped searching for a balance that is suitable for customers' lifestyle. It chooses to differentiate its products by designing the products under "LPN Design" concept which focuses on the design that is adequate and has usable space that perfectly responds to the lifestyles of the residents. The Company also builds a service differentiation with the emphasis on the services and the management after move-in which does not only support a private living but also encourages a perfect togetherness of everybody on the same basis and focuses on the quality of life of the residents of all age groups.

# PROCUREMENT OF PRODUCTS AND SERVICES

## 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 upper 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:

- 1) **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.
- 2) **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.
- 3) **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.
- 4) **Produce project development plan, financial plan, project financing plan, sale management and marketing plan** as well as community management after handover plan.
- 5) **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.
- 6) **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.

## 7) 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.
- 8) 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.
- 9) 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:

- 1) 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.
- 2) 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.
- 3) 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.
- 4) 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.



# DETAILS OF PROJECTS

## Details of Completed Projects Information as of 31 December 2019

### Details of Completed Projects of L.P.N. Development Public Co., Ltd.

| No.                            | Project                                   | Size<br>(rai-ngarn-wa) | Height<br>(Floor) | No. of<br>Buildings | No. of<br>Units | Project<br>Value<br>(million THB) | Development<br>and<br>Construction |
|--------------------------------|---|------------------------|-------------------|---------------------|-----------------|-----------------------------------|------------------------------------|
| <b>Residential Condominium</b> |   |                        |                   |                     |                 |                                   |                                    |
| 1                              | Lumpini Place (Soi Kraisri)               | 1-3-26.00              | 19                | 1                   | 34              | 408.00                            | 2534-2537                          |
| 2                              | Siphaya Riverview                         | 2-0-16.60              | 31                | 1                   | 310             | 1,100.00                          | 2537-2541                          |
| 3                              | Lumpini Center Building A-H               | 12-2-26.00             | 7, 8              | 20                  | 1,765           | 867.00                            | 2542-2546                          |
| 4                              | Lumpini Place Sathorn Building A-D        | 3-2-52.60              | 9                 | 4                   | 603             | 726.00                            | 2544-2546                          |
| 5                              | Lumpini Residence Sathorn                 | 0-1-99.00              | 9                 | 1                   | 37              | 96.00                             | 2545-2546                          |
| 6                              | Lumpini Center Ladprao 111 Building A-G   | 6-2-17.00              | 8                 | 7                   | 856             | 663.00                            | 2545-2547                          |
| 7                              | Lumpini Place Suanplu-Sathorn             | 2-2-22.50              | 9                 | 2                   | 281             | 372.00                            | 2545-2546                          |
| 8                              | Lumpini Place Rama 4-Sathorn              | 2-0-38.00              | 9                 | 2                   | 231             | 405.00                            | 2545-2546                          |
| 9                              | Lumpini Place Narathiwas 24               | 2-0-25.00              | 9                 | 2                   | 190             | 353.00                            | 2545-2546                          |
| 10                             | Lumpini Ville Mary-Sathorn                | 2-3-65.00              | 9                 | 2                   | 300             | 467.00                            | 2546-2547                          |
| 11                             | Lumpini Place Rama 3-Chaoenkrung          | 2-3-79.00              | 9                 | 2                   | 312             | 485.00                            | 2546-2547                          |
| 12                             | Lumpini Place Narathiwasratchanakarin     | 2-2-11.20              | 9                 | 2                   | 233             | 481.00                            | 2546-2547                          |
| 13                             | Lumpini Suite Sukhumvit 41                | 1-2-78.00              | 9                 | 2                   | 159             | 486.00                            | 2546-2547                          |
| 14                             | Lumpini Place Rama 3-Riverview            | 3-0-65.10              | 19                | 1                   | 497             | 1,031.00                          | 2547-2548                          |
| 15                             | Lumpini Center Sukhumvit 77               | 6-2-30.20              | 9                 | 5                   | 872             | 898.00                            | 2547-2548                          |
| 16                             | Lumpini Ville Phahol-Sutthisarn           | 5-0-76.90              | 21                | 2                   | 861             | 1,408.00                          | 2547-2548                          |
| 17                             | Lumpini Center Nawamin                    | 3-2-65.70              | 8                 | 3                   | 442             | 389.00                            | 2548-2549                          |
| 18                             | Lumpini Ville Sukhumvit 77                | 4-3-29.80              | 23                | 3                   | 987             | 1,561.00                          | 2547-2549                          |
| 19                             | Lumpini Place Pinklao                     | 3-0-33.00              | 22                | 1                   | 580             | 1,107.00                          | 2548-2549                          |
| 20                             | Lumpini Ville Thailand Cultural Center    | 12-2-63.00             | 8                 | 9                   | 1,324           | 1,956.00                          | 2548-2549                          |
| 21                             | Lumpini Place Narathiwas-Chao-phraya      | 9-0-72.00              | 29                | 3                   | 1,306           | 3,598.00                          | 2548-2550                          |
| 22                             | Lumpini Place Pahol-Saphankwai            | 7-1-68.00              | 29                | 2                   | 1,093           | 2,237.00                          | 2549-2550                          |
| 23                             | Lumpini Place Pinklao 2                   | 3-3-83.30              | 26                | 1                   | 651             | 1,138.00                          | 2549-2550                          |
| 24                             | Lumpini Place Ratchada-Thaphra            | 6-2-26.00              | 29, 4             | 3                   | 898             | 1,650.00                          | 2549-2551                          |
| 25                             | Lumpini Ville Ramkhamhaeng 44             | 4-2-56.00              | 23                | 2                   | 827             | 1,304.00                          | 2549-2551                          |
| 26                             | Lumpini CondoTown Bodindecha-Ramkhamhaeng | 32-3-28.00             | 8                 | 14                  | 3,445           | 3,074.00                          | 2550-2551                          |
| 27                             | Lumpini CondoTown Ramindra-Laksi          | 13-0-40.00             | 8                 | 7                   | 1,568           | 1,272.00                          | 2550-2551                          |
| 28                             | Lumpini Ville Ramindra-Laksi              | 7-2-58.30              | 14                | 1                   | 1,271           | 1,388.00                          | 2550-2551                          |
| 29                             | Lumpini Ville Prachachuen-Phongphet       | 7-3-83.80              | 19                | 2                   | 958             | 1,360.00                          | 2550-2552                          |
| 30                             | Lumpini CondoTown Rattanaathibesi         | 19-0-59.10             | 8                 | 8                   | 1,944           | 1,796.00                          | 2550-2552                          |
| 31                             | Lumpini Suite Pinklao                     | 3-1-67.00              | 21                | 1                   | 547             | 1,353.00                          | 2550-2552                          |
| 32                             | Lumpini Ville Ramkhamhaeng 26             | 10-2-74.00             | 8                 | 5                   | 998             | 1,388.00                          | 2551-2552                          |
| 33                             | Lumpini Place Rama 8                      | 9-3-4.40               | 13                | 2                   | 1,131           | 1,956.00                          | 2551-2552                          |
| 34                             | Lumpini Suite Rama 8                      | 1-3-55.90              | 12                | 1                   | 182             | 518.00                            | 2551-2552                          |

Note: \* Combined size of all phases

| No.                     | Project  | Size<br>(rai-ngam-wa) | Height<br>(Floor) | No. of<br>Buildings | No. of<br>Units | Project<br>Value<br>(million THB) | Development<br>and<br>Construction |
|-------------------------|--|-----------------------|-------------------|---------------------|-----------------|-----------------------------------|------------------------------------|
| Residential Condominium |  |                       |                   |                     |                 |                                   |                                    |
| 35                      | Lumpini Place Ramindra-Laksi                     | 4-1-96.30             | 14                | 1                   | 516             | 925.00                            | 2552-2552                          |
| 36                      | Lumpini Place Rama 9-Ratchada Phase 1            | 6-0-19.00             | 25, 30            | 2                   | 1,165           | 2,910.00                          | 2551-2553                          |
| 37                      | Lumpini Ville Bangkok                            | 1-2-68.00             | 22                | 1                   | 271             | 318.00                            | 2552-2553                          |
| 38                      | Lumpini Ville Rasburana-Riverview                | 5-0-38.80             | 29, 31            | 2                   | 1,028           | 1,317.00                          | 2552-2553                          |
| 39                      | Lumpini CondoTown Nawamin-Ramindra Building A, B | 6-1-51.58             | 25                | 2                   | 1,120           | 1,028.00                          | 2552-2553                          |
| 40                      | Lumpini CondoTown Bangkok                        | 7-3-94.00             | 8                 | 4                   | 795             | 702.00                            | 2553-2553                          |
| 41                      | Lumpini CondoTown Nawamin-Ramindra Building C    | 3-1-29.60             | 25                | 1                   | 739             | 732.00                            | 2552-2553                          |
| 42                      | Lumpini Ville Ladprao-Chokchai 4                 | 7-1-70.00             | 18                | 2                   | 1,026           | 1,438.00                          | 2552-2553                          |
| 43                      | Lumpini Place Rama 9-Ratchada Phase 2            | 5-0-95.00             | 29, 24            | 2                   | 1,165           | 2,649.00                          | 2552-2553                          |
| 44                      | Lumpini CondoTown Nawamin-Ramindra Building D    | 3-3-5.00              | 24                | 1                   | 709             | 576.00                            | 2553-2554                          |
| 45                      | Lumpini Park Pinklao                             | 12-0-11.20            | 30                | 2                   | 2,702           | 3,793.00                          | 2552-2554                          |
| 46                      | Lumpini Place Rama 4-Klusaynamthai               | 4-1-4.00              | 26                | 1                   | 887             | 1,580.00                          | 2553-2554                          |
| 47                      | Lumpini Place Ratchayothin                       | 15-1-78.00            | 20                | 4                   | 1,827           | 3,217.00                          | 2553-2554                          |
| 48                      | Lumpini CondoTown Nida-Serithai                  | 6-2-00.00             | 5, 8              | 4                   | 598             | 472.00                            | 2554-2555                          |
| 49                      | Lumpini Ville Lasalle-Bearing                    | 7-1-58.00             | 15, 20            | 4                   | 1,032           | 927.00                            | 2554-2555                          |
| 50                      | Lumpini CondoTown Nida-Serithai 2                | 7-2-46.50             | 5, 8              | 6                   | 696             | 590.00                            | 2554-2555                          |
| 51                      | Lumpini Park Riverside-Rama 3                    | 14-1-42.10            | 3, 5, 36          | 4                   | 2,405           | 5,963.00                          | 2553-2555                          |
| 52                      | Lumpini Ville Pibulsongkram-Riverview            | 3-1-41.70             | 27                | 1                   | 768             | 952.00                            | 2554-2555                          |
| 53                      | Lumpini Ville Pattanakarn-New Petchaburi         | 13-2-96.80            | 8                 | 7                   | 1,489           | 1,761.00                          | 2554-2555                          |
| 54                      | Lumpini Ville Chaengwattana-Pakkred              | 6-0-75.00             | 32                | 1                   | 1,622           | 1,754.00                          | 2554-2555                          |
| 55                      | Lumpini CondoTown North Pattaya-Sukhumvit        | 7-0-66.80             | 32                | 2                   | 1,448           | 1,305.00                          | 2554-2555                          |
| 56                      | Lumpini CondoTown Ramindra-Ladplakao             | 9-3-46.40             | 8                 | 4                   | 1,035           | 1,046.00                          | 2554-2555                          |
| 57                      | Lumpini Ville Sukhumvit 109-Bearing              | 6-2-0.00              | 8                 | 4                   | 742             | 952.00                            | 2554-2556                          |
| 58                      | Lumpini Megacity Bangna                          | 17-2-29.00            | 18, 28, 29        | 5                   | 4,046           | 4,466.00                          | 2554-2556                          |
| 59                      | Lumpini ParkBeach Jomtien                        | 19-1-33.00            | 30                | 1                   | 1,846           | 4,254.00                          | 2554-2556                          |
| 60                      | Lumpini Ville Naklua-Wongamart                   | 12-2-65.90            | 20, 28, 30        | 3                   | 2,168           | 2,914.00                          | 2554-2556                          |
| 61                      | Lumpini Ville Sukhumvit 77 (2)                   | 6-1-45.00             | 16, 18            | 4                   | 956             | 1,197.00                          | 2555-2556                          |
| 62                      | Lumpini CondoTown Chonburi-Sukhumvit             | 37-2-25.00            | 8                 | 19                  | 4,101           | 2,743.00                          | 2555-2556                          |
| 63                      | Lumpini Ville Ramkhamhaeng 60/2                  | 8-0-89.40             | 15, 25            | 3                   | 1,212           | 1,503.00                          | 2555-2556                          |
| 64                      | Lumpini Condotown Ramindra-Ladplakao 2           | 4-3-78.00             | 8                 | 2                   | 532             | 563.00                            | 2556-2557                          |
| 65                      | Lumpini Ville Onnut-Ladkrabang                   | 11-3-40.00            | 8                 | 4                   | 1,118           | 1,091.00                          | 2556-2557                          |
| 66                      | Lumpini Ville Prachachuen-Pongphet 2             | 10-0-80.70            | 32                | 2                   | 1,395           | 2,027.00                          | 2555-2557                          |
| 67                      | Lumpini Ville Onnut 46                           | 14-2-30.90            | 8                 | 7                   | 1,450           | 1,436.00                          | 2557-2557                          |
| 68                      | Lumpini Ville Onnut-Pattanakarn                  | 15-3-0.00             | 8                 | 7                   | 1,594           | 1,948.00                          | 2557-2557                          |
| 69                      | Lumpini Seaview Jomtien                          | 19-1-33.00            | 30                | 1                   | 1,154           | 1,303.00                          | 2557-2557                          |
| 70                      | Lumpini Place Udon-Posri                         | 13-1-53.60            | 14                | 3                   | 1,370           | 2,114.00                          | 2556-2557                          |
| 71                      | Lumpini Place Suksawasdi-Rama 2                  | 4-0-18.00             | 32                | 1                   | 750             | 1,100.00                          | 2556-2558                          |
| 72                      | Lumpini Place Srinakarin-Huamark Station         | 7-1-77.00             | 25                | 1                   | 1,513           | 3,000.00                          | 2556-2558                          |
| 73                      | Lumpini Park Rattanaathibee-Ngarmwongworn        | 14-2-75.60            | 29, 30            | 5                   | 2,826           | 4,000.00                          | 2555-2558                          |
| 74                      | Lumpini Park Rama 9-Ratchada                     | 9-3-90.30             | 24                | 1                   | 1,540           | 2,600.00                          | 2556-2558                          |

Note: \* Combined size of all phases



| No.                            | Project   | Size<br>(rai-ngarn-wa) | Height<br>(Floor) | No. of<br>Buildings | No. of<br>Units | Project<br>Value<br>(million THB) | Development<br>and<br>Construction |
|--------------------------------|---|------------------------|-------------------|---------------------|-----------------|-----------------------------------|------------------------------------|
| <b>Residential Condominium</b> |   |                        |                   |                     |                 |                                   |                                    |
| 75                             | Lumpini Ville Onnut-Ladkrabang 2                  | 10-3-69.00             | 8                 | 4                   | 1,043           | 1,100.00                          | 2557-2558                          |
| 76                             | Lumpini Township Rangsit-Klong 1 (Phase 1)        | *89-1-10.70            | 8                 | 16                  | 3,472           | 2,400.00                          | 2556-2558                          |
| 77                             | Lumpini Place Borom Ratchachonni-Pinklao          | 6-1-0.00               | 25                | 1                   | 992             | 1,660.00                          | 2557-2558                          |
| 78                             | Lumpini CondoTown Romklao-Suvarnabhumi            | 18-1-82.00             | 8                 | 7                   | 1,959           | 1,664.00                          | 2557-2559                          |
| 79                             | Lumpini Park Nawamin-Si Burapha                   | 15-1-61.40             | 16                | 7                   | 1,831           | 2,248.00                          | 2557-2559                          |
| 80                             | Lumpini ParkBeach Cha-am                          | 15-2-95.00             | 4                 | 10                  | 413             | 1,091.00                          | 2558-2559                          |
| 81                             | The Lumpini 24                                    | 3-0-96.70              | 8, 46             | 2                   | 436             | 3,175.00                          | 2556-2559                          |
| 82                             | Lumpini Township Rangsit-Klong 1 Phase 2          | *89-1-10.70            | 8                 | 18                  | 3,674           | 2,748.00                          | 2559-2559                          |
| 83                             | Lumpini Park Phetkasem 98 (Phase1)                | *19-0-79.60            | 20, 21            | 2                   | 1,362           | 1,860.00                          | 2557-2559                          |
| 84                             | Lumpini Ville Nakhon In-Riverview                 | 8-0-51.00              | 26                | 1                   | 1,644           | 2,078.00                          | 2558-2559                          |
| 85                             | Lumpini Mixx Thepharak-Srinakarin                 | 22-2-53.00             | 8                 | 7                   | 2,041           | 1,893.00                          | 2558-2559                          |
| 86                             | Lumpini Ville Sukhumvit 76-Bearing Station        | 8-2-70.00              | 8                 | 4                   | 895             | 1,100.00                          | 2558-2560                          |
| 87                             | Lumpini Ville Ratchaphruek-Bang Waek              | 11-1-87.00             | 8                 | 5                   | 1,085           | 1,300.00                          | 2559-2560                          |
| 88                             | Lumpini Park Phetkasem 98 (Phase 2)               | *19-0-79.60            | 20, 21            | 2                   | 1,320           | 1,860.00                          | 2559-2560                          |
| 89                             | Lumpini Seaview Cha-Am (B)                        | *7-1-81.00             | 20                | 1                   | 453             | 570.00                            | 2559-2560                          |
| 90                             | Lumpini Place Bang Na KM.3                        | 6-3-10.5               | 8                 | 3                   | 609             | 1,000.00                          | 2560-2560                          |
| 91                             | Lumpini Ville Ratburana-Riverview 2               | 6-1-82.00              | 8                 | 4                   | 696             | 900.00                            | 2560-2561                          |
| 92                             | Lumpini ParkBeach Cha-am 2                        | 4-1-26.00              | 4                 | 4                   | 124             | 430.00                            | 2560-2561                          |
| 93                             | Lumpini Ville Pranangklae-Riverview               | 9-2-52.50              | 8                 | 4                   | 905             | 1,000.00                          | 2560-2561                          |
| 94                             | Lumpini Seaview Cha-Am (A)                        | *7-1-81.00             | 20                | 1                   | 536             | 700.00                            | 2560-2561                          |
| 95                             | The Selected Kaset-Ngamwongwan by LPN             | 2-3-5.58               | 20                | 1                   | 307             | 1,000.00                          | 2560-2561                          |
| 96                             | Lumpini Suite Phetchaburi-Makkasan                | 3-0-71.1               | 35                | 1                   | 636             | 2,700.00                          | 2560-2561                          |
| 97                             | Lumpini Suite Din Daeng-Rachaprarop               | 2-2-25.6               | 30                | 1                   | 491             | 1,750.00                          | 2560-2561                          |
| 98                             | Lumpini Park Phahon 32                            | 4-0-11.2               | 30                | 1                   | 546             | 2,000.00                          | 2560-2562                          |
| 99                             | Lumpini Place Ratchada-Sathu                      | 2-2-26.1               | 35                | 1                   | 543             | 1,500.00                          | 2560-2562                          |
| 100                            | Lumpini Ville Sukhumvit 76-Bearing Station 2      | 3-2-94.60              | 8                 | 2                   | 406             | 700.00                            | 2561-2562                          |
| 101                            | Lumpini Selected Sutthisan-Saphan Khwai           | 1-3-55.0               | 28                | 1                   | 389             | 1,200.00                          | 2561-2562                          |
| 102                            | Lumpini Park Vibhavadi-Chatuchak                  | 4-1-39.60              | 21                | 1                   | 736             | 2,000.00                          | 2561-2562                          |
| 103                            | Lumpini Ville Suksawat-Rama 2                     | 2-0-86.00              | 26                | 1                   | 377             | 700.00                            | 2561-2562                          |
| <b>Office building</b>         |   |                        |                   |                     |                 |                                   |                                    |
| 1                              | Lumpini Tower                                     | 2-3-33.00              | 38                | 1                   | 113             | 2,118.00                          | 2532-2535                          |
| 2                              | L.P.N. Tower                                      | 1-2-42.00              | 18                | 1                   | 76              | 564.00                            | 2532-2535                          |
| 3                              | L.P.N. Mini Office                                | 0-0-90.00              | 7                 | 1                   | 1               | 29.00                             | 2537-2537                          |
| <b>Horizontal building</b>     |   |                        |                   |                     |                 |                                   |                                    |
| 1                              | Ban Lumpini Bang Bua Tong (Townhouse)             | 36-1-31.20             | -                 | -                   | 704             | 725.00                            | 2537-2539                          |
| 2                              | Ban Lumpini 2 Bang Bua Tong (Commercial Building) | 2-1-84.90              | -                 | -                   | 35              | 97.00                             | 2540-2542                          |
| 3                              | Lumpini Center (Commercial Building)              | 1-1-81.20              | -                 | -                   | 23              | 62.00                             | 2542-2543                          |

Note: \* Combined size of all phases

# Details of Current Projects under Development of Pomsanti Co., Ltd.

| No.                            | Project   | Size<br>(rai-ngam-wa) | Height<br>(Floor) | No. of<br>Buildings | No. of<br>Units | Project<br>Value<br>(million THB) | Development<br>and<br>Construction |
|--------------------------------|---|-----------------------|-------------------|---------------------|-----------------|-----------------------------------|------------------------------------|
| <b>Residential condominium</b> |   |                       |                   |                     |                 |                                   |                                    |
| 1                              | P.S.T. CondoVille Tower 1, 2                                  | 6-2-78.70             | 22                | 2                   | 1,548           | 1,944.00                          | 2533-2537                          |
| 2                              | P.S.T. Cityhome   | 4-1-34.20             | 29                | 1                   | 764             | 1,480.00                          | 2537-2542                          |
| <b>Office building</b>         |   |                       |                   |                     |                 |                                   |                                    |
| 1                              | P.S.T. Mini Office  | 4-1-36.00             | 7                 | 5                   | 10              | 131.00                            | 2535-2536                          |
| 2                              | Commercial Building Phahol-Sutthisarn 2                       | 0-1-87.00             | 5                 | 1                   | 1               | 44.00                             | 2552-2553                          |
| 3                              | Home Office Pinklao   | 0-1-58.00             | 4                 | 1                   | 1               | 36.00                             | 2553-2554                          |
| <b>Horizontal building</b>     |   |                       |                   |                     |                 |                                   |                                    |
| 1                              | Commercial Building Cultural Center                           | 0-1-50.00             | -                 | -                   | 5               | 41.00                             | 2550-2550                          |
| 2                              | Commercial Building Nawamin                                   | 0-0-34.30             | -                 | -                   | 1               | 12.00                             | 2550-2550                          |
| 3                              | Townhome Ramindra-Laksi                                       | 0-0-82.00             | -                 | -                   | 4               | 16.46                             | 2551-2552                          |
| 4                              | Commercial Building Phahol-Sutthisarn 1                       | 0-0-49.00             | 4                 | 1                   | 1               | 10.00                             | 2552-2553                          |
| 5                              | Lumpini Town Place Ratchayothin-Sena                          | 5-3-39.00             | 3                 | -                   | 71              | 375.00                            | 2554-2555                          |
| 6                              | Lumpini Town Residence Ladprao Station                        | 4-0-79.40             | 3                 | -                   | 46              | 423.00                            | 2554-2555                          |
| 7                              | Lumpini Town Place Sukhumvit 62                               | 9-0-22.00             | 3                 | -                   | 73              | 470.00                            | 2556-2557                          |
| 8                              | Lumpini Townville Srinakarin-Bearing                          | 7-2-61.00             | 3                 | -                   | 93              | 340.00                            | 2556-2557                          |
| 9                              | Lumpini Town Residence Bangna-Srinakarin                      | 4-1-60.00             | 3                 | -                   | 27              | 220.00                            | 2556-2557                          |
| 10                             | Baan Lumpini Suan Luang Rama 9 (Phase 1)                      | 10-0-70.25            | 3                 | -                   | 38              | 437.11                            | 2556-2559                          |
| 11                             | Baan Lumpini Suan Luang Rama 9 (Phase 2)                      | 9-0-69.12             | 2,3               | -                   | 37              | 420.70                            | 2559-2560                          |
| 12                             | Baan Lumpini Suan Luang Rama 9 (Phase 3)                      | 5-2-63.63             | 2                 | -                   | 29              | 283.45                            | 2560-2562                          |
| 13                             | Baan Lumpini Townville Suksawat-Rama II                       | 14-0-42.90            | 2                 | -                   | 143             | 472.51                            | 2557-2559                          |
| 14                             | Baan Lumpini Townville Chaengwatthana-Tiwanon                 | 10-1-94.50            | 2                 | -                   | 122             | 300.00                            | 2558-2559                          |
| 15                             | Baan Lumpini Townville Ratchapruet-Nakhon In                  | 12-1-68.10            | 2                 | -                   | 142             | 372.16                            | 2558-2560                          |
| 16                             | Baan Lumpini Townville Ratchapruet-Pinklao (Phase 1)          | 5-1-12.56             | 2                 | -                   | 66              | 176.44                            | 2560-2561                          |
| 17                             | Baan Lumpini Townville Pemsin-Watcharapol                     | 21-0-27.60            | 2                 | -                   | 250             | 705.02                            | 2558-2562                          |
| 18                             | Baan Lumpini Townville Ladpladuk-Bangpai Station<br>(Phase 1) | 8-1-69.15             | 2                 | -                   | 111             | 178.60                            | 2560-2562                          |

Note: \* Combined size of all phases



## Details of Current Projects under Development (Information as of 31 December 2019)

### Details of Current Projects under Development of L.P.N. Development Public Co., Ltd.

| No.                            | Project                                    | Size<br>(rai-ngarn-wa) | Height<br>(Floor) | No. of<br>Buildings | No. of<br>Units | Project<br>Value<br>(million THB) | Development<br>and<br>Construction |
|--------------------------------|--|------------------------|-------------------|---------------------|-----------------|-----------------------------------|------------------------------------|
| <b>Residential Condominium</b> |  |                        |                   |                     |                 |                                   |                                    |
| 1                              | Lumpini Place Rama 3-Riverine              | 3-2-43.20              | 35                | 1                   | 719             | 1,700.00                          | 2560-2563                          |
| 2                              | Lumpini Park Borom Ratchachonni-Sirindhorn | 5-1-78.00              | 22, 23, 24        | 3                   | 649             | 1,500.00                          | 2561-2563                          |
| 3                              | Lumpini Ville Phattanakan-Srinakarin       | 6-1-18.00              | 32                | 1                   | 795             | 1,500.00                          | 2561-2563                          |
| 4                              | Lumpini Ville Sukhumvit 101/1-Punnawithi   | 3-0-20.00              | 8                 | 2                   | 328             | 700.00                            | 2562-2563                          |
| 5                              | Lumpini Ville Chaengwattana 10             | 4-1-72.00              | 8                 | 2                   | 476             | 600.00                            | 2562-2564                          |
| 6                              | Lumpini Tower Vibhavadi-Chatuchak (B)      | 2-2-55.20              | 18                | 1                   | 102             | 1,000.00                          | 2562-2563                          |
| <b>Horizontal building</b>     |  |                        |                   |                     |                 |                                   |                                    |
| 1                              | Baan 365 Rama 3                            | 22-0-15.30             | 3, 4              | -                   | 99              | 3,200.00                          | 2561-2563                          |

### Details of Current Projects under Development of Pomsanti Co., Ltd.

| No.                        | Project  | Size<br>(rai-ngarn-wa) | Height<br>(Floor) | No. of<br>Buildings | No. of<br>Units | Project<br>Value<br>(million THB) | Development<br>and<br>Construction |
|----------------------------|--|------------------------|-------------------|---------------------|-----------------|-----------------------------------|------------------------------------|
| <b>Horizontal building</b> |  |                        |                   |                     |                 |                                   |                                    |
| 1                          | Baan Lumpini Townville Rangsit Klong 2 (Phase 1)       | 9-2-85.96              | 2                 | -                   | 134             | 241.50                            | 2559-2563                          |
| 2                          | Baan Lumpini Townville Rangsit Klong 2 (Phase 2)       | 9-1-83.04              | 1                 | -                   | 128             | 181.61                            | 2562-2563                          |
| 3                          | Baan Lumpini Townville Ratchapruet-Pinklao (Phase 2.1) | 10-1-67.95             | 2                 | -                   | 110             | 230.33                            | 2561-2563                          |
| 4                          | Baan Lumpini Townville Ratchapruet-Pinklao (Phase 2.2) | 9-0-9.81               | 2                 | -                   | 52              | 75.76                             | 2562-2563                          |
| 5                          | Baan Lumpini Town Park Thakham-Rama 2                  | 26-1-12.10             | 2                 | -                   | 248             | 998.11                            | 2561-2563                          |
| 6                          | Lumpini Town Place Rama 2-Tha Kham                     | 16-1-6.00              | 2                 | -                   | 108             | 694.92                            | 2562-2564                          |

Note: \* Combined size of all phases

## Projects Pending Ownership Transfer (Information as of 31 December 2019)

### Details of Projects Pending Ownership Transfer

| No.                     | *Information as of 31 December 2019 | Project  | No. of Units | Project Value (million THB) | 2020     |
|-------------------------|-------------------------------------|--|--------------|-----------------------------|----------|
| 1                       | Before 2020                         | Others   | 363          | 836.93                      | 836.93   |
| 1                       | 2020                                | Lumpini Place Rama3-Riverine                       | 184          | 424.49                      | 424.49   |
| 2                       |                                     | Lumpini Lumpini Park Borom Ratchachonni-Sirindhorn | 221          | 478.44                      | 478.44   |
| 3                       |                                     | Lumpini Ville Phattanakan-Srinakarin               | 496          | 951.51                      | 951.51   |
| 4                       |                                     | Lumpini Ville Sukhumvit 101/1-Punnawithi           | 101          | 163.73                      | 163.73   |
| 5                       |                                     | Lumpini Ville Chaengwattana 10                     | 53           | 71.09                       | 71.09    |
| 6                       |                                     | Lumpini Tower Vibhavadi-Chatuchak (Tower B)        | 10           | 75.03                       | 75.03    |
| *As of 31 December 2019 |                                     |  | 1,428.00     | 3,001.22                    | 3,001.22 |





# ASSETS USED IN BUSINESS OPERATION

## Significant Fixed Assets

| No.                   | Assets<br>L.P.N. Development Public Co., Ltd.           | Location                     | Space<br>(Sq. m.) | Book Value<br>(million<br>THB) | Appraised<br>Value<br>(million THB) | Appraiser    | Obligations  |
|-----------------------|---|------------------------------|-------------------|--------------------------------|-------------------------------------|--------------|--------------|
| Assets for Investment |   |                              |                   |                                |                                     |              |              |
| 1                     | Lumpini Tower   | Rama 4 Rd.                   | 5,625.66          | 107.17                         | 250.59                              | Market Price | TB, BAY, BBL |
| 2                     | L.P.N. Tower  | Ratchadapisek Rd.            | 799.66            | 12.73                          | 65.71                               | Market Price | TB           |
| 3                     | Siphaya Riverview                                       | Yotha Rd.                    | 4,409.44          | 13.30                          | 119.07                              | Market Price | —            |
| 4                     | Lumpini Place Sathorn                                   | Narathiwasratchanakharin Rd. | 184.14            | 6.36                           | 10.80                               | Market Price | —            |
| 5                     | Lumpini Residence Sathorn                               | Narathiwasratchanakharin Rd. | 2,238.65          | 60.92                          | 104.12                              | Market Price | —            |
| 6                     | Lumpini Ville Sukhumvit 77                              | Onnut Rd.                    | 176.81            | 4.39                           | 9.23                                | Market Price | —            |
| 7                     | Lumpini Place Pinklao                                   | Boromrajchonanee Rd.         | 36.95             | 1.44                           | 2.38                                | Market Price | —            |
| 8                     | Lumpini Place Pinklao 2                                 | Boromrajchonanee Rd.         | 311.13            | 10.30                          | 20.22                               | Market Price | —            |
| 9                     | Lumpini Suite Pinklao                                   | Boromrajchonanee Rd.         | 339.80            | 15.14                          | 27.22                               | Market Price | —            |
| 10                    | Lumpini Park Pinklao                                    | Boromrajchonanee Rd.         | 479.19            | 13.38                          | 23.48                               | Market Price | —            |
| 11                    | Lumpini Ville Thailand Cultural Center                  | Pracha U-Thit Rd.            | 99.28             | 3.35                           | 5.31                                | Market Price | —            |
| 12                    | Lumpini Place Narathiwas-Chaophraya                     | Rama 3 Rd.                   | 614.16            | 24.35                          | 35.76                               | Market Price | —            |
| 13                    | Lumpini Place Phahol-Saphan Kwai                        | Pradipat Rd.                 | 120.62            | 3.96                           | 8.64                                | Market Price | —            |
| 14                    | Lumpini Ville Ramkamhaeng 26                            | Ramkamhaeng Rd.              | 239.44            | 5.28                           | 13.17                               | Market Price | —            |
| 15                    | Lumpini Ville Ramindra-Laksi                            | Ramindra Rd.                 | 50.63             | 2.07                           | 2.80                                | Market Price | —            |
| 16                    | Lumpini Place Ramindra-Laksi                            | Ramindra Rd.                 | 256.92            | 8.89                           | 14.24                               | Market Price | —            |
| 17                    | Lumpini CondoTown Rattanathibes                         | Rattanathibes Rd.            | 252.37            | 6.33                           | 10.42                               | Market Price | —            |
| 18                    | Lumpini Suite Rama 8                                    | Aroonamerin Rd.              | 230.92            | 8.42                           | 13.97                               | Market Price | —            |
| 19                    | Lumpini Place Rama 8                                    | Aroonamerin Rd.              | 231.12            | 6.42                           | 9.97                                | Market Price | —            |
| 20                    | Lumpini CondoTown Bangkhae                              | Bangkhae Rd.                 | 72.31             | 1.74                           | 2.90                                | Market Price | —            |
| 21                    | Lumpini Ville Rasburana                                 | Rasburana Rd.                | 487.32            | 13.69                          | 23.39                               | Market Price | —            |
| 22                    | Lumpini Ville Ladprao-Chokchai 4                        | Ladprao Rd.                  | 163.18            | 3.99                           | 8.32                                | Market Price | —            |
| 23                    | Lumpini Place Ratchayothin                              | Paholyothin Rd.              | 97.79             | 4.73                           | 6.83                                | Market Price | —            |
| 24                    | Lumpini Place Rama 4-Kluaynamthai                       | Rama 4 Rd.                   | 173.74            | 6.64                           | 11.32                               | Market Price | —            |
| 25                    | Lumpini Park Riverside-Rama 3                           | Rama 3 Rd.                   | 200.91            | 5.69                           | 14.07                               | Market Price | —            |
| 26                    | Lumpini CondoTown Nida-Serithai                         | Serithai Rd.                 | 153.30            | 4.62                           | 6.92                                | Market Price | —            |
| 27                    | Lumpini Ville Pattanakarn-New Petchaburi                | Pattanakarn Rd.              | 476.39            | 15.66                          | 33.62                               | Market Price | —            |
| 28                    | Lumpini Ville Pibulsongkram-Riverview                   | Pibulsongkram Rd.            | 88.91             | 3.21                           | 5.07                                | Market Price | —            |
| 29                    | Lumpini Ville Chaengwattana-Pakred                      | Chaengwattana Rd.            | 296.66            | 11.22                          | 16.97                               | Market Price | —            |
| 30                    | Lumpini CondoTown Nida-Serithai 2                       | Serithai Rd.                 | 149.91            | 5.62                           | 8.28                                | Market Price | —            |
| 31                    | Lumpini CondoTown North Pattaya-Sukhumvit               | Sukhumvit Rd.                | 193.05            | 6.13                           | 9.11                                | Market Price | —            |
| 32                    | Lumpini CondoTown<br>North Pattaya-Sukhumvit (Minimall) | Sukhumvit Rd.                | 935.16            | 33.24                          | 44.83                               | Market Price | —            |
| 33                    | Lumpini Megsoity Bangna                                 | Bangna Rd.                   | 445.69            | 14.99                          | 24.47                               | Market Price | —            |
| 34                    | Lumpini Ville Naklua-Wongamart                          | Pattaya-Naklua Rd.           | 257.01            | 9.99                           | 15.42                               | Market Price | —            |
| 35                    | Lumpini Ville Naklua-Wongamart (Minimall)               | Pattaya-Naklua Rd.           | 509.00            | 15.13                          | 30.77                               | Market Price | —            |

| No.                         | Assets<br>L.P.M. Development Public Co., Ltd.               | Location                 | Space<br>(Sq. m.) | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser       | Obliga-<br>tions |
|-----------------------------|---|--------------------------|-------------------|-----------------------------|----------------------------------|-----------------|------------------|
| Assets for Investment       |   |                          |                   |                             |                                  |                 |                  |
| 36                          | Lumpini Ville Ramkamhaeng 60/2                              | Ramkamhaeng Rd.          | 305.06            | 11.41                       | 18.17                            | Market Price    | -                |
| 37                          | Lumpini CondoTown Ramindra-Ladplakao                        | Ramindra-Ladplakao Rd.   | 168.86            | 6.11                        | 9.31                             | Market Price    | -                |
| 38                          | Lumpini Ville Sukhumvit 109-Bearing                         | Sukhumvit Rd.            | 245.26            | 8.49                        | 13.62                            | Market Price    | -                |
| 39                          | Lumpini Ville Sukhumvit 77 (2)                              | Sukhumvit 77 Rd.         | 118.76            | 3.77                        | 6.54                             | Market Price    | -                |
| 40                          | Lumpini Park Rattanaibhes-Ngarmwongwam                      | Rattanaibhes Rd.         | 324.28            | 13.98                       | 21.10                            | Market Price    | -                |
| 41                          | Lumpini CondoTown Chonburi-Sukhumvit                        | Bansuan, Muang District  | 582.68            | 15.16                       | 21.94                            | Market Price    | -                |
| 42                          | Lumpini Place Srinakarin-Huamark Station                    | Srinakarin Rd.           | 390.24            | 16.13                       | 25.37                            | Market Price    | -                |
| 43                          | Lumpini Ville Prachachuen-Pongpet 2                         | Prachachuen Rd.          | 261.94            | 9.34                        | 15.74                            | Market Price    | -                |
| 44                          | Lumpini Place Suksawasdi-Rama 2                             | Suksawasdi Rd.           | 397.09            | 15.78                       | 24.51                            | Market Price    | -                |
| 45                          | Lumpini Place UD-Posri                                      | Makkaeng, Muang District | 3,336.77          | 119.52                      | 242.88                           | Market Price    | -                |
| 46                          | Lumpini Place UD-Posri (Minimal)                            | Makkaeng, Muang District | 6,901.00          | 220.81                      | 260.53                           | Appraised Price | -                |
| 47                          | Lumpini Ville Onnut-Ladkrabang                              | Onnut-Ladkrabang Rd.     | 263.76            | 11.85                       | 17.30                            | Market Price    | -                |
| 48                          | Lumpini Township Rangsit-Klong 1                            | Rangsit-Nakhon Nayok Rd. | 363.17            | 7.33                        | 11.50                            | Market Price    | -                |
| 49                          | Lumpini Township Rangsit-Klong 1,<br>Phase 3, Building F1   | Rangsit-Nakhon Nayok Rd. | 4,253.83          | 105.20                      | 157.87                           | Market Price    | -                |
| 50                          | Lumpini Township Rangsit-Klong 1,<br>Phase 3, Building F2   | Rangsit-Nakhon Nayok Rd. | 4,253.83          | 105.64                      | 157.87                           | Market Price    | -                |
| 51                          | Lumpini Township Rangsit-Klong 1,<br>Phase 3, Building F3   | Rangsit-Nakhon Nayok Rd. | 3,909.63          | 97.09                       | 145.22                           | Market Price    | -                |
| 52                          | Lumpini Township Rangsit - Klong 1,<br>Phase 3, Building F4 | Rangsit Nakhon Nayok Rd. | 4,253.83          | 98.93                       | 157.87                           | Market Price    | -                |
| 53                          | Lumpini Township Rangsit - Klong 1,<br>Phase 3, Building F5 | Rangsit Nakhon Nayok Rd. | 4,253.83          | 99.36                       | 157.87                           | Market Price    | -                |
| 54                          | Lumpini Township Rangsit - Klong 1,<br>Phase 3, Building F6 | Rangsit Nakhon Nayok Rd. | 3,909.19          | 91.54                       | 145.19                           | Market Price    | -                |
| 55                          | Lumpini Township Rangsit-Klong 1, Building F                | Rangsit-Nakhon Nayok Rd. | 2,833.15          | 52.35                       | 72.72                            | Appraised Price | -                |
| 56                          | Lumpini Township Rangsit-Klong 1 (Plaza)<br>1st-2nd Floor   | Rangsit-Nakhon Nayok Rd. | 6,667.00          | 188.11                      | 275.50                           | Appraised Price | BAY              |
| 57                          | Lumpini CondoTown Ramindra-Ladplakao (2)                    | Ramindra-Ladplakao Rd.   | 197.03            | 7.43                        | 11.04                            | Market Price    | -                |
| 58                          | Lumpini Park Rama 9-Ratchada                                | Rama 9 Rd.               | 320.00            | 12.51                       | 19.22                            | Market Price    | -                |
| 59                          | Lumpini Ville Onnut 46                                      | Onnut Rd.                | 340.12            | 10.92                       | 16.90                            | Market Price    | -                |
| 60                          | Lumpini Ville Onnut-Pattanakarn                             | Onnut Rd.                | 464.12            | 14.20                       | 25.06                            | Market Price    | -                |
| 61                          | Lumpini Park Petchakasem 98<br>(Commercial Building)        | Petchakasem Rd.          | 1,134.90          | 81.14                       | 80.50                            | Appraised Price | UOB              |
| 62                          | Lumpini Place Boromrajachonadee-Pinklao                     | Boromrajachonadee Rd.    | 307.83            | 10.99                       | 17.24                            | Market Price    | -                |
| 63                          | Lumpini CondoTown Romklao-Suvarnabhumi                      | Romklao Rd.              | 327.68            | 8.97                        | 12.12                            | Market Price    | -                |
| 64                          | Lumpini Ville Onnut-Ladkrabang 2                            | Onnut-Ladkrabang Rd.     | 208.02            | 6.81                        | 9.37                             | Market Price    | -                |
| 65                          | Lumpini Park Nawamin-Sriburapa                              | Nawamin Rd.              | 293.70            | 10.62                       | 14.69                            | Market Price    | -                |
| 66                          | Lumpini Ville Nakomnin-Riverview                            | Saiwatakomnin Rd.        | 291.78            | 10.66                       | 15.48                            | Market Price    | -                |
| 67                          | Lumpini Mixx Teperak-Srinakarin                             | Srinakarin Rd.           | 330.60            | 11.02                       | 15.22                            | Market Price    | -                |
| 68                          | Lumpini Ville Sukhumvit 76-Bearing Station                  | Sukhumvit Rd.            | 223.76            | 7.46                        | 11.21                            | Market Price    | -                |
| 69                          | Lumpini Ville Ratchaphruek-Bang Weak                        | Ratchaphruek Rd.         | 243.71            | 8.04                        | 12.19                            | Market Price    | -                |
| 70                          | Lumpini Ville Phra Nang Klao Riverview                      | Rattanaibhes Rd.         | 145.29            | 4.76                        | 6.63                             | Market Price    | -                |
| 71                          | Lumpini Place Bang Na KM. 3                                 | Bang Na Rd.              | 326.12            | 12.09                       | 26.66                            | Market Price    | -                |
| Total Assets for Investment |   |                          |                   | 1,985.61                    | 3,251.24                         |                 |                  |



| No.                                | Assets<br>L.P.N. Development Public Co., Ltd.                                | Location                 | Space<br>(Sq. m.) | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser    | Obligations |
|------------------------------------|--|--------------------------|-------------------|-----------------------------|----------------------------------|--------------|-------------|
| <b>Office Assets</b>               |  |                          |                   |                             |                                  |              |             |
| 1                                  | Lumpini Tower  | Rama 4 Rd.               | 1,450.58          | 27.88                       | 57.79                            | Market Price | TE, BAY     |
| 2                                  | Commercial building in front of Lumpini CondoTown Chonburi-Sukhumvit project | Bansuan, Muang district  | 124.00            | 7.44                        | 7.44                             | Market Price | -           |
| 3                                  | Lumpini Township Rangsit-Klong 1 (Community mall) 3 <sup>rd</sup> floor      | Rangsit-Nakhon Nayok Rd. | 2,052.00          | 43.21                       | 43.21                            | Market Price | -           |
| 4                                  | Lumpini Township Rangsit-Klong 1 (Community mall) the front dome             | Rangsit-Nakhon Nayok Rd. | 336.00            | 6.68                        | 6.68                             | Market Price | -           |
| <b>Total Assets for Investment</b> |  |                          |                   | <b>85.21</b>                | <b>115.12</b>                    |              |             |
| <b>Real Estate for Investment</b>  |  |                          |                   |                             |                                  |              |             |
| 1                                  | The Lumpini 24   | Sukhumvit Rd.            | 231.94            | 25.65                       | 49.41                            | Market Price | -           |
| 2                                  | Lumpini Ville Naklua-Wongamat  | Pattaya-Naklua Rd.       | 328.14            | 13.99                       | 21.53                            | Market Price | -           |
| 3                                  | Lumpini Parkbeach Jomtien  | Pattaya-Jomtien 2 Rd.    | 2,816.71          | 126.35                      | 230.32                           | Market Price | -           |
| 4                                  | Lumpini Condotown Chonburi-Sukhumvit   | Bansuan, Muang District  | 120.52            | 3.31                        | 4.32                             | Market Price | -           |
| 5                                  | Lumpini ParkBeach Cha-am 2   | Cha-am, Cha-am District  | 3,082.19          | 226.69                      | 381.81                           | Market Price | -           |
| 6                                  | Lumpini Place UD-Posri   | Makkaeng, Muang District | 1,094.38          | 68.81                       | 134.31                           | Market Price | -           |
| 7                                  | Lumpini Parkbeach Cha-am   | Cha-am, Cha-am District  | 65.77             | 6.11                        | 6.70                             | Market Price | -           |
| 8                                  | Lumpini Seaview Cha-Am (A)   | Cha-am, Cha-am District  | 10,335.44         | 379.82                      | 819.19                           | Market Price | -           |
| 9                                  | Lumpini Seaview Cha-Am (B)   | Cha-am, Cha-am District  | 904.21            | 34.59                       | 71.68                            | Market Price | -           |
| 10                                 | Lumpini Township Rangsit-Klong 1   | Rangsit Rd.              | 76,972.27         | 1,871.53                    | 3,433.10                         | Market Price | -           |
| 11                                 | Lumpini Park Phetkasem 98 (A, B)   | Phetkasem Rd.            | 645.76            | 24.53                       | 45.03                            | Market Price | -           |
| 12                                 | Lumpini Park Phetkasem 98 (C, D)   | Phetkasem Rd.            | 18,292.87         | 782.48                      | 1,463.38                         | Market Price | -           |
| 13                                 | Lumpini Condotown Rom Klao-Suvarnabhumi                                      | Rom Klao Rd.             | 43.08             | 1.24                        | 2.50                             | Market Price | -           |
| 14                                 | Lumpini Mixx Thepharak-Srinakarin  | Srinakarin Rd.           | 71.29             | 2.44                        | 3.28                             | Market Price | -           |
| 15                                 | Lumpini Ville Sukhumvit 76-Bearing Station                                   | Sukhumvit Rd.            | 57.67             | 2.00                        | 2.89                             | Market Price | -           |
| 16                                 | Lumpini Ville Ratchaphruek-Bang Waek   | Ratchaphruek Rd.         | 2,146.03          | 75.68                       | 156.07                           | Market Price | -           |
| 17                                 | Lumpini Ville Phra Nang Klao-Riverview                                       | Bang Na Rd.              | 11,934.42         | 448.30                      | 844.40                           | Market Price | -           |
| 18                                 | Lumpini Suite Phetchaburi-Makkasan   | Phetchaburi Rd.          | 3,660.34          | 306.22                      | 567.59                           | Market Price | -           |
| 19                                 | Lumpini Ville Ratburana-Riverview 2  | Ratburana Rd.            | 3,145.80          | 129.91                      | 282.60                           | Market Price | -           |
| 20                                 | Lumpini Suite Din Daeng-Rachaprarop  | Din Daeng Rd.            | 4,651.24          | 395.74                      | 808.52                           | Market Price | -           |
| 21                                 | The Selected Kaset-Ngamwongwan by LPN  | Kaset-Nawamin Rd.        | 82.51             | 6.03                        | 8.65                             | Market Price | -           |
| 22                                 | Lumpini Park Phahon 32   | Paholyothin Rd.          | 13,751.05         | 1,294.21                    | 2,256.46                         | Market Price | -           |
| 23                                 | Lumpini Place Rajchada-Sathu   | Paholyothin Rd.          | 9,285.40          | 591.55                      | 1,273.39                         | Market Price | -           |
| 24                                 | Lumpini Ville Suksawat-Rama 2  | Rama 2 Rd.               | 6,781.09          | 378.48                      | 793.97                           | Market Price | -           |
| 25                                 | Lumpini Selected Suthisan-Saphan Khwai                                       | Suthisan Rd.             | 6,328.09          | 435.45                      | 946.64                           | Market Price | -           |
| 26                                 | Lumpini Park Vibhavadi-Chatuchak   | Vibhavadi Rd.            | 10,054.74         | 670.20                      | 1,359.87                         | Market Price | -           |
| 27                                 | Lumpini Ville Sukhumvit 76-Bearing Station 2                                 | Sukhumvit Rd.            | 4,316.33          | 189.84                      | 363.26                           | Market Price | -           |
| 28                                 | BAAN 365 RAMA III (TOWN HOME)  | Rama 3 Rd.               | 674.37            | 325.32                      | 504.02                           | Market Price | BAY         |
| 29                                 | BAAN 365 RAMA III (Single Home)  | Rama 3 Rd.               | 594.19            | 273.49                      | 456.36                           | Market Price | BAY         |
| <b>Total Assets for Sale</b>       |  |                          |                   | <b>9,089.96</b>             | <b>17,231.23</b>                 |              |             |

\*Note: Unit is in Square Wa

| No.   | Assets<br>L.P.N. Development Public Co., Ltd.  | Location                     | Space<br>(sq.-m.) | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser    | Obligations |
|---|--|------------------------------|-------------------|-----------------------------|----------------------------------|--------------|-------------|
| Assets under Development                            |  |                              |                   |                             |                                  |              |             |
| 1   | Lumpini Place Rama 3-Riverine                  | Rama 3 Rd.                   | 3-2-43.2          | 1,260.97                    | 1,260.97                         | Market Price | BAV         |
| 2   | BAAN 365                                       | Rama 3 Rd.                   | 12-1-41.9         | 520.23                      | 520.23                           | Market Price | BAV         |
| 3   | Lumpini Park Borom Ratchachonni-Sirindhorn     | Borom Ratchachonni Rd.       | 5-1-78            | 509.92                      | 509.92                           | Market Price | KBANK       |
| 4   | Lumpini Place Taopoon-Interchange              | Krungthep-Nonthaburi Rd.     | 3-1-45.8          | 497.63                      | 497.63                           | Market Price | -           |
| 5   | Lumpini Ville Sukhumvit 101/1-Punnawithi       | Sukhumvit Rd.                | 3-0-15.5          | 185.23                      | 185.23                           | Market Price | -           |
| 6   | Lumpini Mixx Narathiwas-Ratchada               | Rama 3 Rd.                   | 3-1-68.6          | 907.19                      | 907.19                           | Market Price | BBL         |
| 7   | Lumpini Ville Phattanakan-Srinakarin           | Phattanakan Rd.              | 6-0-96.5          | 459.97                      | 459.97                           | Market Price | -           |
| 8   | Lumpini Tower Vibhavadi-Chatuchak (A)          | Vibhavadi Rd.                | 1-3-53.5          | 832.66                      | 832.66                           | Market Price | KK          |
| 9   | Lumpini Tower Vibhavadi-Chatuchak (B)          | Vibhavadi Rd.                | 2-2-55.2          | 566.99                      | 566.99                           | Market Price | KK          |
| 10  | Baan Lumpini Town Place Sukhumvit-Srinakarin   | Srinakarin Rd.               | 25-2-67           | 374.11                      | 374.11                           | Market Price | -           |
| 11  | Lumpini Ville Chaengwattana 10                 | Chaengwattana Rd.            | 4-1-71.5          | 111.26                      | 111.26                           | Market Price | -           |
| 12  | BAAN 365 Muang Thong-Chaengwattana             | Chaengwattana Rd.            | 127-1-77.6        | 982.98                      | 982.98                           | Market Price | -           |
| 13  | Lumpini Ekkachai 48                            | Ekkachai Rd.                 | 20-0-39.4         | 344.71                      | 344.71                           | Market Price | -           |
| 14  | Lumpini Charan Sanitwong 65                    | Charan Sanitwong Rd.         | 4-3-19.6          | 279.88                      | 279.88                           | Market Price | -           |
| Total Assets under Development                      |  |                              |                   | 7,833.74                    | 7,833.74                         |              |             |
| Assets Pending Development                          |  |                              |                   |                             |                                  |              |             |
| 1   | Land in front of Baan Lumpini Bang Bua Thong 3 | Talingchan-Supanburi Rd.     | 7-2-38.2          | 165.11                      | 165.11                           | Market Price | -           |
| 2   | Land in front of Lumpini Place Sathorn         | Narathiwat Rajchanakarin Rd. | 2-3-13.4          | 241.72                      | 241.72                           | Market Price | TB          |
| 3   | Land in front of Lumpini Place Sathorn         | Narathiwat Rajchanakarin Rd. | 0-0-73            | 7.36                        | 7.36                             | Market Price | -           |
| 4   | Lumpini Park Rama 9-Ratchada                   | Rama 9 Rd.                   | 0-3-34.3          | 45.91                       | 45.91                            | Market Price | -           |
| 5   | Lumpini Place Hua Hin 7                        | Hua Hin Soi 7 Rd.            | 4-0-11.2          | 139.93                      | 139.93                           | Market Price | -           |
| 6   | Lumpini Condotown Romklao-Suvarnabhumi         | Rom Klao Rd.                 | 0-1-20.5          | 3.85                        | 3.85                             | Market Price | -           |
| 7   | Lumpini Ville Ratchaphruek-Bang Waek           | Ratchaphruek Rd.             | 0-0-25.3          | 1.54                        | 1.54                             | Market Price | -           |
| 8   | Lumpini SeaView Cha-Am                         | Cha-am, Cha-am District      | 0-0-66            | 8.91                        | 8.91                             | Market Price | -           |
| Total Assets Pending Development                    |  |                              |                   | 614.33                      | 614.33                           |              |             |
| No.   | Assets<br>L.P.N. Development Public Co., Ltd.  | Location                     | Space<br>(Sq. m.) | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser    | Obligations |
| Assets with Leasehold Right                         |  |                              |                   |                             |                                  |              |             |
| 1   | Lumpini Place Rama 4-Ratchadapisek             | Ratchadapisek Rd.            | 4,992.50          | 201.65                      | 312.43                           | Market Price | -           |
| Total Assets with Leasehold Right                   |  |                              |                   | 201.65                      | 312.43                           |              |             |
| Total Assets of L.P.N. Development Public Co., Ltd. |  |                              |                   | 19,810.50                   | 29,358.08                        |              |             |



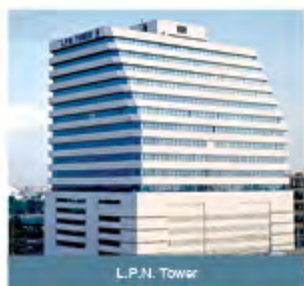
| No.  | Assets<br>Pornsanti Co., Ltd.                                   | Location                               | Space<br>(Sq. m.)          | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser    | Obligations |
|--|---|--|----------------------------|-----------------------------|----------------------------------|--------------|-------------|
| <b>Assets for Investment</b>   |   |  |                            |                             |                                  |              |             |
| 1  | P.S.T. Condo Ville Tower 1                                      | Nonsi Rd.                              | 278.45                     | 0.57                        | 3.48                             | Market Price | -           |
| 2  | P.S.T. Condo Ville Tower 2                                      | Nonsi Rd.                              | 136.71                     | 3.01                        | 1.71                             | Market Price | -           |
| 3  | P.S.T. City Home  | Nonsi Rd.                              | 11,637.89                  | 57.78                       | 120.60                           | Market Price | TB          |
| <b>Total Assets for Investment</b>   |   |  |                            | <b>61.36</b>                | <b>125.79</b>                    |              |             |
| No.  | Assets<br>Pornsanti Co., Ltd.                                   | Location                               | Space<br>(Sq. wa)          | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser    | Obligations |
| <b>Assets for Sale</b>   |   |  |                            |                             |                                  |              |             |
| 1  | Baan Lumpini Suanluang Rama 9 (Phase 3)                         | Chalermprakiat Rd.                     | 78.40                      | 10.42                       | 10.00                            | Market Price | -           |
| 2  | Baan Lumpini Townville Permsin-Watcharapol                      | Permsin Rd.                            | 601.20                     | 70.44                       | 102.87                           | Market Price | KBANK       |
| 3  | Baan Lumpini Townpark Takham-Rama 2                             | Takham Rd.                             | 1,180.00                   | 162.77                      | 240.09                           | Market Price | BBL         |
| 4  | Baan Lumpini Townville Ratchapruet-Pinklao<br>(Phase 2, 2.2)    | Ratchapruet Rd.                        | 359.00                     | 42.85                       | 60.56                            | Market Price | SCB         |
| 5  | Baan Lumpini Townville Rangsit Klong 2,<br>Phase 1              | Rangsit Rd.                            | 65.60                      | 6.45                        | 9.18                             | Market Price | KTB         |
| 6  | Baan Lumpini Townville<br>Ladpladuk-Bangpai Station (Phase 1)   | Ban Bang Sai-<br>Ban Khlong Ta Son Rd. | 369.50                     | 32.86                       | 52.94                            | Market Price | BAY         |
| 7  | Lumpini Town Place Rama 2-Tha Kham                              | Takham Rd.                             | 105.00                     | 13.93                       | 19.17                            | Market Price | KBANK       |
| <b>Total Assets for Sale</b>   |   |  |                            | <b>339.72</b>               | <b>494.81</b>                    |              |             |
| No.  | Assets<br>Pornsanti Co., Ltd.                                   | Location                               | Space<br>(Ba-ngan-<br>sua) | Book Value<br>(million THB) | Appraised Value<br>(million THB) | Appraiser    | Obligations |
| <b>Assets Pending Development</b>  |   |  |                            |                             |                                  |              |             |
| 1  | Baan Lumpini Townville Suksawat-Rama 2                          | Suksawasdi Rd.                         | 1-1-40.70                  | 34.41                       | 34.41                            | Market Price | SCB         |
| <b>Total Assets Pending Development</b>  |   |  |                            | <b>34.41</b>                | <b>34.41</b>                     |              |             |
| <b>Assets under Development</b>  |   |  |                            |                             |                                  |              |             |
| 1  | Baan Lumpini Townville Thakham-Rama 2                           | Takham Rd.                             | 12-3-2.4                   | 30.95                       | 30.95                            | Market Price | BBL         |
| 2  | Baan Lumpini Townville Rangsit Klong 2<br>(Phase 1, 2)          | Rangsit Rd.                            | 14-2-28.90                 | 104.75                      | 104.75                           | Market Price | KTB         |
| 3  | Baan Lumpini Townville Ratchapruet-Pinklao<br>(Phase 2, 3)      | Ratchapruet Rd.                        | 29-3-10.20                 | 290.62                      | 290.62                           | Market Price | SCB         |
| 4  | Baan Lumpini Townville Lat Pladuk-<br>Bangpai Station (Phase 2) | Ban Bang Sai-<br>Ban Khlong Ta Son Rd. | 10-0-20.8                  | 61.70                       | 61.70                            | Market Price | BAY         |
| 5  | Lumpini Town Tha Kham 7   | Takham Rd.                             | 15-0-71.6                  | 320.15                      | 320.15                           | Market Price | KBANK       |
| 6  | Lumpini Townville Phahon Yothin-Saphanmai                       | Khlong Thanon Sub-district             | 21-3-96.4                  | 293.57                      | 293.57                           | Market Price | -           |
| 7  | Lumpini Townville Lat Krabang-Suvarnabhumi                      | Lat Krabang Rd.                        | 39-1-9                     | 667.41                      | 667.41                           | Market Price | -           |
| <b>Total Assets under Development</b>  |   |  |                            | <b>1,769.14</b>             | <b>1,769.14</b>                  |              |             |
| <b>Total Assets of Pornsanti Co., Ltd.</b>   |   |  |                            | <b>2,204.63</b>             | <b>2,424.14</b>                  |              |             |
| <b>Total Assets of L.P.N. Development Public Co., Ltd. and<br/>Pornsanti Co., Ltd.</b> |   |  |                            | <b>22,015.14</b>            | <b>21,782.23</b>                 |              |             |



# OVER 130 QUALITY PROJECTS BY LPN CREATING HAPPINESS IN LIVABLE COMMUNITY



Lumpini Tower



L.P.N. Tower



Lumpini Place



L.P.N. Mini Office



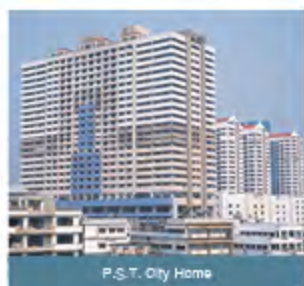
P.S.T. CondoVila



P.S.T. Mini Office



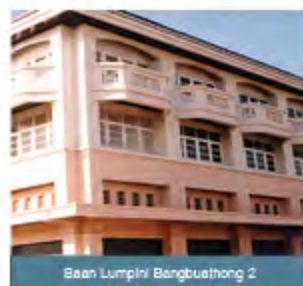
Sphaya RiverView



P.S.T. City Home



Baan Lumpini Bangbuathong



Baan Lumpini Bangbuathong 2



“LIVABLE  
COMMUNITY”



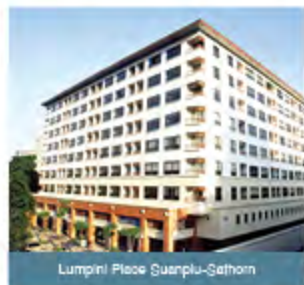
Lumpini Center Happyland



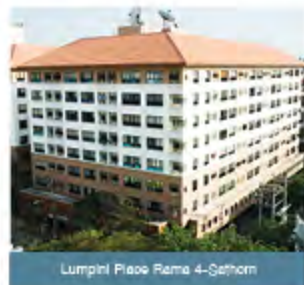
Lumpini Place Sathorn



Lumpini Center Latphrao 111



Lumpini Place Suanplu-Sathorn

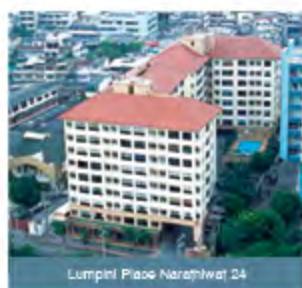


Lumpini Place Rama 4-Sathorn



Lumpini Residence Sathorn





Lumpini Place Narathiwat 24



Lumpini Place Rama 3-Chaoankrung



Lumpini Villa Mary-Sathorn



Lumpini Place Narathiwat-Johannakorn



Lumpini Suite Sukhumvit 41



Lumpini Place Rama 3-Riverview



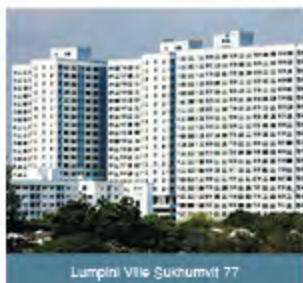
Lumpini Center Sukhumvit 77



Lumpini Villa Phahon-Suthesarn



Lumpini Center Nawamin



Lumpini Villa Sukhumvit 77



Lumpini CondoTown Ramindra-Laksi



Lumpini Villa Cultural Center



Lumpini Place Narathiwat-Chaochayra



Lumpini Place Phahon-Saphankwail



Lumpini Place Pindeao 2



Lumpini Place Pindeao



Lumpini CondoTown Bodindecha-Ramkhamhaeng



Lumpini Place Ratchade-Threpa



Lumpini Villa Ramkhamhaeng 44



Lumpini Villa Ramindra-Laksi



Lumpini Villa Prachachuan-Phongphit





Lumpini Suite Pinklao



Lumpini CondoTown Ratanathibee



Lumpini Ville Ramkhamhaeng 26



Lumpini Rama 8



Lumpini Place Rama 9-Ratchada



Lumpini Ville Bangkai



Lumpini Place Ramindra-Laksi



Lumpini CondoTown Bangkhai



REAL PLEASURE  
OF LIVING



Lumpini Park Pinklao



Lumpini Place Rama 4-Khuaynimit



Lumpini Place Ratchayothin



Lumpini Ville Ladkai-Bearing



Lumpini Villa Lumphao-Chokchai 4



Lumpini Villa Rattana-Riverview



Lumpini CondoTown Ramindra-Newamin



Lumpini Park Riverside-Rama 3



Lumpini CondoTown Nida-Serthai



Lumpini CondoTown Nida-Serthai 2





Lumpini Villa Phibulsongkhram-Riverview



Lumpini Villa Cheangwatthana-Pakkrat



Lumpini Villa Phatthanakan-New Phatthaburi



Lumpini CondoTown North Pattaya-Sukhumvit



Lumpini ParkBeach Jomtien



Lumpini MegaCity Bangna



Lumpini CondoTown Ramindra-Latphakao



Lumpini Villa Naklua-Wongamat



Lumpini Villa Sukhumvit 77 (2)



Lumpini Villa Sukhumvit 109-Bearing



Lumpini CondoTown Chonburi-Sukhumvit



TOGETHERNESS,  
CARE  
AND SHARE



Lumpini Villa Prachachuen-Phongphit 2



Lumpini CondoTown Ramindra-Latphakao 2



Lumpini Villa Ramkhamhaeng 60/2



Lumpini Villa On nut-Let Krabang



Lumpini Villa On nut 46



Lumpini Place Srinakharin-Huamrak Station



Lumpini Place UD-Pooni





Lumpini Place Suksewat-Rama 2



Lumpini Township Rangsit-Khlong 1



Lumpini Place Borom Ratdechonnai-Pinklao



Lumpini Villa On nut-Let Krebang 2



Lumpini Park Rama 9



Lumpini Villa Onnut-Phatthana



The Lumpini 24



Lumpini Villa Nakhon In-Riverview



Lumpini SeaView Jomtien



Lumpini Park Newwin-Si Burapha



Lumpini Park Phatthana 98



Lumpini-Park-Rattana-Thibet-Ngumwongwan



Lumpini Mixx Thaparak-Srinakharin



Lumpini CondoTown Romklao-Suvarnabhumi



Lumpini ParkBeach Cha-am



CREATING  
A LIVABLE  
SOCIETY





Lumpini Ville Sukhumvit 76-Bearing Station



Lumpini Ville Ratchaphruek-Bang Wek



Lumpini Place Rama 3-Riverine



Lumpini Suite Dinasing-Ratchaprarop



Lumpini Place Bangna-Km 3



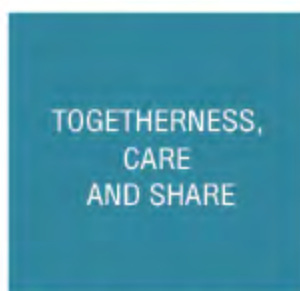
Lumpini Park Beach Cha-am 2



Lumpini Place Ratchada-Sethu



Lumpini Park Pathon 82



TOGETHERNESS,  
CARE  
AND SHARE



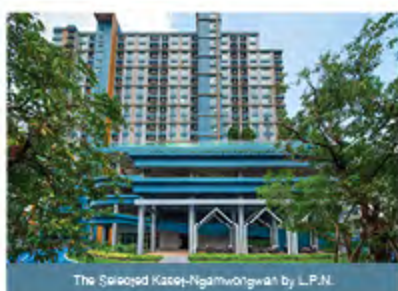
Lumpini Ville Rajburana-Riverview 2



Lumpini Ville Prangkras-Riverview



Lumpini Suite Phetchaburi-Mekkasana



The Salsolod Kasat-Ngathwongwan by L.P.N.



Lumpini Park Boromratchonnase-Sirindhorn



Lumpini Ville Sukhumvit 76-Bearing Station 2



Lumpini Selected Suthisan-Saphankwai



Lumpini Ville Suksewat-Rama 2



Lumpini Park Vibhavadi-Chatuchak





Lumpini SeaView Cha-am



Lumpini Ville Phatthanakan-Srinakharin



ลุมพินี พาร์คโมเดิร์น วิลล่า-จตุจักร อาคาร B



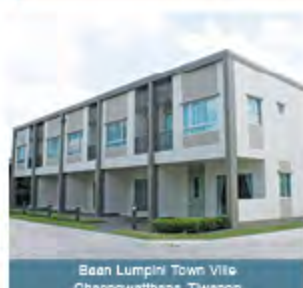
ลุมพินี วิลล่า นนทบุรี-บางนา 10



ลุมพินี วิลล่า สุขุมวิท 101/1-ปิ่นเกล้า



ACHIEVING  
SUSTAINABLE  
GROWTH



Baan Lumpini Town Ville  
Chaengwathana-Tiwanon



Lumpini Town Resident Ladprao Station



Lumpini Town Residence Bangna-Srinakharin



Baan Lumpini Suan Luang Rama 9



Lumpini Town Place Sukhumvit 62



Lumpini Town Ville Srinakharin Bearing



Lumpini Townhome Ratchadea-Rama 8



Baan Lumpini Town Ville Sukawet-Rama 2



Baan Lumpini Town Ville Permain-Watthana



Lumpini Town Place Ratchayothin-Sana



Baan Lumpini Town Ville Ratchaphruek-Nakhon In



CREATING  
A LIVABLE  
SOCIETY





Baan Lumpini Townville Ledpraduk-Bangpa Station



Baan Lumpini Townville Ratchapruk-Pinklao

TOGETHERNESS,  
CARE  
AND SHARE



Baan Lumpini Townville Rangsit-Klong 2



Baan 366 Rama III



Baan Lumpini Townpark Takham-Rama 2



Lumpini Town Place Rama 2-The Kham



Grand Parkview Asoka



Lumpini Place WaterCliff



Lumpini Suite Ratchada-Rama 3

BALANCING  
WEALTH



Grand Heritage Thonglor



Parkview Vipavadi











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