

# ANNUAL REPORT 2018



COUNTRY GROUP  
DEVELOPMENT



COUNTRY GROUP DEVELOPMENT PCL.  
ANNUAL REPORT 2018



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# MESSAGE FROM CHAIRMAN & CEO

To My Fellow Shareholders,

We are pleased to report that 2018 has been another year of sound progress where significant foundations have been laid for the future success of our company.

With our highly anticipated flagship Chaophraya Estate comes to the final stages of construction works, we are thrilled to announce several key opening dates of this inclusive project. The Capella Bangkok team, under the stewardship of General Manager Mr. John Blanco, will be welcoming guests in May 2019 and is well poised to present this extravagant Capella Bangkok as the rate leader in the lucrative hospitality market. Meanwhile, our Four Seasons Hotel Bangkok team, led by General Manager Mr. Lubosh Barta continues pre-opening preparations, assembling the very best Four Seasons has to offer to reintroduce the legendary brand in October 2019.

As for Four Seasons Private Residences at Chaophraya River, our team is putting final touches to the minutiae of details. We have continued to build up our Customer Relations team who will be more than ready to assist our residents with seamless occupation of their new homes. Mr. Scott Trent, the Director of Residences of the Four Seasons Private Residences at Chaophraya River has also arrived in order to make sure that all aspects of our service are consistent with the Four Seasons brand standards so that our residents can truly enjoy 'waterfront living at its finest' to their fullest extent.

One of the key achievement this year is the materialization of our highly anticipated follow up project to the Chaophraya Estate where a portion of our 22-3-93 rai site on Bangkok's Industrial Ring Road (Rama III) has been earmarked for development as a premier K-12 International School. This marks a continuation of our focus on the thriving education sector, following our initial foray with Ovingdean Brighton, with this newly announced project our first green-field education project.

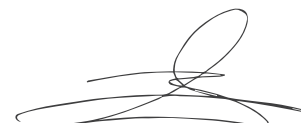
2019 is another year for us to look forward to. With completion comes the much awaited transfers of the Four Seasons Private Residences at Chaophraya River which will symbolically mark the much awaited financial turnaround of Country Group Development PCL. The subsequent opening of the two hotels is consistent with our philosophy of investing in strategic long term income assets for recurring income. The launch of the highly anticipated K-12 International School in Bangkok and expected completion of Ovingdean in the United Kingdom is a testament to our promise to grow our ever-expanding pipeline and portfolio of assets in a strategically manner.

On behalf of the Board of Directors, we would like to express our gratitude to those who made 2018 possible. Our team is putting in a tremendous final effort as we bring to life our iconic projects on-hand; which will no doubt be a key turning point of success for Country Group Development PCL. Beyond that we look forward to 2019 and the many opportunities and new projects that await.

Yours faithfully,



**Vikrom Koompirochana**  
Chairman



**Ben Taechaubol**  
Chief Executive Officer





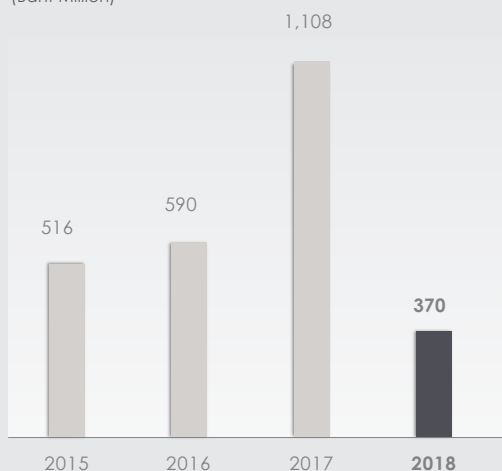


# FINANCIAL HIGHLIGHTS

*Significant financial information  
comparison for the year 2015-2018*

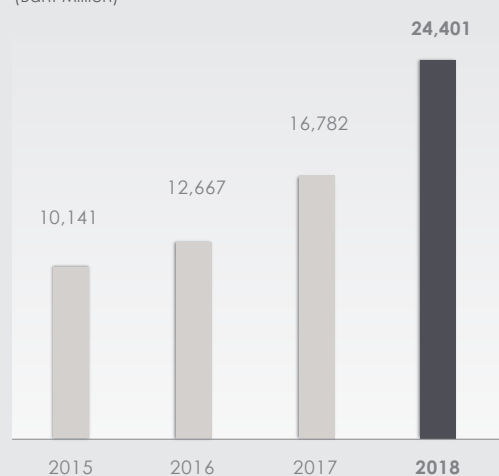
## TOTAL REVENUE

(Baht Million)



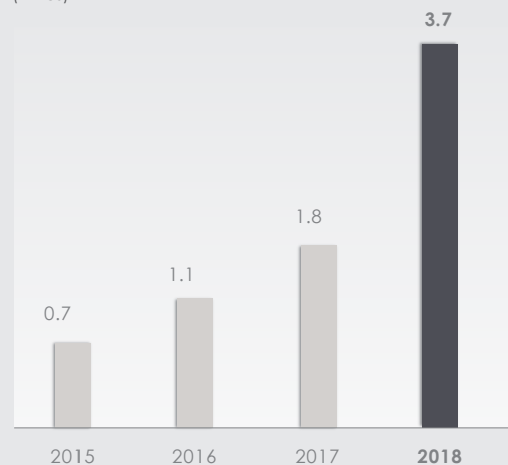
## TOTAL ASSETS

(Baht Million)



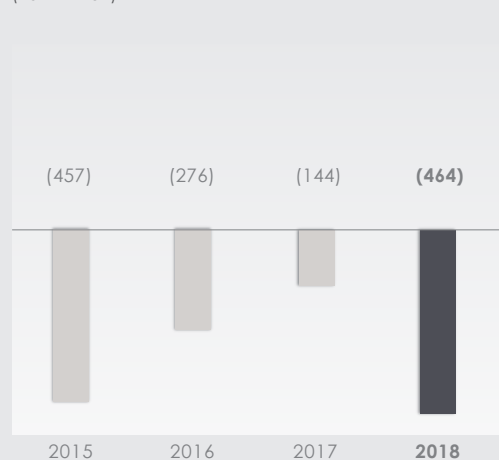
## DEBT TO EQUITY RATIO

(Times)



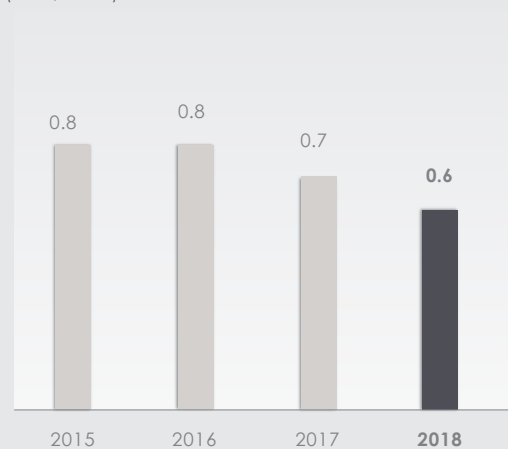
## NET PROFIT (LOSS)

(Baht Million)

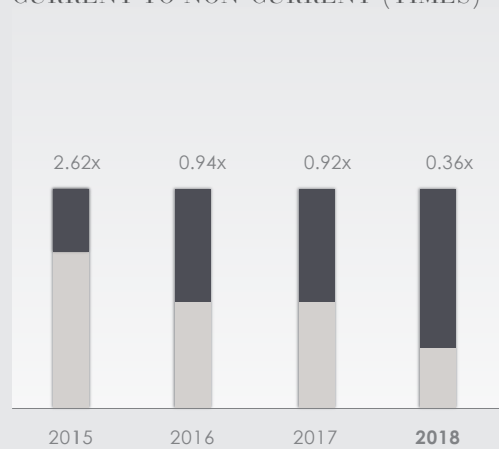


## BOOK VALUE PER SHARE

(Baht / Share)



## LIABILITIES - CURRENT TO NON-CURRENT (TIMES)



■ Current Liabilities ■ Non-Current Liabilities



UNIT : BAHT MILLION	2015	2016	2017	2018
<b>FINANCIAL POSITION</b>				
Total Assets	10,141	12,667	16,782	24,401
Total Liabilities	4,225	6,694	10,868	19,174
Total Shareholders' Equity	5,916	5,973	5,914	5,227
<b>OPERATING RESULTS</b>				
Total Revenue	516	590	1,108	370
Revenues from Condominium Sales	479	352	909	244
Cost of Condominium Sales	320	219	544	147
Gross Profit	159	133	365	97
Profit from Discontinued Operations	36	-	-	-
Net Profit (Loss) For The Year	(457)	(276)	(144)	(464)
<b>RATIOS</b>				
Gross Profit Margin (%)	33.3	37.9	40.1	39.8
Book Value Per Share (Baht / Share)	0.8	0.8	0.7	0.6
Debt to Equity Ratio (Times)	0.7	1.1	1.8	3.7
Interest - Bearing Debt to Equity Ratio (Times)	0.5	0.8	1.4	2.8
Return on Equity Ratios (%)	(8.8)	(6.0)	(3.3)	(9.7)



# 2018 AT A GLANCE

## FEBRUARY



### CGD CELEBRATES THE TOP-OFF CEREMONY FOR FOUR SEASONS PRIVATE RESIDENCES BANGKOK

Top-off ceremony marked the completion of the structure of 73-storey Four Seasons Private Residences Bangkok as the countdown for waterfront living at its finest begins.

## MARCH



### CGD MARKS SUCCESSFUL PROJECT SELL-OUT FOR ELEMENTS SRINAKARIN

Country Group Development marks the successful sales completion of Element Srinakarin, the firm's first development project comprising of 1,054 best-in-class units located on Srinakarin road.



### JOHN BLANCO APPOINTED AS GENERAL MANAGER OF CAPELLA BANGKOK

John Blanco will guide the opening team with his 25 years of experience with the super-luxurious hospitality companies including Four Seasons Maui at Wailea in Hawaii. Under his leadership, the team of Capella service artisans is eager to craft unforgettable memories for our guests.



## AUGUST



### FOUR SEASONS PRIVATE RESIDENCES BANGKOK ACHIEVES OVER 380 MILLION (THB) IN HONG KONG

The successful sales event in Hong Kong is capped off with the exclusive Client Appreciation Gala dinner at Four Seasons Hong Kong.



### LUBOSH BARTA APPOINTED TO LEAD FOUR SEASONS HOTEL BANGKOK

The veteran of Four Seasons returns to Bangkok to lead the opening team of Four Seasons Hotel at the Chao Phraya Estate. His extensive experience and passion for the brand will undoubtedly bring the standard Four Seasons experience to all our guests.

## JANUARY 2019



### CGD VENTURES INTO THE FIRST TIER INTERNATIONAL SCHOOL PROJECT

The world-class facilities for the prestigious school will be developed on the 16.55 Rai land on Rama III - Industrial Ring Rd. which is to be completed in 2022.



# BOARD OF DIRECTORS



01



02



03



04



05



06

**01**  
**Mr. VIKROM**  
**KOOMPIROCHANA**

- Chairman of the Board of Directors
- Independent Director

**02**  
**Pol. Gen. PHATCHARAVAT**  
**WONGSUWAN**

- Vice Chairman

**03**  
**Mr. BEN TAECHAUBOL**

- Authorized Director
- Member of the Nomination and Compensation Committee
- Chairman of the Investment Committee

**04**  
**Mr. SUBHAKORN**  
**BHALAKULA**

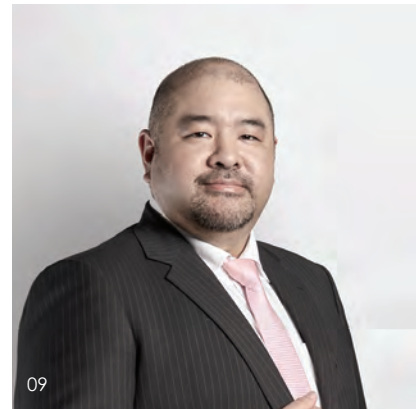
- Chairman of the Audit Committee
- Chairman of the Nomination and Compensation Committee
- Independent Director

**05**  
**Pol. Gen. WERAPONG**  
**CHUENPAGDEE**

- Member of the Audit Committee
- Member of the Nomination and Compensation Committee
- Independent Director

**06**  
**Mr. HSU-FENG SHUEH**

- Member of the Audit Committee
- Independent Director



07  
Air Chief Marshal PERMKIAT  
LAVANAMAL  
• Independent Director

08  
Pol. Maj.Gen. ITTIPOL  
ITTISARNRONNACHAI  
• Independent Director

09  
Mr. GAVINTORN  
ATTHAKOR  
• Independent Director

10  
Mr. JIRASAK  
PONGHATHAIKUL  
• Director

11  
Ms. JAELE ANG KER TJIA  
• Director

12  
Mr. YIU SING TSE  
• Director



# EXECUTIVE MANAGEMENT

*As of 31 December 2018*



01



02



03



04



05



06



07



08



09

**01**  
**Mr. BEN TAECHAUBOL**  
Chief Executive Officer

**02**  
**Mr. CHATCHAI CHORDOKRAK**  
Executive Director  
• Accounts & Finance Division

**03**  
**Mr. SUTTINATH JITTICHARUNGLAP**  
Executive Director  
• Operations Division

**04**  
**Mr. VARAKORN TECHAMONTRIKUL**  
Executive Director  
• Development Division

**05**  
**Ms. PATRA KANTASIRIBITAK**  
Executive Director  
• Investment Division

**06**  
**Mrs. VATINEE CHATURONGKUL<sup>1</sup>**  
Executive Director  
• Project Division

**07**  
**Ms. KITIMA KRITIYACHOTIPAKORN**  
Executive Director  
• Sales Division

**08**  
**Ms. KANCHANA BOOTHONGKUM**  
Senior Director  
• Marketing Division

**09**  
**Ms. MELISSA CHOLLASAP**  
Senior Director  
• Customer Relations Management Division

<sup>1</sup> Mrs. Vatinnee Chaturongkul is appointed to the position of Executive Director – Projects Division, effective from 1 January 2019 onwards



**10**  
**Mr. KOBCHAI**  
**CHITCURESAKULCHON**  
Director  
• Accounts & Finance Division



**11**  
**Mr. NARONGSAK SONPUAK**  
Director  
• Accounts & Finance Division



**12**  
**Mrs. APINYA VARTERIAN**  
Director  
• Operations Division



**13**  
**Mr. PONGPAKORN SARAMPAKUL**  
Director  
• Development Division



**14**  
**Mr. BUNDIT KANLAYANARAT**  
Director  
• Project Division



**15**  
**Ms. TULLAYA MALLIGAPA**  
Director  
• Project Division



**16**  
**Mr. KOMSUN KRUTCHUM**  
Director  
• Development Division



**17**  
**Mr. VISITSAK TERADISTANON**  
Director  
• Portfolio Management Division



**18**  
**Mr. PANUPONG SODSUK**  
Director  
• Customer Relations Management Division



# OUR APPROACH

## DEVELOPMENT

*For Sale Assets*



RAMA III  
RESIDENCE  
(Under Development)

ELEMENTS  
SRINAKARIN

*For Income Assets*



RAMA III  
INTERNATIONAL  
SCHOOL  
(Under Development)

CHACHOENGSAO  
(Under Development)

## INVESTMENT

OVINGDEAN

**ANCHORAGE  
POINT**

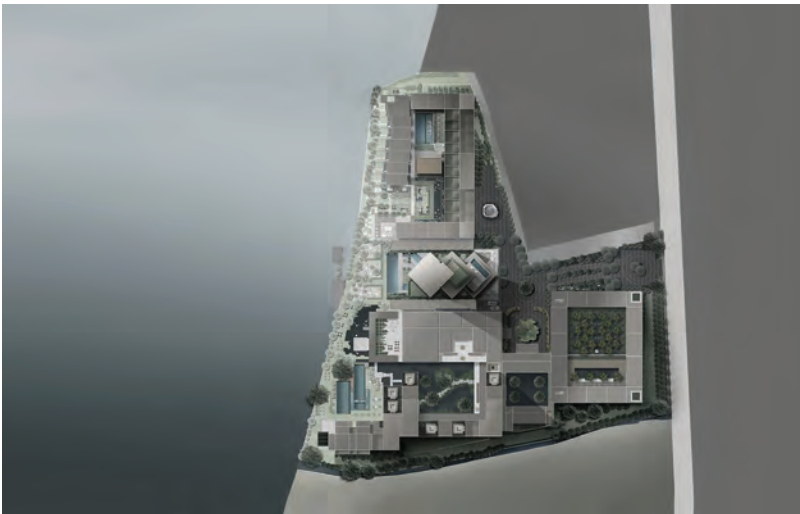
### *For Sale Assets*

For sale assets allows for real estate development, not only to generate higher value income but to solidify our positions as the uniquely crafted developers.

### *For Income Assets*

The income assets strategy although required a more intense study but allows for either quick return on capital gains or recurring income where the project will perform for years to come.





## CHAO PHRAYA ESTATE

Sector : Mixed-use Development  
(Residential, Hospitality)

Location : Bangkok, Thailand

Considered as Bangkok's last remaining waterfront golden site, the estate encompasses over 14 acres (35-2-68 Rai) of prime land along the majestic Chao Phraya River, with an unprecedented accessibility as well as 350 metres of waterfront real estate.



*For Sale Asset*

## FOUR SEASONS PRIVATE RESIDENCES AT CHAO PHRAYA RIVER

Sector : Residential (Super Luxury)  
Location : Bangkok, Thailand

Strategically positioned at the heart of Chao Phraya Estate, this premier 73-storey residential tower is designed to elevate waterfront living to new heights; drawing inspiration from its spectacular waterfront location, it features unobstructed panoramic river and city views across all 366 residences, as well as enhanced services from its two neighbouring world-class hotels.





### *Income Asset*

## FOUR SEASONS HOTEL BANGKOK AT CHAO PHRAYA RIVER

Sector : Hospitality

Location : Bangkok, Thailand

This architecturally notable, cascade-structured luxury hotel redefines the urban resort experience with unexpected serenities and multisensory pleasures. Sprawling over 9 acres, with 299 keys and facilities of unmatched scale and seamless design integration into the natural waterfront landscape, Four Seasons Hotel Bangkok at Chao Phraya River provides a unique environment for an exceptional waterfront experience.

The entirety of the hotel ground is uniquely arranged around a series of calming green courtyards, each different, with serenity and water features prominent in every design. From the exceptionally large rooms to the restaurants and magnificent Grand Ballroom, a panoramic river view takes centre stage.





*Income Asset*

## CAPELLA BANGKOK

Sector : Hospitality

Location : Bangkok, Thailand

A new vintage of luxury is debuting on the east bank of the Chao Phraya River. Sophisticated yet insouciant, contemporary yet timeless, Capella Bangkok mingles the effortless class of a grande dame with the intimacy and personality of a boutique. The 101-room beauty boasts private villas, Personal Assistants for every room, fine dining overseen by a Michelin-starred chef and a breezily bellwether style you'll want to make your own. Whether you want to swan-dive into the best of the Thai capital, or just kick back and relax within the cozy confines of this urban oasis, Capella Bangkok is the ultimate perch from which to witness a river in renaissance. Discerning, spirited travellers who appreciate their refinement with a side of whimsy will consider Capella Bangkok their personal pied-à-terre.



## CHACHOENGSAO

Sector : Mixed-use Development

Location : Chachoengsao, Thailand (Under development)

A mixed-used development situated on a generous 79-3-63 Rai plot of land (31.2 acres) in Chachoengsao Province. The project was conceived to support the emerging economic region of the Eastern Economic Seaboard (EES); Thailand's centre for manufactured goods and export-orientated industries.

The development has been strategically designed in conjunction with the government's announcement of Thailand's new Bangkok-Rayong high-speed railway link and the expected fluctuation of local and international tourism within the region.







#### *For Sale Asset*

### ELEMENTS SRINAKARIN

Sector : Residential (Mid-Tier)

Location : Bangkok, Thailand

Elements Srinakarin has been conceptualised as a refreshingly uncompromising offering for middle-income buyers. The project is located within walking distance to three department stores, as well as a short distance away from major universities, hospitals, and Suvarnabhumi International airport train line, which is essentially connected to two other mass transit routes.

Through innovative design and layout, Country Group Development focused on increasing build density while increasing green space to levels normally reserved for larger estates.



## RAMA III

Sector : Mixed-use Development (Residential, Education)

Location : Bangkok, Thailand (Under development)

The Rama III project is a mixed use development situated on 22.99 Rai land right on the Rama III – Industrial Ring road. The location offers a convenient accessibility to-and-from expressways and existing mass transit networks which allow the traffic flow to reach Bangkok's CBD within 15 minutes. The project comprises of the residential towers and the first tier international school. This unique concept offers an open space design and unique amenities that will set the community apart from the rest with the seamless integration of those in all stages of life. The project is expected to complete in 2022.







### *For Sale Asset*

## ANCHORAGE POINT

Sector : Industrial Data Centre  
Location : London, United Kingdom

The historical value of data centres and the projected future trends of data-storage needs for multiple industries, measured against the constraints that limit effective data-storage creation, suggest that prime located data storage centres may be one of the fastest value growth segments of real estate in the medium and long-term development.

Country Group Development PCL., took the opportunity to secure Anchorage Point, a 2,300 square metre data centre with a 33-year freehold lease and an existing tenant in an off-market transaction for its key location in London; one of the top five areas in the Greater EU for both demand and connectivity to the most centralised part of the regional communications infrastructure.

*As of December 2015, Country Group Development PCL., has exited and sold the investment to MFC Industrial Real Estate Investment Trust (MIT), Thailand's first international Real Estate Investment Trust (REIT).*





### *For Sale Asset*

## OVINGDEAN HALL

Sector : Education

Location : Brighton, United Kingdom

With fundamentally attractive characteristics, the global education sector portrays trends with strong demand and lucrative returns. In 2016, Country Group Development expanded into the education sector for the first time by acquiring a school located in Brighton, United Kingdom. The freehold asset comprises 20.24-acre campus of buildings, providing offices, accommodation, educational and recreational facilities for up to 450 students.







A black and white aerial photograph of a city, likely Tokyo, with a large, dark crosshair overlaying the center. The sun is shining from behind the crosshair, creating a bright starburst effect. The city below is densely packed with buildings and skyscrapers.

# ECONOMIC ANALYSIS



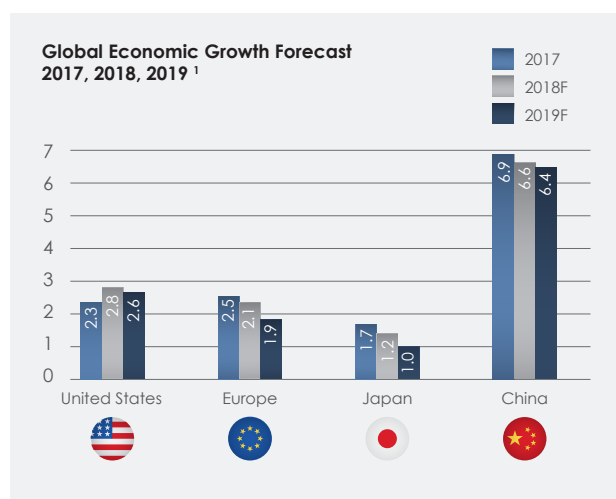
# ECONOMIC ANALYSIS

## MACRO-ECONOMY

CHACHOENGSAO  
(Under Development)

### GLOBAL ECONOMY

The overall of the global economy - although performing well - is experiencing a slowdown in terms of the expansion. There are many risk factors that carry on to 2019 that restrict the pace of the global economic growth. The key risk factors imposing on the global economy are the USA trade protectionism policies to retaliate with China policies and the uncertainty in European zone (namely the Turkish and Italy crisis, Brexit, and the trade war).



Source: <https://www.scbeic.com/th/detail/product/5071>

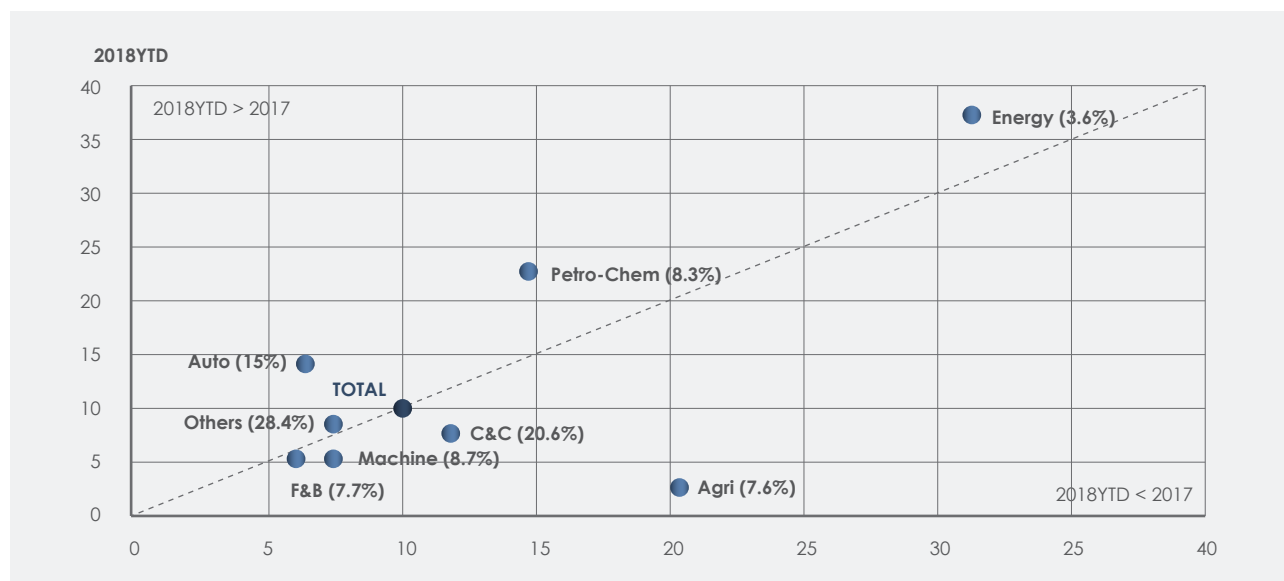
### THAILAND ECONOMY

Thailand exported US\$249.8 billion worth of goods in 2018 up by 5.8% from 2017 to 2018,<sup>2</sup> which results in an increase of Thailand GDP despite the economic stall during the 3<sup>rd</sup> quarter. 2018 GDP increased about 4.2% compared to 3.9% of the previous year.<sup>3</sup>

The Import, Export and Tourism segments are still the highest contributors to the country's GDP. The first eight months of 2018 are the flourish period for the export industry as the number shown 10% growth in many categories.<sup>1</sup>

The tourism segment also revels in growth. In 2018 Thailand hosted 38 million foreign visitors, a 7.54% increase from the previous year.<sup>4</sup> Chinese tourist made up 30% of the foreign visitors - which is the 16.5% increase from 2017 - followed by other countries in Russia (14.7%), India (13.0%), ASEAN (8.2%), Japan (6.6%) and Europe (5.6%).<sup>1</sup>

The stall in quarter 3 was not across the board although it clearly affected the export and tourism segments. The below estimation of export growth was as a result of the trade protectionism from US and the decline in car export to several key markets; whilst the tourism industry experienced decrease from the loss of confidence from Chinese tourists due to the boat accident in July and the boom of Russia and Europe.<sup>3</sup> The restriction of the trade industry result in the halt of investment as investors are more careful in inserting money into the system. Moreover, there are still uncertainty regards government policies as the general election will be held at the end of March 2019.



Source: SCB Economic Intelligence Center

With that said, in 2019, the Thai economy is projected to grow in the range of 3.5 - 4.5 percent,<sup>3</sup> supported by:

1. A favorable growth momentum of private consumption
2. An improvement of total investment
3. A recovery of tourism sector
4. A moderate pace of global economic expansion - in turns, favor the Thai's export and
5. A clearer direction of global trade

However, industries in export segment such as electronic parts, chemical, and auto parts & accessories may experience some difficulties due to the increase in import tax policies from USA. The recovery of the tourism sector will remain as the important contributor to the country's GDP although the expansion rate may shrink down from 7.8% to 6.0%.<sup>1</sup> Due to the global travel trend and the increase of income from the Chinese population, Thailand should remain as the popular destination for travelers.

Not only that Thailand's economy can flourish from the tourist segments, but it can also benefit from the expatriate living in Thailand as well. According to InterNations' Expat Insider 2018 Thailand is ranked 18 as the Top Expat Destination.<sup>5</sup> Expatriates from around world have settled in Thailand as the cost of living and quality of life is an improvement from their hometown. It is estimated that there are over 86,000 people from United Kingdom who have settled in Thailand, whilst the United States account for approximately 41,000.<sup>6</sup> Thailand is also popular among European nations, Japan and India as well.

One of many reasons that expatriate choose to settle in Thailand is the government policies that allow foreigners to outright own properties whether it is the condominium or houses (through their spouses). 20% of the expatriate claimed that they own a condo with 1 in 2 claim to own a house or villa. This will help them reducing their monthly budget which 48% of those in the survey have over 65,000 THB spending budget per month.<sup>7</sup>

## EASTERN ECONOMIC CORRIDOR (EEC)

Furthermore, with the Eastern Economic Corridor (EEC) development plan scheme should enhance the Eastern Seaboard Development Program that had allowed Thailand to be the powerhouse of industrial production for over 30 years. The EEC will eventually grow into a modern metropolitan, a hub of trade and investment, a center for regional transportation and logistics, a significant source of human resources, a tourist attraction, and most importantly, the most modern Gateway to Asia.<sup>8</sup> As a result, the EEC will attract all sorts of investors and create a booming economic. For example, the property development that will follow not only the migration of the population for new jobs, but the transportation routes as well. As a hub of the investment, it will further expose Thailand to global scene and draw in many foreign visitors - let it be for business or leisure. This influx of foreigners will definitely benefit the retails and hospitalities industries.

There are already four projects which the EEC Policy committee already approved. These projects will create the foundation where other industries can build upon. The infrastructure of the EEC is expected to contribute approximately 829 billion Baht to Thailand's economy which in turns should create over 40,000 new jobs and give an efficient rate of return to both government and private sector.<sup>9</sup>

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### Sources:

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## BANGKOK CONDO MARKET

Although towards the last half of 2018, Thailand property market experience a slowdown, but looking back in 2018, Bangkok condo market expand in both supply and pricing. Comparing to 2017, the market transferred approximately 186,500 units which is an increase of 14%.<sup>1</sup> After the announcement to tighten credit underwriting standards in mortgage loans (LTV) by BOT which aims to minimize the risk of faulty mortgage and prevent the soaring of pricing speculation, developers tried to clear their stock through promotion campaign to speed up consumers' decision before the policy becomes effective in April 2019.

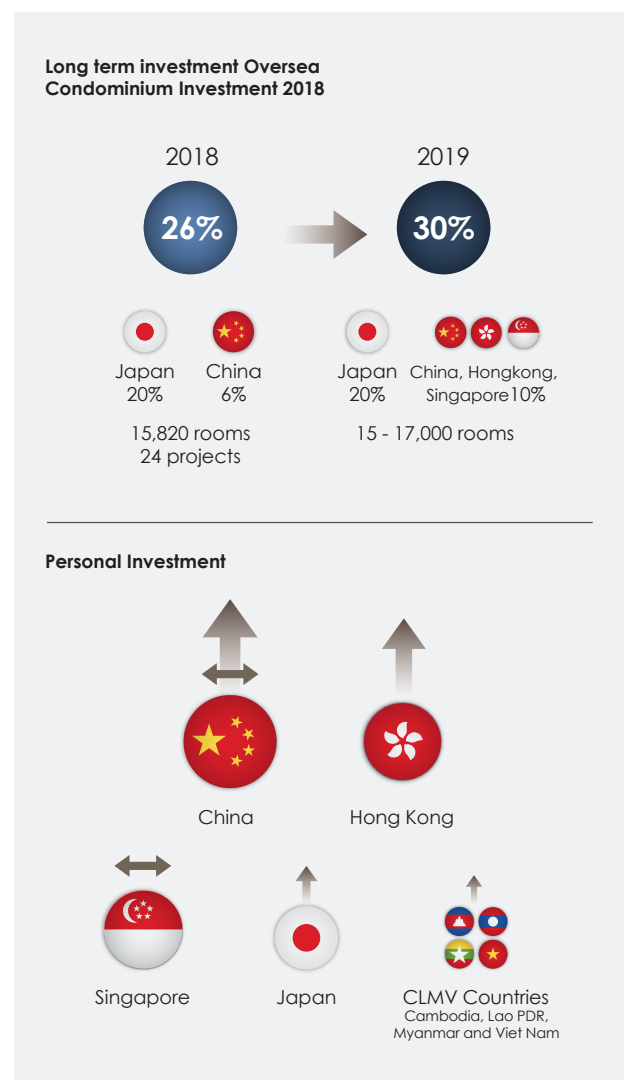
As the overall Thailand economy is still in the slight downward trend, it is anticipated that the mid-high market would render better than others as the target segment will not be affected by the economy as much. With that said, the mid-low market is not at a total lost; however, developers need to find the real demand and not targeting investors like in the past. It is believed that this slowdown will only be short term as many are waiting for the clarity regards government policies after the general election in March 2019.

Another factor contributing to the slowdown of the market is the pricing itself. As the land pricing continues to rise, consumers end up absorbing the development costs. Therefore, consumers are waiting to buy as they perceive that the pricing is too high relative to what it should be. However, with the growth in pricing, consumers start to look into the suburban area in which it continues to grow especially along the future BTS/MRT lines. The research shows that 36% of the consumers are considering the suburban area which surpassed the 26% that still seeks CBD locations.<sup>1</sup>

Suburban areas will continue to be the alternative options for those who are seeking the oasis from the busy city; but, at the same time, provide easy commute. For example, Silom and Sathorn land prices are relatively high.<sup>2</sup> Other than the suburban areas, other potential locations are the eastern provinces especially Sriracha. With the policy support EEC, there is a potential of industrial expansion which in turn will create more jobs and draw in more people. This development will attract both local and foreign investors to find business opportunity and residential expansion.

Due to uncertainty from the economy and government policies, many developers turn to foreign buyers as they show more potential in terms of the power to buy properties from the mid to high market. Chinese market is one of the markets that developers venture into. The popularity of the property in Thailand increase tremendously<sup>3</sup>, according to Juwai website, Thailand is the best location where Chinese are looking to invest.<sup>4</sup> The units' proportion from Chinese, Japan, and Hong Kong and Singapore investors is expected to increase to 30% from the previous 26% (15,820 units from 24 projects in 2018).<sup>5</sup> This is mostly due to the relatively

lower pricing along with less complicated sales-purchase conditions plus lower down payment rates and property transfer fees<sup>6</sup> compared to other Asian countries.



Source: The Bangkok Insight

Property developers also become more attractive to hotel branded residences in order to spur price premium points and buyer demand. Currently there are 29 new hotel residence projects countrywide.<sup>7</sup> This type of development will attract those who desire the quality and service lifestyle of the project as the brand owner has to do due diligence before agreeing for the developers to use its brand.

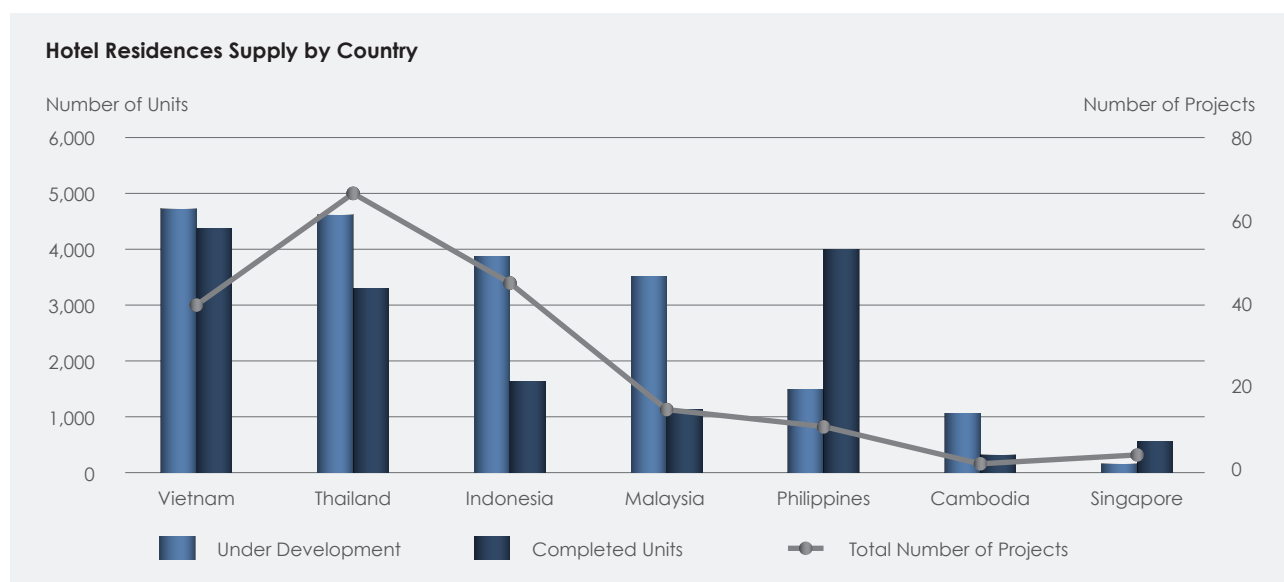
The number of luxury branded residences is expected to be threefold within the next two years.<sup>8</sup> 2019 will see a doubling in the number of branded residences in Bangkok, increasing

from three to six projects from The Residences at Mandarin Oriental Bangkok, Four Seasons Private Residences Bangkok, and the Banyan Tree Residences Riverside Bangkok completed this year, all of them located on the banks of the Chao Phraya River. It is believed that there is still more demand for branded residences with low number of units for exclusivity, located in desirable location and with the presence of well-known hotel brand from a leading hotel operator as it creates an alternative ultra-luxurious lifestyle for the residents.

With high number of supplies in the market, developers must venture into a new territory to create a unique product in order to stand out among the crowd. Hence, developers are finding the new innovative ways of creating a project. A few ways that developers are approaching this are joint venturing with other companies to create more effective units, but at the same time reduce risks by playing off the strength of each other or creating projects targeting specific segments such as elderly and the millennials segments.

The millennials made up 28% of Thailand current population<sup>9</sup> which is believed to be the next market to invest in property as they prefer to move away from their parents. Hence, the developers are creating projects that cater towards their specific needs and wants. As of late, location is not a guarantee for success as major developers can secure a strategic location; hence, they compete in terms of lifestyle offers. Facilities are something that this segment will be looking at as they will most likely be freelancer or in start-ups, they will want facilities that cater to their needs such as co-working space and other functions that will help them balance their work life.

The most standout innovation is the mixed use projects in the city. Developers are investing more than Bt581.5 billion from this year until 2025.<sup>10</sup> This approach does not only create a new lifestyle for the residence, but it also generates recurring income for the developers as well. Most of these mixed use project combine retail, office spaces and hospitalities together with residences in order to create a complete lifestyle within the community.



Source: Thailand Business News

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## BANGKOK HOTEL MARKET



Tourism industry is the main contribution to Thailand's GDP. Foreign visitors create 65% of the revenue of the overall industry <sup>1</sup> especially those from East Asia which made up 40% of all foreign visitors <sup>1</sup> where China contributes the most to the revenue; followed by Malaysia, South Korea, Laos, and Japan. <sup>2</sup>

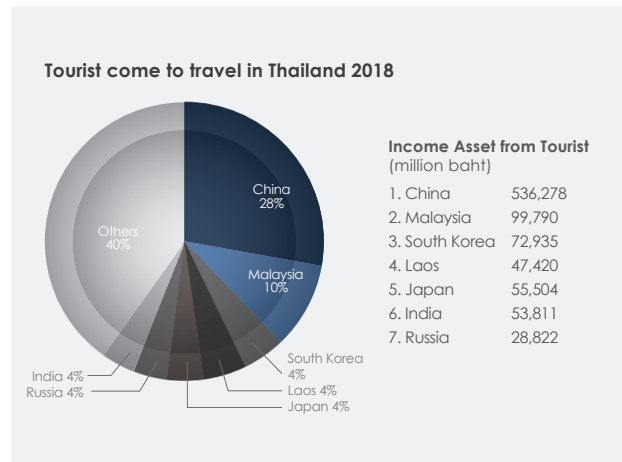
During 2018 Thailand experienced a rare dip in the number of tourists which reflected the economic condition of Thailand. Overall arrivals fell 0.5% in October from a year earlier, mainly due to the decline in Chinese visitors. <sup>3</sup>

The decline is contributed by the safety concern and the slowdown in China's economy. However, due to the high season at the end of the year and the government policy to grant Visa on Arrival fee for 21 countries, the revenue trend continues to increase in comparison to previous year which ultimately generates 2.01 trillion THB. <sup>2</sup> 2019 will be a challenging year due to the global economic slowdown.

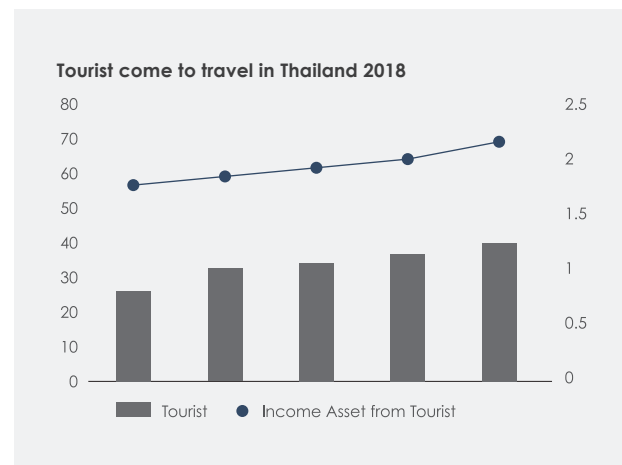
Although the global economy is expected to slow down, the study shows that consumers - especially the Millennials - are buying more experience. Euromonitor expects this "experience economy" which includes leisure, recreation, travel and food services, to grow from \$5.8tn in 2016 to \$8tn in 2030.<sup>4</sup> Hence, if there are supported policies, it is believed that the number of foreign visitors could reach 39.8 million in 2019 <sup>5</sup> especially those from ASEAN countries as well as South Korea, India, and Japan.

As number of visitors is expected to increase, the impact from Chinese tourists and those affluent millennials on luxurious industry will be phenomenon as they will prefer travel experience over material goods.<sup>6</sup> All operators need to adapt their services in order to reach these new audiences. The fact that the profile of the travelers is becoming younger, they became more tech-savvy. <sup>7</sup> Not only that they expect to find all information online, but to cultivate their experience online during the trip as well. In order to create an unforgettable experience worth the value, the new trend in hotel industry is to create what is known as "Hyper - Personalization" <sup>8</sup> to serve up customers according to their exact needs and wants. This will create the ultimate customers experience for all guests.

In 2018, there are more than five luxurious hotels under construction and soon to be completed in Sukhumvit, Silom, Sathorn, surrounding Lumpini Park, and Chao Phraya River. By 2022, the downtown Bangkok hotel supply will increase by 25% (11,800 keys) to the total of 58,200 keys<sup>9</sup> which will create a highly competitive period where the rates will be challenging.



Source: [http://www.todayhighlightnews.com/2019/01/2562\\_28.html](http://www.todayhighlightnews.com/2019/01/2562_28.html)



Source: [http://www.todayhighlightnews.com/2019/01/2562\\_28.html](http://www.todayhighlightnews.com/2019/01/2562_28.html)

#### HOTEL PIPELINE:

PROPOSED PROPERTY	AREA	NUMBER OF ROOMS	ESTIMATED OPENING DATE
Hotel Nikko Bangkok	Sukhumvit	300	2018
Hyatt Regency Bangkok Sukhumvit	Sukhumvit	273	2018
Vib Sanampao	Sanampao	89	2018
Waldorf Astoria Bangkok	Rachadamri	171	2018
Bangkok Edition	Sathorn	155	2019
Four Seasons Hotel Bangkok	Chao Phraya River	300	2019
Ibis Styles Bangkok Sukhumvit 4	Sukhumvit	133	2019
New World Grand Rama 9	Rama IX	285	2019
Novotel Bangkok Sukhumvit 14	Sukhumvit	185	2019
Rosewood Bangkok	Sukhumvit	159	2019
Vib Sathorn	Sathorn	180	2019
dusitD2 Chaengwattana	Chaengwattana	200	2020
Melia Bangkok Bangna	Bangna	315	2020
Solaria Nishitetsu Hotel	Sukhumvit	280	2020
The Langham	Chao Phraya River	253	2021

Source: HVS Research, <https://www.hvs.com/article/8334-hvs-market-pulse-bangkok-thailand>

To maintain its luxurious position whilst standing out among competitors, the hotels must embracing mobile, big data, and innovative technologies to accompany the affluent

travelers through their entire customer journey.<sup>10</sup> A seamless digital and physical experience will be prominent and seek among these travelers.

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## UK EDUCATION SECTOR

## OVINGDEAN

Due to the high birth rate in the United Kingdom from 2002 to 2008, number of pupils in the education system is on the rise. The government figures predict 8.7% (654,000 pupils) increase by 2026 with 531,000 pupils in the secondary school system. <sup>1</sup> Just comparing the number of pupils from January 2017, there are already 66,000 more pupils in the school system than in January 2018. <sup>2</sup>

**TABLE A: SCHOOL POPULATION**  
SCHOOLS IN ENGLAND, 2006 - 2018

YEAR	ALL SCHOOLS TYPES (INCLUDING INDEPENDENT SCHOOLS)
2006	8,231,055
2007	8,167,715
2008	8,121,955
2009	8,092,280
2010	8,098,360
2011	8,123,865
2012	8,178,200
2013	8,249,810
2014	8,331,385
2015	8,438,145
2016	8,559,540
2017	8,669,085
2018	8,735,098

Source: school census

These primary and secondary education sectors will, in the future, bring the higher education sector up from its current struggle at the moment. Presently, the higher education sector is struggling to maintain profitability margins due to many reasons; for example, the government pricing caps whilst trying to construct state of the art facilities to remain afloat in the highly competitive market and number of societal changes. <sup>3</sup> Opposite from the higher education sector, the primary and secondary education sectors do not only enjoy the rising numbers of students domestically, but also internationally.

The UK Education market does not only expanding within the kingdom; it has also become the globalization trend. Taking the British or the International schools overseas is more flexible as the curriculum is not as strict, but created according to the regulations of those countries whilst aiming for the recognized UK standard examinations such as Key stage tests, GCSE and A-Level. However, this globalization trend shows a huge potential for growth profit as there is an unmet demand for UK high quality education, especially in South Asia and the Middle East. <sup>4</sup>

With this expansion and the change in generations, the UK education system has been integrating technology into the classrooms. However, this integration of technology is nothing new, but the approach is. The technology imposes in the classrooms are not just the mere devices or games for students. The role of technology is to drive engagement and help students develop through the feedback loop. It is believed that the healthy competition and group collaboration aspects can encourage the key skills – team working and resilience - for employability as we move into a changing future. <sup>5</sup>

Nevertheless, the technology alone would not give the UK education its high praise of quality standard though it is one of the higher priorities in the ongoing push to enhance the standard of technical education in British schools. <sup>6</sup> With the current STEM job shortage costing UK an average £1.5bn per year, STEM has taken its place as a must-have skill for today's pupils which will be incorporate into the learning in 2019. Not only that the plan will focus on students' learning but it will also aim towards teachers' training as well for only 47% of the teachers have a relevant GCSE and this number drops to 20% in the most deprived schools. <sup>7</sup> On another hand, the UK education system also pushed towards improving the pupils' mental health needs as the awareness of the impact of depression and anxiety that can have on young children is also growing.

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## EDUCATIONS

### R A M A III INTERNATIONAL SCHOOL

(Under Development)

According to the research by the International School Consultancy (ISC), there are currently about 8,000 international schools around the world teaching over 4.26million students.<sup>1</sup> With the economy improving, wages increasing, and the number of expatriates expanding significantly, Asia is seeing the fastest growth of international schools compared to other regions.

Thailand has recently broken through the 200 international schools barrier, making it the third-largest international schools market in South-Eastern Asia and ninth largest in the world.<sup>2</sup> The increasing growth is a response to the learning needs of pre-school, primary and high-school students in the country, with nearly 73,000 pupils attending.<sup>3</sup> In 2018, the total annual tuition fee income of international schools in Thailand was \$US844.9 million, which accounts for 17.6% of South-Eastern Asia's total and 1.8% of global total.<sup>2</sup>

DITP reported 175 international schools registered<sup>4</sup> compared to the 205 international school reported at the end of year 2018 by ISC<sup>2</sup>, the equivalence of 17% increase, which reflect the continuation of upward trend for international schools in Thailand. Whilst Bangkok remains as the highest density of international schools (106 schools), most of the major cities have at least one or two options of the international school curricula – Phuket has 12.<sup>3</sup>

In Thailand, where the national education system is predominantly perceived as lacking, international schools tend to appeal to affluent Thai parents.<sup>5</sup> They would prefer their children to receive increased opportunities for English-medium education, more highly-regarded curricula resulting in globally-respected qualifications, multicultural environment exposure, the latest modern facilities and a dynamic, multi-faceted learning approach beyond traditional methodologies.<sup>6</sup>

Most of highly acclaimed international schools in Thailand remain at full capacity to welcome students from aspirational local families seeking out for some of the best education options in the world for their children with their own salaries. A growing number of families from surrounding areas are moving to Thailand for education also contributes to the international schools trend. These families believe that education here is more affordable and offer a more relaxed learning environment comparing to other locations that offer American and European curricular.<sup>2</sup>

Following the establishment of the ASEAN Economic Community, the number of international schools has been expected to continue growing in respond to the leaning needs of pre-school to high-school students with market value up to 60,500 million THB.<sup>4</sup> The establishment of AEC makes opportunities for international school development now look very good in Thailand. A significant number of new international schools are predicted to open as a result of extensive development of international investment in the country, plus a new high-speed rail network which will connect Thailand to the neighboring countries.

Based on the healthy growth of its international-school community, Thailand aspires to become a center for international education in Southeast Asia. This suggests that there will be continued government support for new international schools, and continued accessibility of places for learners to drive the growth of education and the overall economy. Conveniently, there is no government limit on the number of local students who can attend international schools in Thailand to ensure availability for all children and maintain a diverse student intake that reflects the international nature of the school.

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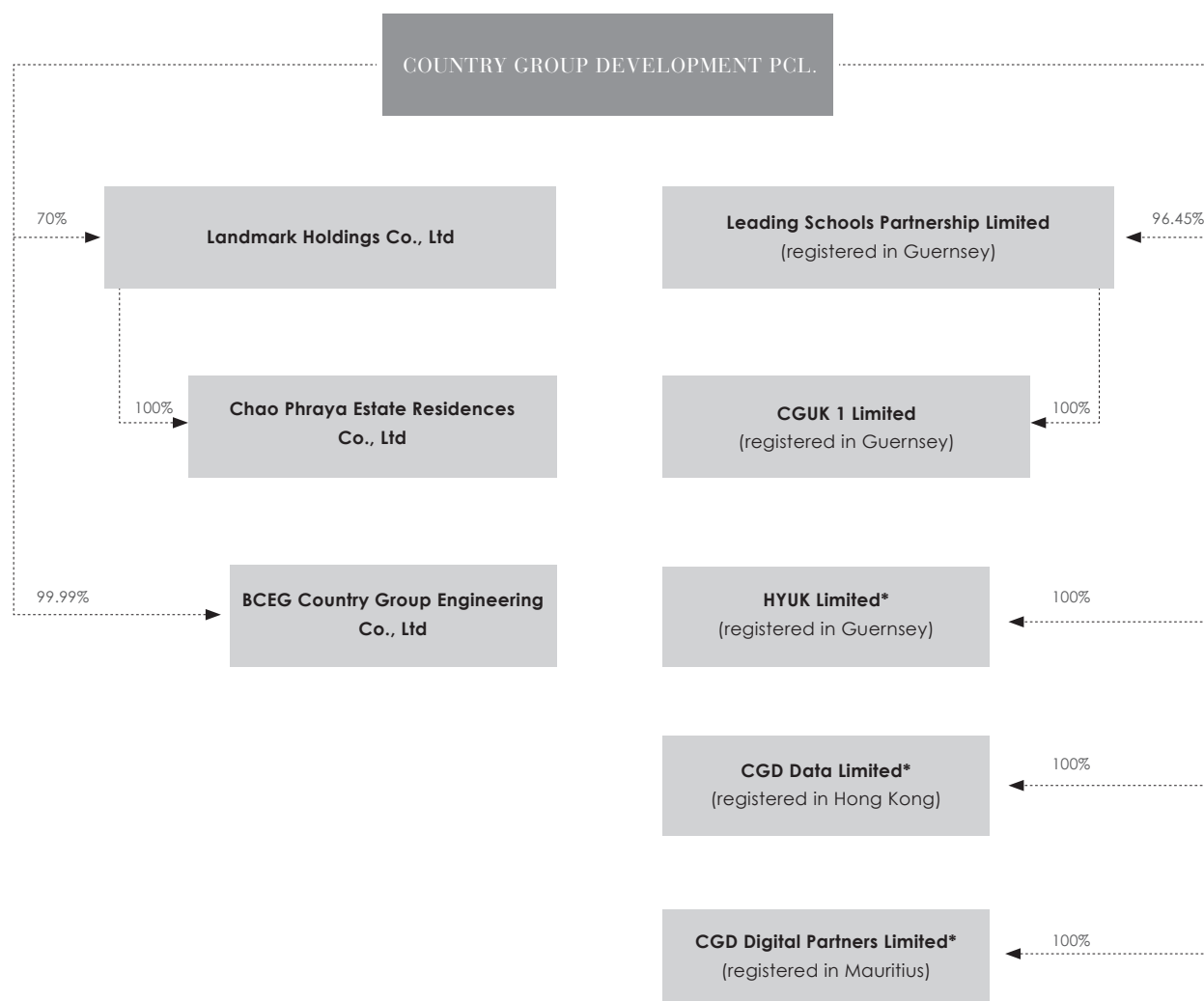






# SHAREHOLDER STRUCTURE

*The Shareholder Structure as of December 31, 2018  
is as follows;*



Remark: \*The 3 subsidiaries are in process of dissolution.



# GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

## 1. GENERAL INFORMATION OF THE COMPANY

<b>Company name</b>	: Country Group Development Public Company Limited
<b>Symbol</b>	: CGD
<b>Address</b>	: 898 Ploenchit Tower, 20 <sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
<b>Registration No.</b>	: 0107538000177 (Bor Mor Jor 540)
<b>Type of business</b>	: Holding company and property development
<b>Registered capital</b>	: Baht 10,785,353,544 consisting of 10,785,353,544 ordinary shares with a par value of Baht 1 per share
<b>Paid-up capital</b>	: Baht 8,266,127,954 consisting of 8,266,127,954 ordinary shares with a par value of Baht 1 per share
<b>Outstanding bond</b>	: The Company has outstanding of short-term bill of exchange not over 270 days total amount of Million Baht 544 and outstanding of long-term debt total amount of Million Baht 3,700 (as at December 31, 2018)
<b>Website</b>	: <a href="http://www.cgd.co.th">www.cgd.co.th</a>
<b>Branch</b>	: - None -
<b>Investor Relations Section</b>	: Tel: 0-2658-7888 ext. 132 Fax: 0-2658-7880 and E-mail: <a href="mailto:info_ir@cgd.co.th">info_ir@cgd.co.th</a>
<b>Contact</b>	: Tel: 0-2658-7888 Fax: 0-2658-7880

## 2. GENERAL INFORMATION OF THE SUBSIDIARIES

<b>Company name</b>	: Landmark Holdings Company Limited
<b>Type of business</b>	: Trading, rent and real estate operations and holding company
<b>Address</b>	: 898 Ploenchit Tower, 20 <sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
<b>Registered and paid-up capital</b>	: Million Baht 210.00 consisting of 21,000,000 ordinary shares with a par value of Baht 10 per share
<b>Contact</b>	: Tel: 0-2658-7888 Fax: 0-2658-7880
<b>% of shareholding</b>	: 70.00% of paid-up capital

<b>Company name</b>	: Chao Phraya Estate Residences Company Limited
<b>Type of business</b>	: Real estate management of Chao Phraya Estate Project
<b>Address</b>	: 898 Ploenchit Tower, 20 <sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
<b>Registered capital</b>	: Baht 131,193,880 consisting of 6,690,900 preference share with a par value of Baht 10 per share and 6,428,488 ordinary shares with a par value of Baht 10 per share
<b>Paid-up capital</b>	: Baht 32,805,970 (paid up Baht 2.50 per share)
<b>Contact</b>	: Tel: 0-2658-7888 Fax: 0-2658-7880
<b>% of shareholding</b>	: 70.00% of paid-up capital (The Company holds shares indirectly through Landmark Holdings Company Limited)

**Company name** : BCEG Country Group Engineering Company Limited  
**Type of business** : Construction and wholesaler of equipment and furniture used in construction  
**Address** : 898 Ploenchit Tower, 20<sup>th</sup> Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330  
**Registered and paid-up capital** : Million Baht 1.00 consisting of 100,000 ordinary shares with a par value of Baht 10 per share  
**Contact** : Tel: 0-2658-7888 Fax: 0-2658-7880  
**% of shareholding** : 99.99% of paid-up capital

**Company name** : CGD Data Limited\*,  
registered in Hong Kong Special Administrative Region of the People's Republic of China  
**Type of business** : Holding company  
**Address** : Suite 3004 Universal Trade CTR, 3-5A Arbuthnot Road, Central, Hong Kong  
**Registered and paid-up capital** : HKD 139,009,673 consisting of 139,009,673 ordinary shares with a par value of HKD 1 per share  
**% of shareholding** : 100% of paid-up capital  
**Remark** : \*The subsidiary is in process of dissolution.

**Company name** : CGD Digital Partners Limited\*,  
registered in Mauritius  
**Type of business** : Holding company  
**Address** : 8<sup>th</sup> Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius  
**Registered and paid-up capital** : USD 17,912,281 consisting of 17,912,281 ordinary shares with a par value of USD 1 per share  
**% of shareholding** : 100% of paid-up capital  
**Remark:** : \*The subsidiary is in process of dissolution.

**Company name** : CGUK 1 Limited,  
registered in Guernsey  
**Type of business** : Real estate  
**Address** : Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD  
**Registered and paid-up capital** : GBP 5,000,000 consisting of 5,000,000 ordinary shares with a par value of GBP 1 per share  
**% of shareholding** : 96.45% of paid-up capital  
(The Company holds shares indirectly through Leading Schools Partnership Limited)

**Company name** : Leading Schools Partnership Limited,  
registered in Guernsey  
**Type of business** : Holding company  
**Address** : Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD  
**Registered and paid-up capital** : GBP 5,035,370 consisting of 5,035,370 ordinary shares with a par value of GBP 1 per share  
**% of shareholding** : 96.45% of paid-up capital

<b>Company name</b>	: HYUK Limited*, registered in Guernsey
<b>Type of business</b>	: Real estate
<b>Address</b>	: Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD
<b>Registered and paid-up capital</b>	: GBP 101,000 consisting of 101,000 ordinary shares with a par value of GBP 1 per share
<b>% of shareholding</b>	: 100.00% of paid-up capital
<b>Remark</b>	: *The subsidiary is in process of dissolution.

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### 3. OTHER REFERENCE PERSONS

<b>Securities Registrar</b>	: Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok 10400
<b>Tel</b>	: 0-2009-9000 Fax: 0-2009-9991
<b>Auditor</b>	: Dr. Suwatchai Meakhaamnouychai Certified Public Accountant Registration No. 6638 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. AIA Sathorn Tower building, floor 23-27, 11/1 South Sathorn Road, Yannawa, Sathorn Bangkok 10120
<b>Tel</b>	: 0-2034-0000 Fax: 0-2034-0100



# SHAREHOLDING AND MANAGEMENT STRUCTURES

## 1. BOARD OF DIRECTORS

The Company's Board of Directors consists of 12 members who possess qualifications in accordance with the Public Limited Company Act B.E. 2535 (1992) section 68 and the related notifications issued by the Office of the Securities and Exchange Commission. Of the total board members, 7 are independent directors.

No.	Name of directors	Position
1.	Mr. Vikrom Koompirochana	Independent Director and Chairman of the Board of Directors
2.	Pol. Gen. Patcharawat Wongsuwan	Vice Chairman of the Board of Directors
3.	Mr. Subhakorn Bhalakula	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation Committee
4.	Pol. Gen. Werapong Chuenpagdee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
5.	Mr. Hsu-Feng Shueh	Independent Director and Member of the Audit Committee
6.	Mr. Gavintorn Atthakor	Independent Director
7.	Air Chief Marshal Permkiat Lavanamal	Independent Director
8.	Pol. Maj. Gen. Ittipol Ittisarnronnachai	Independent Director
9.	Mr. Ben Taechaubol	Director, Member of the Nomination and Compensation Committee, Chairman of the Investment Committee and Chief Executive Officer
10.	Mr. Jirasak Ponghathaikul	Director
11.	Ms. Jaelle Ang Ker Tjia	Director
12.	Mr. Yiu Sing Tse	Director

Details of the attendance of the Board of Director Meeting and the Sub-Committee meeting year 2018 between January 1<sup>st</sup>, 2018 to December 31<sup>st</sup>, 2018 are as following:

No.	Name of Director	No. of Board of Directors Meetings attended	No. of Audit Committee Meetings attended	No. of Compensation Committee Meetings attended
1.	Mr. Vikrom Koompirochana	10/10	-	-
2.	Pol. Gen. Patcharawat Wongsuwan	1/10	-	-
3.	Mr. Subhakorn Bhalakula	9/10	6/7	3/3
4.	Pol. Gen. Werapong Chuenpagdee	10/10	7/7	3/3
5.	Mr. Hsu-Feng Shueh	10/10	7/7	-
6.	Mr. Gavintorn Atthakor	8/10	-	-
7.	Air Chief Marshal Permkiat Lavanamal	10/10	-	-
8.	Pol. Maj. Gen. Ittipol Ittisarnronnachai	4/10	-	-
9.	Mr. Ben Taechaubol	9/10	-	3/3
10.	Mr. Jirasak Ponghathaikul	7/10	-	-
11.	Ms. Jaelle Ang Ker Tjia	5/10	-	-
12.	Mr. Yiu Sing Tse	4/10	-	-

## AUTHORIZED DIRECTORS

Authorized Signatures of Directors which can bind the Company are that Mr. Ben Taechaubol and affixing the Company's seal.

## AUTHORITIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Establish and enforce corporate governance guideline and business ethic, as well as being a good role model.
2. Govern the operation of CGD in accordance with laws and regulations, objectives, article of association, shareholders' meeting resolution, as well as corporate governance guideline and business ethic.
3. Cooperate with the Management Team to formulate and develop the vision, mission, and value of the Company.
4. Evaluate and discuss the Company's strategic plan proposed by the Management Team, and approve all key issues concerning the Company's direction and policy, annual operating budget, capital expenditure, debt creation, human resource management, and operating target.
5. Access conflict of interest issue with diligence, transparency, and objectivity.
6. Set up a clear and appropriate operating procedure, a transparent and effective internal control system, and a sufficient risk management system.
7. Oversee the auditing process from both internal and external auditors and make sure that they do their jobs effectively.
8. Oversee the appropriateness and accuracy of information disclosure to all stakeholders.

9. Empower the Company's Chief Executive Officer with authority to conduct the business under an approved budget and evaluate the performance according to the business plan.
10. Monitor the Company's operation and development and ensure that it meets its objectives, and abides by all laws, regulations, and policies.
11. Establish a policy on the Company-wide risk management and assign Management Team to implement and report to the Board of Directors regularly. In addition, review and assess the effectiveness of the policy at least annually.
12. Appraise the performance of the Company's Directors, Chief Executive Officer, as well as supervise the effectiveness of the performance appraisal process of high-level management.

## 2. MANAGERMENTS

As of 31 December 2018, there are 6 executives who are according to the definition of the office of Securities and Exchange Commission and there is new 1 executive which is appointed on year 2018 detail as follows:

No.	Name	Position
1.	Mr. Ben Taechaubol	Chief Executive Officer
2.	Mr. Chatchai Chordokrak	Executive Director – Accounts & Finance Division
3.	Mr. Suttinath Jitticharunglap	Executive Director – Operations Division
4.	Mr. Varakorn Techamontrikul	Executive Director – Development Division
5.	Ms. Patra Kantasiribitaks	Executive Director – Investment Division
6.	Ms. Kitima Kritiyachotipakorn	Executive Director – Sale Division
7.	Mrs. Vatinee Chaturongkul	Executive Director – Projects Division <sup>1</sup>

Note: <sup>1</sup>Mrs. Vatinee Chaturongkul is appointed to the position of Executive Director – Projects Division, effective from 1 January 2019 onwards

## AUTHORITIES AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICE

1. Supervise the operation of the Management Team, and subsidiaries and affiliated companies in accordance with the Company's policies, business plan, and budget approved by the Board of Directors and/or other sub-committees, as well as the company's objectives, regulations, orders and resolutions of the shareholders and/or the Board of Directors and other subcommittees, and also in accordance to the SET'sshb corporate governance guideline.
2. Delegate and/or designate representatives to work on Chief Executive Officer's behalf on specific tasks within the scope allowed by law, article association of the Company, and orders or resolutions of the Board of Directors.
3. Follow up and evaluate the performance of the Company on a regular basis in order to anticipate any risks, both internal and external that may arise, and improve the Company's efficiency.
4. Consider entering into business agreements and other contracts that benefit the Company and establish procedure and process for such agreements and contracts.
5. Evaluate the Company's performance and make recommendation on interim or annual dividend payments for the Board of Directors' approval.



6. Allocate pension payment, bonus, or other benefits, which have already been approved by the Board of Directors, to permanent or temporary employees, and staffs.
7. Authorize the Company's transaction in accordance with the approval authority:
  - a. Any transaction in relation to assets or personal services or any related party transaction whose value does not exceeding one million baht or 0.03% of the net tangible assets (NTA), whichever is higher.
  - b. Any transaction in relation to financial assistance to connected person or the company where the connected persons hold more shares than the listed company, whose value does not exceeding 100 million baht or 3% of the net tangible assets (NTA), whichever is lower.
  - c. Request for approval in relation to purchases of computers, furniture or office equipment, among others, to be used for business operations, whose transaction value does not exceeding 10 million baht each time.
  - d. Approval in relation to getting rid of assets or writing off bad debts or selling assets with no salvage value, whose size does not exceed 10 million baht.
8. Perform other acts as assigned by the Board of Directors.

### 3. COMPANY SECRETARY

The Board of Directors has appointed Mr. Chatchai Chordokrak as Company Secretary. He has suitable knowledge, experience and responsibility to perform this function with aim to make things done in line with rules & regulations and corporate governance.

#### SCOPE OF AUTHORITY OF COMPANY SECRETARY

1. Organizing meetings of the Board of Directors and Shareholders in compliance with corporate governance, the Stock Exchange of Thailand Act and the Public Limited Company Act B.E. 2535 (1992).
2. Disclosing the Company's information in compliance with the requirements imposed by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and other related authorities.
3. Giving basic advice to the Board of Directors and the management on the compliance with requirements imposed by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission Also monitor introduction of new rules applicable to the Company.
4. Preparing and storing key documents and records including, among others, director register, notifications of the Board of Directors' meetings letters, minutes of the Board of Directors' meetings, the Company's annual reports, notifications of shareholders meetings, minutes of the shareholders' meeting, and reports issued by directors and executives in relation to conflicts of interest
5. Monitoring the implementation of the Board of Directors' activities, ensuring that they are implemented effectively, efficiently, and in the best interests of the Company.
6. Coordinating subsequent actions in accordance with the resolutions adopted at the meetings of the Board of Directors and the shareholders meetings.
7. Performing other duties as assigned by the Board of Directors.

#### 4. CHIEF FINANCIAL OFFICER (CFO)

Mr. Chatchai Chordokrak is the Company's Chief Financial Officer (CFO). Having been overseeing the finance and accounting of the Company since 1 April 2014, he possesses appropriate qualifications that meet the requirements imposed by the Office of the Securities and Exchange Commission (SEC).

#### 5. ACCOUNTING CONTROLLER

Ms. Karnsinee Singkam is responsible for overseeing and preparing the accounts. She has more than 20 years of experience in accounting. She has been overseeing and preparing the Company's accounts since 2006. She possesses appropriate qualifications that meet the requirements imposed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

#### 6. REMUNERATION OF DIRECTORS AND MANAGEMENT

##### 1) MONETARY REMUNERATION

##### (a) REMUNERATION OF DIRECTORS

For the year ended 31 December 2018, the monetary remuneration provided to the Board of Directors amounted to Baht 5,280,000. This included monthly compensation and bonuses for the directors, the details are as following:

No.	Name	Position	Amount (Baht)
1.	Mr. Vikrom Koompirochana	Independent Director and Chairman of the Board of Directors	700,000
2.	Pol. Gen. Patcharawat Wongsuwan	Vice Chairman of the Board of Directors	420,000
3.	Mr. Subhakorn Bhalakula	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation Committee	560,000
4.	Pol. Gen. Werapong Chuenpagdee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee	490,000
5.	Mr. Hsu-Feng Shueh	Independent Director and Member of the Audit Committee	490,000
6.	Mr. Gavintorn Atthakor	Independent Director	420,000
7.	Air Chief Marshal Permkiat Lavanamal	Independent Director	420,000
8.	Pol. Maj. Gen. Ittipol Ittisarnronnachai	Independent Director	420,000
9.	Mr. Ben Taechaubol	Director, Member of the Nomination and Compensation Committee, Chairman of the Investment Committee and Chief Executive Officer	240,000
10.	Mr. Jirasak Ponghathaikul	Director	420,000
11.	Ms. Jaelle Ang Ker Tjia	Director	280,000
12.	Mr. Yiu Sing Tse	Director	420,000

Notes : 1 Members of the Audit Committee received remuneration at a higher rate than that of other directors.  
2 No compensation was provided to members of the Nomination and Remuneration Committee.

**(b) REMUNERATION OF MANAGEMENT**

For the years ended 31 December 2018 and 2017, the Company paid remuneration to the management in salary, bonus and Incentive in the amount of Baht 36,758,176 Baht 44,416,316 respectively.

**2) OTHER TYPES OF REMUNERATION****(a) CONTRIBUTIONS TO PROVIDENT FUND**

For the years ended 31 December 2018 and 2017, the Company made contributions worth Baht 1,122,826 and Baht 1,100,078 respectively to the Provident Fund for directors who also served as employees and senior executives of the Company and its subsidiaries.

**7. PERSONAL****(1) NUMBER OF EMPLOYEES NOT INCLUDING THE EXECUTIVE AS DEFINE BY SEC)**

Employees classified by division as of 31 December 2018 are as following:

No.	Division	Number of Employees
1.	Chief Executive Officer	1
2.	Compliance	1
3.	Internal Audit	2
4.	Projects Division	12
5.	Development Division	8
6.	Investment Division	1
7.	Portfolio Management Division	2
8.	Sale Division	15
9.	Marketing Division	8
10.	Customer Relations Management Division	14
11.	Accounts & Finance Division	12
12.	Operations Division	25
<b>Total Number of Employees</b>		<b>101</b>

In this connection, the Company had never been in legal dispute with its employees.



## (2) REMUNERATION OF EMPLOYEES (NOT INCLUDING THE EXECUTIVE AS DEFINE BY SEC)

For the years ended 31 December 2018 and 2017, the total compensation worth Baht 92,649,276 and Baht 95,360,900 respectively provided to employees included salaries, bonuses, overtime, allowances, welfare benefits, special compensation and contributions to the Provident Fund.

Remuneration (Unit :Baht)	Year 2018	Year 2017
Salaries and Bonuses	87,399,043	79,853,830
Overtime, allowances, and welfare benefits	1,310,381	1,231,583
Incentive	1,657,086	12,319,644
Contributions to Provident Fund	2,282,766	1,955,843
<b>Total</b>	<b>92,649,276</b>	<b>95,360,900</b>

## (3) HUMAN RESOURCE DEVELOPMENT POLICY

The Company recognizes the importance of its staff since they serve as very valuable resources and a key mechanism to make the Company successful. As a result, it has adopted a policy aiming at developing its staff so that they not only can perform their duties in a professional manner and carry out their existing assignments most efficiently but also are in a state of preparedness and have potential for accommodating the Company's future business expansion. Emphasis is also placed on ensuring that the Company's staffs are capable of using information technology and modern knowledge in an appropriate manner. In this connection, the Company facilitates the learning of its staff and continuously transforms itself into a learning organization. In particular, it provides its staff with opportunities to develop their skills and broaden their knowledge on a regular basis through internal and external training programs.

Recently, it has organized an internal training activity for its staff to gain a good understanding of its business and expectations. Other objectives of the training are to build positive attitudes in the workplace and to motivate staff. Moreover, as part of its efforts to enhance the skills of its staff continuously, the Company has made arrangements for them to attend various training courses related to business operations.

## MAJOR SHAREHOLDERS

Top ten major shareholders of the Company as of 18 March 2019 are as the following;

No.	Name	Number of share	% of Total shares
1.	Mr. Ben Taechaubol	1,397,626,424	16.91
2.	Mr. Sadawut Taechaubol	1,373,180,191	16.61
3.	Country Group Holdings Public Company Limited	743,954,100	9.00
4.	Mr. Tommy Taechaubol	648,373,845	7.84
5.	Mr. Jirasak Ponghathaikul	268,548,385	3.25
6.	N.C.B.TRUST LIMITED-NORGES BANK 1	245,435,100	2.97
7.	Mr. Songchai Achariyahiranchai	174,440,400	2.11
8.	Thai NVDR Company Limited	161,895,522	1.96
9.	LGT BANK (SINGAPORE) LTD	155,280,600	1.88
10.	PHILLIP SECURITIES (HONG KONG) LIMITED	142,000,000	1.72

Source: Shareholder report dated 18 March 2019 prepared by Thailand Securities Depository Co., Ltd.

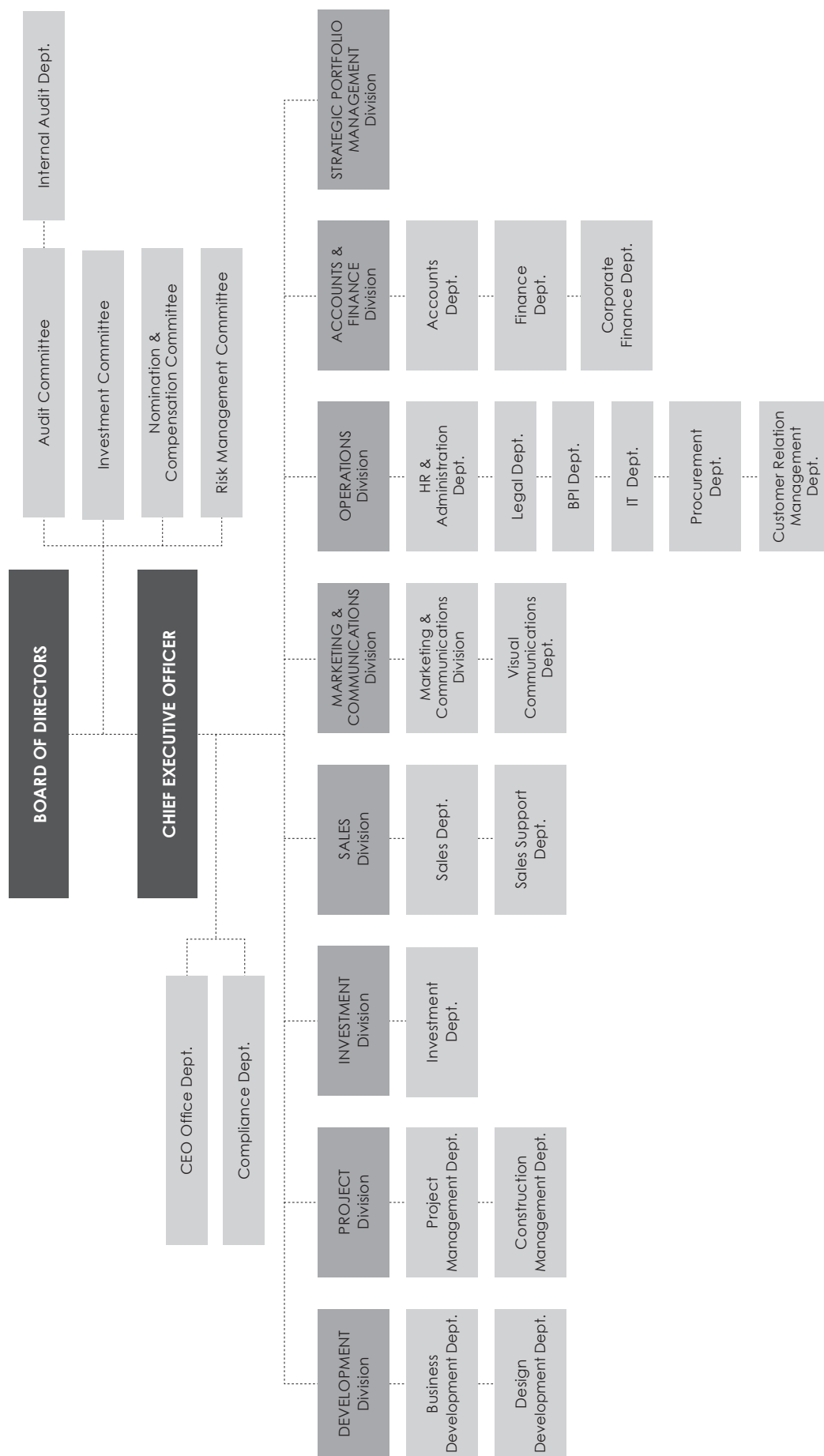
## DIVIDEND POLICY

The Company has dividend payout ratio of at least 50% of net profit of the Company only (unconsolidated basis) in which net profit is after deducting corporate tax, legal reserve and other reserves. However, the Company may pay dividend less than mentioned above if necessity i.e. more working capital required, aggressive expansion plan, or else. The Board resolution on dividend payment is needed to propose to shareholders' meeting for approval, except interim dividend in which Board can go ahead and report to shareholders later.

The Company's subsidiaries also has dividend payout ratio of at least 50% of net profit after deducting corporate tax, legal reserve and other reserves. There are another four factors, cash flow analysis, financial status, liquidity and expansion plan, taking into account on how much dividend to pay.

# ORGANIZATION CHART

The organization structure as of 31 December 2018 is as follows;





# BOARD OF DIRECTORS BIOGRAPHIES

## MR. VIKROM KOOMPIROCHANA

### CHAIRMAN OF THE BOARD OF DIRECTORS INDEPENDENT DIRECTOR

<b>Age</b>	: 73
<b>Education</b>	: • PH.D. and Master Degree in History of International Relations, Michigan State University, USA • PH.D. (Honorary degree) Humanities Schiller International University, United Kingdom • Bachelor of Arts, Chulalongkorn University
<b>Training</b>	: • Director Accreditation Program (DAP) 63/2007, Thai Institute of Directors Association (IOD) • Certificate of Hi-level Management Program 14/2012, Capital Market Academy • Anti-Corruption for Executive Program 7/2013, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy (SFE) 22/2014, Thai Institute of Directors Association (IOD) • Role of the Chairman Program 36/2016, Thai Institute of Directors Association (IOD) • Advanced Audit Committee Program 23/2016, Thai Institute of Directors Association (IOD)

<b>% of shareholding</b>	:	None
<b>Relation</b>	:	None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Chairman of the Board of Director and Independent Director	2006 - Present
MFC Asset Management Public Company Limited	
• Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee and Member of Corporate Governance Committee	2014 - Present
Oishi Group Public Company Limited	
• Member of Corporate Governance Committee	2014 - Present
• Independent Director, Chairman of the Audit Committee	2007 - Present
Chairman of the Nomination and Remuneration Committee	
Sport & Recreation Management Company Limited	
• Chairman of the Board of Director	2010 - Present
Bangchak Petroleum Public Company Limited	
• Director and Chairman of the Corporate Governance Committee and Member of the Executive Committee	2013 - 2016
The Securities and Exchange Commission	
• Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee	2012 - 2016
British Chamber of Commerce, Thailand	
• Honorary Advisor	2007 - Present
Ministry of Foreign Affairs	
• Ambassador of Thailand to the United Kingdom of Great Ireland and Ambassador of Thailand to Ireland	2003 - 2006

## POL. GEN. PHATCHARAVAT WONGSUWAN

### VICE CHAIRMAN OF THE BOARD OF DIRECTORS

<b>Age</b>	: 69	
<b>Education</b>	: • Diploma, National Defence College, The State , Private Sector and Political Sectors Course Class 2 • Master of Arts (Social Development), Kasetsart University • Royal Police Cadet Academy Class 25	
<b>Training</b>	: • Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)	
<b>% of shareholding</b>	:	None
<b>Relation</b>	:	None
<b>Work Experience for the past 5 years :</b>		
Country Group Development Public Company Limited		
• Vice Chairman of the Board of Director		2017 - Present
Charoen Pokphand Foods Public Company Limited		
• Director and Chairman of the Remuneration and Nominating Committee		2016 - Present
Energy Absolute Public Company Limited		
• Independent Director and Member of Risk Management Committee		2014 - Present
CP All Public Company Limited		
• Independent Director, Member of Remuneration and Nomination Committee and Member of Corporate Governance Committee		2014 - Present
The National Legislative Assembly		
• Member of the National Legislative Assembly		2014 - Present
Royal Thai Police		
• Commissioner-General		2008
• Deputy Commissioner-General		2005
• Assistant Commissioner-General		2002

## MR. BEN TAECHAUBOL

**AUTHORIZED DIRECTOR**  
**MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE**  
**CHAIRMAN OF THE INVESTMENT COMMITTEE**  
**CHIEF EXECUTIVE OFFICER**

**Age** : 40

**Education** : • Master Degree in Business Administration, Sasri Graduate Institute of Business Administration, Chulalongkorn University  
 • Bachelor of Law (LLB), University of New South Wales, Sydney, Australia  
 • Bachelor of Commerce (BCOM), University of New South Wales, Sydney, Australia

**Training :** • Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

**% of shareholding** : 16.91%

**Relation** : None

**Work Experience for the past 5 years :**

Country Group Development Public Company Limited

• Director 2009 - Present

Chao Phraya Estate Residences Company Limited

• Director 2014 - Present

Landmark Holdings Company Limited

• Director 2013 - Present

BCEG Country Group Engineering Company Limited

• Director 2013 - Present

CGD Data Company Limited

• Director 2013 - Present

CGD Digital Partner Company Limited

• Director 2013 - Present

Country State Company Limited

• Director 2018 - Present



## MR. SUBHAKORN BHALAKULA

### CHAIRMAN OF THE AUDIT COMMITTEE CHAIRMAN OF THE NOMINATION AND COMPENSATION COMMITTEE INDEPENDENT DIRECTOR

<b>Age</b>	: 61
<b>Education</b>	: • Master Degree in Public Law, Ramkhamhaeng University • Bachelor Degree in Law, Thammasat University
<b>Training</b>	: • Director Accreditation Program (DAP) 19/2004, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) 69/2006, Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP) 16/2007, Thai Institute of Directors Association (IOD) • Role of The Compensation Committee (RCC) 13/2011, Thai Institute of Directors Association (IOD)

<b>% of shareholding</b>	:	None
<b>Relation</b>	:	None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Chairman of the Audit Committee, Chairman of the Nomination and Compensation Committee and Independent Director	2006 - Present
Plam & Bird Farm Company Limited	
• Managing Director	2018 - Present
Relating Business Company Limited	
• Director	2018 - Present
Macaw Breeding and Research Center Company Limited	
• Managing Director	2018 - Present
Assumption Association	
• Director and Vice President	2000 - 2018
Krungthai Legal Services Company Limited	
• Managing Director 2014 - 2018	
• Independent Director	2001 - 2013
Live Incorporation Public Company Limited	
• Chairman of the Board of Director, Chairman of the Audit Committee and Chairman of the Nomination Committee	2005 - 2015
A-Host Company Limited	
• Independent Director and Chairman of the Audit Committee	2006 - 2013
Ban Koh Rim Nam Company Limited	
• Director	1994 - 2013
Thainex Company Limited	
• Managing Director	1989 - 2013

## POL. GEN. WERAPONG CHUENPAGDEE

**MEMBER OF THE AUDIT COMMITTEE****MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE****INDEPENDENT DIRECTOR****Age** : 61

**Education** : • Master Degree, National Institute of Development Administration  
 • Master of Public Administration, Chulalongkorn University  
 • Bachelor of Public Administration, Royal Police Cadet Academy

**Training** : • Anti-Corruption the Practical Guide 2018, Thai Institute of Directors Association (IOD)  
 • Role of The Compensation Committee (RCC) 13/2011, Thai Institute of Directors Association (IOD)  
 • Director Certification Program (DCP) 146/2011, Thai Institute of Directors Association (IOD)  
 • Audit Committee Program (ACP) 34/2011, Thai Institute of Directors Association (IOD)  
 • Financial Statement for Directors (FSD) 12/2011, Thai Institute of Directors Association (IOD)  
 • Director Accreditation Program (DAP) 86/2010, Thai Institute of Directors Association (IOD)

**% of shareholding** : None**Relation** : None**Work Experience for the past 5 years :**

Country Group Development Public Company Limited

- Member of the Audit Committee, Independent Director and Member of the Nomination and Compensation Committee 2009 - Present

Tribeca Enterprise Co.,Ltd.

- Independent Director and Chairman of the Audit Committee 2018 - Present

Triton Holding Public Company Limited

- Independent Director 2017 - Present

Arinsiri Land Company Limited

- Chairman of the Board of Director 2017 - Present

Industrial and Commercial Bank of China (Thai) Public Company Limited

- Independent Director and Member of the Audit Committee 2014 - Present

Country Group Holdings Public Company Limited

- Independent Director, Member of the Audit Committee, Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee 2014 - Present

Thai Hua Rubber Public Company Limited

- Independent Director, Chairman of the Audit Committee and Member of Remuneration Committee 2011 - Present

Sin Sian Yee Pao Company Limited

- Independent Director and Chairman of the Audit Committee 2010 - Present

Foo Sin Mining Industry Company Limited

- Director 2011 - Present

Richland Property Development Company Limited

- Director 2015 - Present

Boonyajinda Foundation for Police Officers & Their Families

- Director and Secretary's Assistance

2002 - Present

Thai Industrial Association

- Director

2011 - 2016

The Royal Thai Police

- Special Advisor
- Assistant Commissioner-General
- Commissioner, Commissioner of provincial police region 9
- Commissioner, Commissioner of provincial police region 7
- Deputy Commissioner, Commissioner of provincial police region 4
- Deputy Commissioner, office of the Police Commission
- Deputy Commissioner, Commissioner of provincial police region 8

2018 - Present

2016 - 2018

2015 - 2016

2014 - 2015

2013 - 2014

2012 - 2013

2011 - 2012

## MR. HSU-FENG SHUEH

### MEMBER OF THE AUDIT COMMITTEE INDEPENDENT DIRECTOR

**Age** : 51

**Education** : • Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University  
• Bachelor Degree in Science in Electrical Engineering, the Cooper Union, USA

**Training** : • Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

**% of shareholding** : None

**Relation** : None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Member of the Audit Committee and Independent Director

2009 - Present

Marginal Company Limited

- Deputy Managing Director

2005 - Present



## AIR CHIEF MARSHAL PERMKIAT LAVANAMAL

## INDEPENDENT DIRECTOR

<b>Age</b>	: 66	
<b>Education</b>	: • Master Degree, National Institute of Development Administration • Bachelor of Science Program, Royal Thai Air Force Academy	
<b>% of shareholding</b>	:	None
<b>Relation</b>	:	None
<b>Work Experience for the past 5 years :</b>		
Country Group Development Public Company Limited		
• Independent Director		2013 – Present
Country Group Securities Public Company Limited		
• Independent Director and Chairman of the Audit Committee		2018 - Present
Royal Thai Air Force		
• Deputy Commander-in-Chief		2012 - 2013
• Chief of Air Staff		2011 - 2012
• Deputy Chief of Air Staff		2009 - 2011
• Assistance Chief of Air Staff, Support Services Department		2008 - 2009

## MR. GAVINTORN ATTHAKOR

## INDEPENDENT DIRECTOR

<b>Age</b>	: 44	
<b>Education</b>	: • Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor Degree in Mechanical Engineering with Business Management (Hons), University of Sussex Brighton, United Kingdom	
<b>Training</b>	: • Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)	
<b>% of shareholding</b>	:	None
<b>Relation</b>	:	None
<b>Work Experience for the past 5 years :</b>		
Country Group Development Public Company Limited		
• Independent Director		2009 - Present
Artlink Company Limited		
• Director		2002 - Present
Prof. Bunchana – Thanphuying Sae Atthakor Foundation for Education		
• Vice-President		1999 - Present
Prudential Life Assurance (Thailand) Public Company Limited		
• Director		2011 - Present
ECCO 360 Company Limited		
• Chairman of Board of Director		2010 - 2015
Ozone Technology Company Limited		
• Managing Director		2006 - 2010

## POL. MAJ. GEN. ITTIPOL ITTISARNRONNACHAI

### INDEPENDENT DIRECTOR

<b>Age</b>	: 52
<b>Education</b>	: • Master of Public Administration, Kentucky State University, USA • Bachelor of Public Administration, Royal Police Cadet Academy (Nor Lor Tor. 43)
<b>Training</b>	: • Training Course on Administrative Justice for Executives (Bor Yor Por. 6), The Administrative Court • Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Por Por Ror. 13), King Prajadhipok's Institute • Supervisory Criminal Investigation Course, International Law Enforcement Academy, USA

<b>% of shareholding</b>	:	None
<b>Relation</b>	:	None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Independent Director	2015 - Present
Triton Holding Public Company Limited	
• Independent Director	2018 - Present
The Royal Thai Police	
• Deputy commander of Immigration Bureau police	2017 - Present
• Commander of Nakhon Pathom Provincial Police	2016 - 2017
• Commander of Nakhon Nayok Provincial Police	2014 - 2016
• Commander of General Staff Division, Office of Logistics	2013 - 2014
• Deputy Commander, Investigation Division, Immigration Bureau	2011 - 2013
• Deputy Commander, Immigration Division 5, Immigration Bureau	2009 - 2011

## MR. JIRASAK PONGHATHAIKUL

### DIRECTOR

<b>Age</b>	: 48
<b>Education</b>	: • Bachelor Degree in Business Administration, Bangkok University
<b>Training</b>	: • Director Accreditation Program (DAP) 89/2011, Thai Institute of Directors Association (IOD)

<b>% of shareholding</b>	:	3.25%
<b>Relation</b>	:	None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Director	2010 - Present

## MS. JAELE ANG KER TJIA

## DIRECTOR

**Age** : 38**Education** : • Master Degree in Business Administration, Imperial College London  
• Bachelor Degree in Architecture, University College London**% of shareholding** : 0.32%**Relation** : None**Work Experience for the past 5 years :**

Country Group Development Public Company Limited

- Director 2013 - Present
- Executive Director – Development Division 2013 - 2016
- Director – Development Division 2010 - 2013

The Great Room

- Chief Executive Officer 2016 - Present

Capital H Private Ltd

- Director 2015 - Present

Credit Suisse

- Business development 2009

Citigroup

- Strategy, Merger & Acquisitions 2005 - 2008

## MR. YIU SING TSE

### DIRECTOR

**Age** : 35

**Education** : • Bachelor of Business, Marketing and Advertising, University of Technology, Sydney, Australia

**% of shareholding** : 1.72%

**Relation** : None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Director 2015 - Present

Epic Capital

• Founder and Director 2018 - Present

ED Ventures Ltd

• Founder and Director 2016 - Present

Campfire

• Founder and Director 2015 - Present

Nikuya 298

• Director 2012 - Present

Providore Global Australia

• Founder and Director 2011 - Present

Ancardi, Hong Kong

• Founder 2008 - Present

Ancardi, Capital

• Director 2006 - Present



# MANAGEMENT BIOGRAPHIES

## MR. BEN TAECHAUBOL

**AUTHORIZED DIRECTOR**  
**MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE**  
**CHAIRMAN OF THE INVESTMENT COMMITTEE**  
**CHIEF EXECUTIVE OFFICER**

<b>Age</b>	: 40	
<b>Education</b>	: • Master Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University • Bachelor of Law (LLB), University of New South Wales, Sydney, Australia • Bachelor of Commerce (BCOM), University of New South Wales, Sydney, Australia	
<b>Training</b>	: • Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)	
<b>% of shareholding</b>	:	16.91%
<b>Relation</b>	:	None

### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Director	2009 - Present
Chao Phraya Estate Residences Company Limited	
• Director	2014 - Present
Landmark Holdings Company Limited	
• Director	2013 - Present
BCEG Country Group Engineering Company Limited	
• Director	2013 - Present
CGD Data Company Limited	
• Director	2013 - Present
CGD Digital Partner Company Limited	
• Director	2013 - Present
Country State Company Limited	
• Director	2018 - Present

## MR. CHATCHAI CHORDOKRAK

### COMPANY SECRETARY EXECUTIVE DIRECTOR – ACCOUNTS & FINANCE DIVISION MEMBER OF THE INVESTMENT COMMITTEE

**Age** : 35  
**Education** : • Master Degree on Business Administration, Mahidol University  
 • Bachelor Degree on Business Administration, Assumption University  
**Training** : • Company Secretary Program(CSP) 67/2015, Thai Institute of Directors Association (IOD)  
 • Company Reporting Program (CRP) 14/2016, Thai Institute of Directors Association (IOD)

**% of shareholding** : None  
**Relation** : None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Executive Director – Accounts & Finance Division	2012 - Present
CGD Data limited	
• Director	2014 - Present
CGD Digital Partner Limited	
• Director	2014 - Present
Ausiris Company Limited	
• Director of Account & Finance	2009 - 2012

## MR. SUTTINATH JITTICHARUNGLAP

### EXECUTIVE DIRECTOR – OPERATIONS DIVISION

**Age** : 43  
**Education** : • Master Degree in Management, Srinakharinwirot University

**% of shareholding** : 0.0087%  
**Relation** : None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Executive Director - Operations	2017 – Present
• Director - Accounts& Finance Division	2014 – 2017
TMB Bank Public Company Limited	
• Director - Financial Planning and Analysis	2008 - 2014

## MR. VARAKORN TECHAMONTRIKUL

## EXECUTIVE DIRECTOR – DEVELOPMENT DIVISION

**Age** : 40**Education** : • Master Degree of Architecture, Savannah College of Art and Design, USA  
• Bachelor Degree in Architecture, Chulalongkorn University**% of shareholding** :

None

**Relation** :

None

**Work Experience for the past 5 years :**

Country Group Development Public Company Limited

- Executive Director – Development Division
- Director – Development Division

2016 - Present

2014 - 2016

AP (Thailand) Public Company Limited

- Head of Product Development

2012 - 2014

Smallwood, Reynolds, Stewart, Stewart, and Associates Atlanta, GA, USA

- Senior Architect

2006 - 2012

## MS. PATRA KANTASIRIBITAKS

## EXECUTIVE DIRECTOR – INVESTMENT DIVISION

**Age** : 35**Education** : • Bachelor Degree of Commerce, University of Melbourne, Australia**% of shareholding** :

None

**Relation** :

None

**Work Experience for the past 5 years :**

Country Group Development Public Company Limited

- Executive Director – Investment Division

2016 - Present

Winvestment Co., Ltd.

- Vice President – Investment and Project

2014 – 2016

Capital Advisory Co., Ltd.

- Executive- Investment and Project Management

2012 - 2014

Macquarie Securities (Thailand) Limited

- Executive – Investment Banking

2007 – 2011

SCB Securities Co., Ltd.

- Analyst – Equity Capital Market

2006 – 2007

## MRS. VATINEE CHATURONGKUL

### EXECUTIVE DIRECTOR- PROJECT DIVISION

**Age** : 39

**Education** : • Master in Business Administration, Texas A&M Commerce  
• Bachelor of Science Degree in Architecture, King Mongkut's Institute of Technology Ladkrabang

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Executive Director – Project Division 2019 - Present
- Senior Director – Project Division 2018 – 2019
- Director – Project Division 2015 – 2018

Jones Lang LaSalle Advisory Ltd.

- Senior Project Manager 2007 – 2015

## MS. KITIMA KRITIYACHOTIPAKORN

### EXECUTIVE DIRECTOR – SALES DIVISION

**Age** : 46

**Education** : • Master of Science in Real Estate, Thammasart University  
• Master of Business Administration, University Of Baltimore, USA

**% of shareholding** : None

**Relation** : None

#### Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Executive Director – Sales Division 2014 - Present

Minor International Public Company Limited

- Director of Sales and Marketing 2006 - 2014

Goldenland Property Development Public Company Limited

- Marketing and PR Manager, CBD Sales and Marketing 2002 - 2005



# BUSINESS OPERATION

## POLICIES AND BUSINESS OPERATIONS OVERVIEW

Our passion is to deliver meaningful experiences beyond real estate, our commitment is that our projects set the new benchmark for excellence.

## COMPANY'S HISTORY

Country Group Development Public Company Limited ("the Company") was established on June 8, 1982. The company was listed on the Market for Alternative Investment (MAI) on June 25, 2007. The name of the Company was changed to Country Group Development Public Company Limited in May 2010. The Company was delisted from MAI and became listed on the Stock Exchange of Thailand (SET) with its shares being approved to begin trading on September 30, 2014. The Company's stock symbol is "CGD". The Company is in Property & Construction section.

## NATURE OF BUSINESS

The company aims to be market leading real estate developer of "best in class" products. The company and its subsidiaries' business strategy can be divided into two parts, Real Estate Development Business and Real Estate Investment Business.

## REAL ESTATE DEVELOPMENT BUSINESS

The company has developed projects with superior profitability and "best in class" positioning. The developments are as follows:

### 1. CHAO PHRAYA ESTATE

The development is a 35-2-68 rai (14.2 acres) mixed-used development project, located on Charoenkrung 64 Road, Yannawa District, Bangkok, prime land along the Chao Phraya River, with an unprecedented accessibility as well as 350 metres of waterfront real estate. The developer is Landmark Holdings Company Limited. After signing a long-term lease agreement with the Crown Property Bureau, CGD sublet the land to Landmark Holdings Co., Ltd. (70% own-subsidary) which is responsible for development. The development components are

1. Four Seasons Private Residences Bangkok at Chao Phraya River (For Sale Asset)
2. Capella Hotel Bangkok (Income Asset)

3. Four Seasons Hotel Bangkok at Chao Phraya River (Income Asset)

The construction started in year 2014 and is expected to be completed in year 2019.

### 2. RAMA III

The development is a 22-3-93.6 rai (9.1 acres) mixed use development located on the Rama III – Industrial Ring road, Bangkok. The location offers a convenient accessibility to-and-from expressways and existing mass transit networks which allow the traffic flow to reach Bangkok's Central Business District within 15 minutes. The development components are

1. The residential towers (For Sale Asset)
2. The first tier international school (Income Asset)

The construction started in year 2019, expected to be completed in year 2023.

### 3 CHACHOENGSAO

The development is a 79-3-63 Rai (31.2 acres) mixed-used development located in Chachoengsao Province. The development was conceived to support the emerging economic region of the Eastern Economic Corridor (EEC); Thailand's centre for manufactured goods and export-orientated industries. The development has been strategically designed in conjunction with the government's announcement of Thailand's new Bangkok-Rayong high-speed railway link and the expected fluctuation of local and international tourism within the region.

The development components are under development.

### 4. ELEMENTS SRINAKARIN

The development is 13-0-89 rai (5.23 acres) with eight-storey condominium, seven buildings offering each of 1-2 bedrooms type total 1,054 units and 5 retail units. The project saleable area is 45,000 square meters. The project is located on Srinakarin Road and just opposite to Seacon Square Department Store. There are a lot of facilities provided to the clients including large size of swimming pool, fitness studio, large open space (garden) and convenience shops.

The construction was fully completed, sold out and project close in 2018.

## REAL ESTATE INVESTMENT BUSINESS

The investment aims for unparalleled access to off market opportunities with value add potential.

## 1. OIVINGDEAN HALL

The investment is 881,654 square feet land and buildings which lease to school operator. The investment company is CGUK 1 Limited. On July 1, 2016 the company acquired Ovingdean Hall through CGUK 1 Limited, a subsidiary company. The asset comprises of a group of buildings providing; offices, accommodation, educational and recreational facilities, which located in Brighton, United Kingdom. It was leased to a tenant that used the property for providing educational services, under a long-term lease agreement with a remaining term of about 14 years as at December 31, 2018. The lease contract's term will end in year 2032. Current occupancy rate is 100%.

## 2. ANCHORAGE POINT

The investment is a data center building, located in London, United Kingdom. The Company established APUK Limited. The data center building was fully occupied with the rental contract expiring in 2033. At the Extraordinary General Meeting of Shareholders No. 1/2015 held on August 21, 2015, the shareholders adopted a resolution selling all the Company's

equity stake in APUK Limited. to MFC Industrial Real Estate Investment Trust (REIT), which was Thailand's first REIT whose assets were located overseas. While the sale of the equity stake was completed on December 15, 2015, the units of the REIT had been publicly traded on the Stock Exchange of Thailand since December 23, 2015.

## ASSETS

Emphasis is placed on real estate business operated by the Company and its subsidiaries. Having adopted two-pronged strategy, the Group approaches real estate business with balanced portfolio of income assets and for sale assets.

## INCOME ASSETS

Income assets generate recurring income to create competitive advantage. The income assets strategy although required a more intense study but allows for either quick return on capital gains or recurring income where the project will perform for years to come.

## 1. CAPELLA HOTEL BANGKOK

### Project Description

<b>Company</b>	Landmark Holdings Company Limited
<b>Asset type</b>	Income Asset
<b>Land area</b>	10-2-80 Rai (4.2 acres)
<b>Type</b>	Super Luxury Hotels
<b>Location</b>	Charoen Krung 64 Road, Yannawa, Sathorn, Bangkok
<b>No. of Units</b>	101 suites
<b>Key Selling Point</b>	<ul style="list-style-type: none"> <li>• Super luxury, all-suite riverfront hotel.</li> <li>• Bangkok's first private riverfront villas</li> <li>• The project features outstanding and beautiful architecture with strong emphasis being placed on luxury interior design which uses high quality materials.</li> </ul>
<b>Target Customer</b>	Local and foreign business people and tourists

## 2. FOUR SEASONS HOTEL BANGKOK AT CHAO PHRAYA RIVER

Project Description

<b>Company</b>	Landmark Holdings Company Limited
<b>Asset type</b>	Income Asset
<b>Land area</b>	22 rai (9 acres).
<b>Type</b>	Luxury Urban Resort Hotel
<b>Location</b>	Charoen Krung 64 Road, Yannawa, Sathorn, Bangkok
<b>No. of Units</b>	299 rooms
<b>Key Selling Points</b>	<ul style="list-style-type: none"> <li>• Urban resort design style with series of calming green courtyards.</li> <li>• 22 rai (9 acres) have been allocated for Four Seasons Hotel, with over 200-meters river frontage</li> <li>• The project features outstanding, modern and beautiful architecture with strong emphasis being placed on luxury interior design which uses high quality materials. Noteworthy are also the project's unique area arrangements and efficient use of available space.</li> <li>• Offering largest riverfront grand ballroom in Bangkok with the size of 1,400 square meters.</li> </ul>
<b>Target Customers</b>	Local and foreign business people and tourists

## 3. INTERNATIONAL SCHOOL AT RAMA III

Project Description

<b>Company</b>	Country Group Development Public Company Limited
<b>Asset type</b>	Income Asset
<b>Land area</b>	16-2-18.6 rai (6.54 acres)
<b>Type</b>	The first tier international school
<b>Location</b>	Rama III - Industrial ring road, Chongnonsi, Bangkok
<b>Maximum Capacity</b>	1,750 students

## FOR SALE ASSETS

The company positions “for sale assets” with “best in class” and “superior profitability”. For sale assets allows for real estate development, not only to generate higher value income but to solidify our positions as the uniquely crafted developers.

### 1. FOUR SEASONS PRIVATE RESIDENCE AT CHAO PHRAYA RIVER

#### Project Description

Company	Landmark Holdings Company Limited
Asset Type	For sale asset
Type	Residential
Location	Charoen Krung 64 Road, Yannawa, Sathorn, Bangkok
Project details	<p>A super-luxury 73-storey residential tower total 366 units consists of</p> <ul style="list-style-type: none"> <li>• 1 Bedroom total 38 units</li> <li>• 2 Bedrooms total 235 units</li> <li>• 3 Bedrooms total 55 units</li> <li>• 4-5 Bedrooms and Penthouse total 38 units</li> </ul>
Key Selling Points	<ul style="list-style-type: none"> <li>• The super-luxury project with international standard that provides the residents with a sense of luxury.</li> <li>• The project is perfectly located a prime location of Charoen Krung Road which adjacent to Chao Phraya River, this allow residents to enjoy a spectacular views of the river. The location also offer an ease of access to public transport since the project is only 800 meters from BTS Skytrain Saphan Taksin Station and good connectivity to other area via an expressway which located only 2 kilometers away from the project.</li> <li>• The project features outstanding, modern and beautiful architecture with strong emphasis being placed on luxury interior design which uses high quality materials. Noteworthy are also the project's unique area arrangements and efficient use of available space.</li> <li>• Residents can use services and facilities available at the hotels which are located in the same area of the project.</li> <li>• The project will be managed by Four Seasons Hotels, whom got an extensive experience in operating world class hotel chains.</li> </ul>
Salable area	Approximately 64,000 square meters
Price per square meter	Approximately Baht 330,000 per square meter
Project Value	Approximately Baht 21,000 million
Target Customers	Elite groups of Thai and foreign customers
Construction	The project is expected to be completed within 2019.



## 2. RESIDENTIAL TOWERS AT RAMA III

Project Description

<b>Company</b>	Country Group Development Public Company Limited
<b>Asset Type</b>	For Sale Asset
<b>Type</b>	Residential
<b>Location</b>	Rama III - Industrial ring road, Chongnonsi, Bangkok
<b>Project Detail</b>	The residential towers (Other details are under development)
<b>Construction</b>	The construction started in year 2019, expected to be completed in year 2022.

## 3. ELEMENTS SRINAKARIN

Project Description

<b>Company</b>	Country Group Development Public Company Limited
<b>Asset Type</b>	For Sale Asset
<b>Type</b>	Residential
<b>Location</b>	Soi Supparphong 1, Yak 6, Nong Born, Pravate, Bangkok
<b>Land Area</b>	13-0-89 rai (5.23 acres)
<b>Salable Area</b>	45,000 square meters
<b>Project details</b>	Eight-storey condominium, seven buildings offering each of 1-2 bedrooms type total 1,054 units and 5 retail units.
<b>Key Selling Point</b>	The project is located on Srinakarin Road, Soi Supparphong 1, Yak 6, and just opposite to Seacon Square Department Store. There are a lot of facilities provided to the clients including large size of swimming pool, fitness studio, large open space (garden) and convenience shops.
<b>Target Customer</b>	Middle income buyers. Average income higher than Baht 35,000 per month
<b>Selling price</b>	Approximately Baht 60,000 per square meter
<b>Project value</b>	Approximately Baht 2,700 million
<b>Construction</b>	The construction was fully completed, sold out and project close in 2018.

#### 4. OIVINGDEAN HALL

##### Project Description

<b>Company</b>	CGUK 1 Limited
<b>Asset Type</b>	For Sale Asset
<b>Type</b>	Land and building
<b>Location</b>	Brighton, the United Kingdom.
<b>Rental area</b>	881,654 square feet
<b>Project's detail</b>	Land and buildings which lease to school operator.
<b>Occupancy Rate</b>	100 %
<b>Remaining lease duration</b>	The lease contract's term will end in year 2032.

#### 5. ANCHORAGE POINT

##### Project Description

<b>Company</b>	APUK Limited
<b>Asset Type</b>	For Sale Asset
<b>Type</b>	A data center building
<b>Location</b>	London, the United Kingdom
<b>Status</b>	The data center building was fully occupied with the rental contract expiring in 2033. At the Extraordinary General Meeting of Shareholders No. 1/2015 held on 21 August 2015, the shareholders adopted a resolution selling all the Company's equity stake in APUK Limited. to MFC Industrial Real Estate Investment Trust (REIT), which was Thailand's first REIT whose assets were located overseas. While the sale of the equity stake was completed on December 15, 2015, the units of the REIT had been publicly traded on the Stock Exchange of Thailand since December 23, 2015.

## REVENUE STRUCTURE

## Revenue Structure of the Company and its Subsidiaries

(Unit : Baht Million)

Revenue	Operated by	2016		2017		2018	
		Amount	%	Amount	%	Amount	%
Revenues from sale of condominium	CGD	351.56	59.58	908.59	82.03	244.06	66.03
Commission income	CGD	1.11	0.19	1.06	0.10	0.47	0.13
Rental income from investment property	CGUK1	27.00	4.58	52.51	4.74	51.39	13.90
Interest income	CGD	1.62	0.28	3.15	0.28	5.22	1.41
	LH	0.56	0.09	1.90	0.17	1.54	0.42
	BCEG	-	-	-	-	1.86	0.51
	LURH	0.18	0.03	0.18	0.02	-	-
	LWR	0.19	0.03	0.18	0.02	-	-
	LWH	0.17	0.03	0.17	0.02	-	-
	CER	0.12	0.02	0.12	0.01	0.12	0.03
	CGUK1	0.05	0.01	0.03	-	0.08	0.02
Dividend income	CGD	8.78	1.49	4.24	0.38	5.36	1.44
	CGDDP	80.81	13.69	-	-	-	-
Gain on remeasuring fair value of investment property	CGUK1	7.56	1.28	4.35	0.39	-	-
Gain from currency forward transaction	CGD	42.57	7.21	-	-	-	-
Gain (loss) on foreign exchange rate	CGD	63.39	10.74	(0.19)	(0.02)	43.22	11.69
	LH	(11.24)	(1.90)	125.03	11.29	8.09	2.19
	BCEG	-	-	-	-	(0.14)	(0.04)
	CGDDP	-	-	-	-	(0.01)	-
	HK	(0.03)	(0.01)	0.02	-	-	-
Gain on sale of current investments	CGD	4.00	0.68	-	-	-	-
Gain on remeasuring current investments	CGD	0.01	-	-	-	0.50	0.14
Other income	CGD	10.31	1.75	1.98	0.18	0.77	0.21
	LH	1.13	0.19	4.32	0.39	7.06	1.91
	BCEG	0.22	0.04	-	-	0.04	0.01
<b>Total Revenues</b>		<b>590.07</b>	<b>100.00</b>	<b>1,107.64</b>	<b>100.00</b>	<b>369.63</b>	<b>100.00</b>

**Revenue Structure of the Company and its Subsidiaries Classified by Main Product Lines**

(Unit : Baht Million)

Revenue	2016		2017		2018	
	Amount	%	Amount	%	Amount	%
Revenues from sale of condominium	351.56	59.58	908.59	82.03	244.06	66.03
Commission income	1.11	0.19	1.06	0.10	0.47	0.13
Rental income from investment property	27.00	4.58	52.51	4.74	51.39	13.90
Interest income	2.89	0.49	5.73	0.52	8.82	2.39
Dividend income	89.59	15.18	4.24	0.38	5.36	1.44
Gain on remeasuring fair value of investment property	7.56	1.28	4.35	0.39	-	-
Gain from currency forward transaction	42.57	7.21	-	-	-	-
Gain on foreign exchange rate	52.12	8.83	124.86	11.27	51.16	13.84
Gain on sale of current investments	4.00	0.68	-	-	-	-
Gain on remeasuring current investments	0.01	-	-	-	0.50	0.14
Other income	11.66	1.98	6.30	0.57	7.88	2.13
<b>Total Revenues</b>	<b>590.07</b>	<b>100.00</b>	<b>1,107.64</b>	<b>100.00</b>	<b>369.63</b>	<b>100.00</b>



# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. BUSINESS OVERVIEW

Country Group Development Public Company Limited (the "Company") or ("CGD") has been operating businesses related to real estate development and real estate investment, both domestic and overseas, since 2010. As regards the real estate development, in 2015 the Company has successfully launched Four Seasons Private Residences Bangkok at Chao Phraya River, which was a mixed-used development project located on the side of Chao Phraya River. In this connection, the project has been very well received and widely recognized since its launch in January 2015. It breaks records on several fronts of Thailand's real estate development business, which include prices and record sales value via an overseas roadshow, among others. Importantly, Four Seasons Private Residences Bangkok at Chao Phraya River has now served as a new standard for super luxury residential projects in Asia. These achievements have a positive impact on the prices of the remaining units. As a result, the Company will be able to generate very high revenue in the future. Since the launch of Four Seasons Private Residences Bangkok at Chao Phraya River in January 2015, the Company has continued receiving presales reservation for the project. In relation to Elements Srinakarin, the Company successfully completed the project construction during the latter part of 2015 and has been served as main sources of the Company's revenue. The project has been sold and transferred continuously especially in 2017 the Company has successfully launch the phase 4 which is the last phase of the project its generated Baht 908.6 million of revenue which was the largest amount since the project began transfer and maintained to be the major revenue for 2017 and 2018. In 2018, the Company closed Elements Srinakarin project. At present, the Company is on the preparation process to launch new project to generate income for the Company. With regard to the investment in 2016, CGUK 1 Limited, a subsidiary of the Company through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited, acquired a property value Baht 842 million located in Brighton, United Kingdom, consisted 20.24 acres (881,654 square feet) of land, buildings and other facilities thereon. It was leased to a lessee that used the property for providing educational services, under a long-term lease agreement with a remaining term of about 15 years. This generated rental income to the group in 2017 and 2018 of Baht 52.5 million and Baht 51.4 million, respectively.

### 2018 BUSINESS OVERVIEW

Country Group Development Public Company Limited and its subsidiaries (the "Group") reported its 2018 operation results which is net loss of Baht 542.4 million, representing loss increase of 180.5 percent, compared to 2017. Total revenue decreased by 66.6 percent, compared to 2017. The Company reported its 2018 operation results which is net loss of Baht 231.6 million, representing loss increase of 574.5 percent, compared to 2017. Total revenue decreased by 59.5 percent, compared to 2017.

The main reason was that Elements Srinakarin closed project's sale in 2018. However in 2019, the Group has plan for revenue recognition of Chao Phraya Estate Project comprising of Four Seasons Private Residences Bangkok at Chao Phraya River, Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which their constructions much progress.

### KEY DEVELOPMENTS IN 2018

- Elements Srinakarin closed the project in 2018 due to its units sold out
- Construction of Chao Phraya Estate Project had much progressed, and its 3 component projects will start recognizing income in 2019. Four Seasons Private Residences Bangkok at Chao Phraya River will complete its construction and start recognizing income in 1Q2019. Capella Hotel Bangkok will complete its construction and open its operations in 2Q2019, and Four Seasons Hotel Bangkok at Chao Phraya River will complete its construction and open its operations in 2H2019.
- In relation of Rama 3 project which its land was acquired in 2017 and 2018, the business plan had much progressed, resulting that the board of directors' meeting held on January 21, 2019 passed a resolution to approve the investment in international school project with the land area of 16 rai 2 ngan 18.6 square wah of total Rama 3's land area. The total investment value is not exceeding Baht 3,742 million.

## SUMMARY OF OPINION OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Year	Opinion of The Independent Certified Public Accountants
For the year ended December 31, 2016	In accordance with Thai Financial Reporting Standards
For the year ended December 31, 2017	In accordance with Thai Financial Reporting Standards
For the year ended December 31, 2018	In accordance with Thai Financial Reporting Standards

## 2. OPERATING RESULTS

### REVENUES

Country Group Development Public Company Limited and its subsidiaries reported that revenue in 2016 and 2017 amounted to Baht 590.1 million and Baht 1,107.6 million respectively, representing an increase of Baht 517.5 million or increase of 87.7 percent. Revenue in 2017 and 2018 amounted to Baht 1,107.6 million and Baht 369.6 million Baht respectively, decreased by Baht 738.0 million or decreased by 66.6 percent. The majority of revenue were from revenue from sale of condominium which in 2016 and 2017 accounted for 59.6 percent and 82.0 percent of total revenue, respectively and in 2017 and 2018 accounted for 82.0 percent and 66.0 percent of total revenue, respectively. Other revenues included dividend income, gain on foreign exchange rate, rental income from investment property and gain from currency forward transactions, among others.

#### • REVENUE FROM SALE OF CONDOMINIUM

The Company started recognizing revenue from sale of condominium of Elements Srinakarin since the 4th quarter of 2013. For the year ended December 31, 2018, revenue from sale of condominium of Elements Srinakarin amounted to Baht 244.1 million, decreased by Baht 664.5 million or decreased by 73.1 percent, compared to the same period of 2017. The decrease was from the project's close in 2018.

#### • OTHER REVENUES

Other revenues of the Company and its subsidiaries in 2017 and 2018 amounted to Baht 199.0 million and Baht 125.5 million respectively, representing a decrease of Baht 73.5 million or a decrease of 36.9 percent, compared to 2017. Although interest income increased by Baht 3.1 million or increased by 54.4 percent, gain from foreign exchange rate decreased by Baht 73.7 million or decreased by Baht 59.1 percent. This decrease of gain from foreign exchange rate was mainly because of during 2017 Thai Baht was appreciated while for 2018 Thai Baht was less appreciated

when compare to 2017. However, the USD loan of a subsidiary was increased in accordance to construction progress of Chao Phraya Estate Project which has a lot of progress during 2018. Gain on remeasuring fair value of investment property decreased by Baht 4.5 million or decreased by 100.0 percent.

### EXPENSES

Total expenses of the Company and its subsidiaries in 2016 and 2017 amounted to Baht 944.0 million and Baht 1,304.0 million, respectively, representing an increase of Baht 360.0 million or an increase of 38.1 percent. Total expenses of the Company and its subsidiaries for the year ended December 31, 2017 and 2018 amounted to Baht 1,304.0 million and Baht 912.4 million, respectively representing a decrease of Baht 391.6 million or a decrease of 30.0 percent. Majority of expenses were attributable to cost of condominium sale which in 2016 and 2017, accounted for 37.0 percent and 49.1 percent of total revenues, respectively. Furthermore, cost of condominium sales for the years ended December 31, 2017 and 2018 accounted for 49.1 percent and 39.7 percent of total revenues, respectively. The remaining expenses were distribution costs and administrative expenses, directors and managements' remuneration as well as financial cost.

#### • COST OF CONDOMINIUM SALE

For the years ended December 31, 2016 and 2017, the Company's cost of condominium sale amounted to Baht 218.5 million and Baht 544.4 million, respectively. The cost of condominium sale accounted for 37.0 percent and 49.1 percent of revenue from sale of condominium, respectively. These represented a gross profit margin of 37.9 percent and 40.1 percent of the revenue from sale of condominium.

For the years ended December 31, 2017 and 2018, the Company's cost of condominium sale amounted to Baht

544.4 million and Baht 146.9 million, respectively. The cost of condominium sale accounted for 49.1 percent and 39.7 percent of revenue from sale of condominium, respectively. These represented a gross profit margin of 40.1 percent and 39.8 percent of the revenue from sale of condominium.

- **DISTRIBUTION COSTS (SELLING EXPENSES)**

For the years ended December 31, 2016 and 2017, distribution costs of the Company and its subsidiaries, comprising of agent fee, marketing expense, promotion expense, transfer expense as well as other expenses amounted to Baht 273.9 million and Baht 286.5 million, respectively, representing an increase of Baht 12.6 million or an increase of 4.6 percent. Most of the increase was attributable to promotion expenses of Elements Srinakarin.

For the years ended December 31, 2017 and 2018, distribution costs of the Company and its subsidiaries amounted to Baht 286.5 million and Baht 180.5 million, respectively, representing a decrease of 106.1 million baht or a decrease of 37.0 percent, according to project's close of Elements Srinakarin in 2018 and the lower sale of Four Seasons Private Residences Bangkok at Chao Phraya River.

- **ADMINISTRATIVE EXPENSES**

For the years ended December 31, 2016 and 2017, administrative expenses of the Company and its subsidiaries, comprising of salary, utility expense, specific business tax expense, depreciation, miscellaneous expense and other expense amounted to Baht 203.9 million and Baht 207.4 million, respectively, representing an increase of Baht 3.5 million or an increase of 1.7 percent. Most of the additional administrative expenses attributed from incremental in employees and directors compensation in accordance with company's performance and continuous business expansion. In addition, during 2017 Landmark Holdings Co., Ltd. (70 percent-owned subsidiary of the Company) recorded loss on disposal of fixed asset amount of Baht 30.73 million because the subsidiary had to demolish the Chao Phraya Estate sale gallery slightly ahead of its original schedule to utilize the area for construction of Four Seasons Hotel Bangkok according to the construction plan. Although the Group's advisory fees was decreased by approximately Baht 62.33 million, of which Baht 43.8 million decrease were advisory fees in relation to divestment of all stakes in its wholly-owned CGD Digital Partners Limited. Also, other expenses decreased by Baht 10 million were expenditures incurred prior to execution of the transaction related to acquisition of overseas assets by the Company's subsidiary CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited. However, the decrement of advisory fees and other expenses were less than the

increment of employees and directors compensation expenses and increment of loss on disposal of fixed asset. As a result, the Group's administrative expenses increased by Baht 3.5 million.

For the years ended December 31, 2017 and 2018, administrative expenses of the Company and its subsidiaries amounted to Baht 207.4 million and Baht 209.2 million, respectively, representing an increase of Baht 1.8 million or an increase of 0.9 percent. Most of the additional administrative expenses attributed from incremental in employees and directors compensation.

- **FINANCIAL COSTS**

For the years ended December 31, 2016 and 2017, financial costs of the Company and its subsidiaries amounted to Baht 205.2 million and Baht 211.4 million, respectively, representing an increase of Baht 6.2 million or an increase of 3.0 percent. The increase was mainly due to the fact that in the fourth quarter of 2016, the Company's subsidiary, CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited, got a loan from an overseas financial institution in order to acquire an investment property. As a result, the financial costs in 2017 increased.

For the years ended December 31, 2017 and 2018, financial costs of the Company and its subsidiaries amounted to Baht 211.4 million and Baht 330.1 million, respectively, representing an increase of Baht 118.7 million or an increase of 56.1 percent. This was mainly due to the fact that the Company issued debentures, long-term borrowing, and bill of exchange for Company's working capital and business expansion.

- **INCOME TAX REVENUE (EXPENSE)**

For the year ended December 31, 2016, income tax expense of the Company and its subsidiaries amounted to Baht 2.0 million. On the other hand, for the year ended December 31, 2017, income tax revenue of the Company and its subsidiaries amounted to Baht 3.0 million. This represented an increase of income tax revenue of Baht 5 million or an increase of 250.0 percent mainly due to the fact that CGUK 1 Limited in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited utilized tax benefit from investment in investment property.

For the year ended December 31, 2017 and 2018, income tax revenue of the Company and its subsidiaries amounted to Baht 3.0 million and Baht 0.3 million, respectively. This represented a decrease of income tax expense of Baht 2.7 million or a decrease of 90.0 percent mainly due to the fact that in 2017 CGUK 1 Limited utilized tax benefit from investment in investment property.

- **NET PROFIT (LOSS)**

For the years ended December 31, 2016 and 2017, net loss of the Company and its subsidiaries amounted to Baht 355.8 million and Baht 193.4 million, respectively, representing a decrease of Baht 162.4 million or a decrease of 45.6 percent. This was mainly due to the significant increase of revenue from sale of condominium of Elements Srinakarin, which increased by Baht 557.0 million or increased by 158.4 percent when compare to same period of 2016.

For the years ended December 31, 2017 and 2018, net loss of the Company and its subsidiaries amounted to Baht 193.4 million and Baht 542.4 million, respectively, representing net loss increase of Baht 349.1 million or increase of 180.5 percent. This was mainly due to the significant decrease of revenue from sale of condominium of Elements Srinakarin as a result of project's close, which decreased by Baht 664.5 million or decreased by 73.1 percent when compare to same period of 2017.

### 3. FINANCIAL POSITION

#### ASSETS

As at December 31, 2016 and 2017, total assets of the Company and its subsidiaries amounted to Baht 12,667.3 million and Baht 16,782.3 million, respectively, representing an increase of Baht 4,115.0 million or an increase of 32.5 percent. Significant assets are current investments, trade and other current receivables, deposits at bank used as collateral, land and costs of projects under construction and utilities, prepaid deposits for construction, investment property, property, plant and equipment, leasehold and goodwill.

As at December 31, 2018, total assets of the Company and its subsidiaries amounted to Baht 24,401.0 million, representing an increase of Baht 7,618.7 million or an increase of 45.4 percent when compared with the total assets as at December 31, 2017.

#### CURRENT ASSETS

As at December 31, 2016 and 2017, current assets of the Company and its subsidiaries amounted to Baht 4,731.7 million and Baht 5,405.5 million, respectively or accounting for 37.4 percent and 32.2 percent of the total assets, respectively.

As at December 31, 2018, current assets of the Company and its subsidiaries amounted to Baht 9,387.3 million, accounting for 38.5 percent of the total assets. The related significant details were as follows:

- **CURRENT INVESTMENTS**

As at December 31, 2016, 2017 and 2018, current investments of the Company and its subsidiaries amounted to Baht 0.8 million, Baht 0.0 million and Baht

100.5 million, respectively, which accounted for 0.0 percent, 0.0 percent and 0.4 percent of total assets, respectively. In 2018, as a result of more liquidity, the Company invested in mutual fund trading securities amounted to Baht 100.5 million. As at December 31, 2018, current investments of the Company and its subsidiaries increased by Baht 100.5 million or increased by 100.0 percent, compared to December 31, 2017.

- **TRADE AND OTHER CURRENT RECEIVABLES**

As at December 31, 2016 and 2017, trade and other current receivables of the Company and its subsidiaries amounted to Baht 1,498.4 million and Baht 1,269.3 million, respectively, which accounted for 11.8 percent and 7.6 percent of total asset, respectively, representing an increase of Baht 229.1 million when compared with those as at 31 December 2016. This was mainly due to payment received from other receivables by Baht 458.9 million. On the other hand, prepaid deposits to contractors of the Chao Phraya Estate Project was increased by Baht 232.4 million.

As at December 31, 2018, trade and other current receivables of the Company and its subsidiaries amounted to Baht 1,498.6 million, which accounted for 6.1 percent of the total assets, representing an increase of Baht 229.3 million or an increase of 18.1 percent when compared with those as at December 31, 2017. This was mainly due to payment received from other receivables by Baht 86.5 million. On the other hand, prepaid deposits to contractors of the Chao Phraya Estate Project was increased by Baht 93.6 million.

- **LAND AND COSTS OF PROJECTS UNDER CONSTRUCTION AND UTILITIES**

As at December 31, 2016 and 2017, land and costs of projects under construction and utilities amounted to Baht 2,028.0 million and Baht 3,465.7 million, respectively, which accounted for 16.0 percent and 20.7 percent of the total assets, respectively, representing an increase of Baht 1,437.7 million or an increase of 70.9 percent from 2016. This was mainly due to the increase of land and costs of projects under construction and utilities of Four Seasons Private Residences Bangkok at Chao Phraya River, which is part of the Chao Phraya Estate Project.

As at December 31, 2018, land and costs of projects under construction and utilities of the Company and its subsidiaries amounted to Baht 5,792.7 million, which accounted for 23.7 percent of total assets, representing an increase of Baht 2,327.0 million or an increase of 67.1 percent. This was mainly due to the increase of land and costs of projects under construction and utilities of Four Seasons Private Residences Bangkok at Chao Phraya River, which is part of the Chao Phraya Estate Project. The project had much progressed in 2018.



- **OTHER CURRENT ASSETS**

As at December 31, 2016 and 2017, other current assets amounted to Baht 146.0 million and Baht 245.4 million, respectively, which accounted for 1.2 percent and 1.5 percent of the total assets, respectively, representing an increase of 68.1 percent or an increase of Baht 99.4 million from 2016. This was mainly due to increase in receivable from the Revenue Department which contributed from an input VAT from construction of Four Seasons Private Residences Bangkok at Chao Phraya River.

As at December 31, 2018, other current assets of the Company and its subsidiaries amounted to Baht 477.5 million, which accounted for 2.0 percent of total assets, representing an increase of 94.6 percent or an increase of Baht 232.1 million from 2017. This was mainly due to increase in receivable from the Revenue Department which contributed from an input VAT from construction of Four Seasons Private Residences Bangkok at Chao Phraya River, which in line with the increment in construction progress.

## NON-CURRENT ASSETS

- **DEPOSITS AT BANK USED AS COLLATERAL**

As at December 31, 2016 and 2017, deposits at bank used as collateral amounted to Baht 801.4 million and Baht 1,581.8 million, respectively, which accounted for 6.3 percent and 9.4 percent of total assets, respectively, representing a significant increase of 97.4 percent or an increase of Baht 780.4 million. This was mainly due to the increase in bank deposits to use as collateral for construction payments which in line with the construction agreement related to the Chao Phraya Estate Project. Also, increasing in deposits at bank used as collateral to repay long-term debentures No. 1/2017.

As at December 31, 2018, deposits at bank used as collateral of the Company and its subsidiaries amounted to Baht 1,764.9 million, which accounted for 7.2 percent of total assets, representing an increase of 11.6 percent or an increase of Baht 183.1 million from 2017. This was mainly due to the increase in bank deposits to use as collateral for construction payments which in line with the construction agreement related to the Chao Phraya Estate Project.

- **INVESTMENTS HELD AS AVAILABLE FOR SALE**

As at December 31, 2016, 2017 and 2018, investments held as available for sale of the Company and its subsidiaries amounted to Baht 403.3 million, Baht 307.1 million and Baht 219.0 million, respectively, which accounted for 3.2 percent, 1.8 percent and 0.9 percent of total assets, respectively. The outstanding balance as at December 31, 2018 decreased by Baht 88.1 million or decreased by 28.7 percent when compared with the outstanding as at

December 31, 2017. This was mainly due to decrease in market price using in revaluation of investment.

- **PREPAID DEPOSITS FOR CONSTRUCTION**

As at December 31, 2016, 2017 and 2018, prepaid deposits for construction of the Company and its subsidiaries amounted to Baht 863.3 million, Baht 895.5 million and 895.5 million, respectively, which accounted for 6.8 percent, 5.3 percent and 3.7 percent of total assets. The outstanding for 2017 increased by Baht 32.2 million or increased by 3.7 percent, compared to 2016. The main reason was from the increase of prepaid construction expense for contractor for the construction of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River, which are part of the Chao Phraya Estate Project. Amount of prepaid deposits for construction of the Company and its subsidiaries has no change between 2017 and 2018.

- **INVESTMENT PROPERTY**

As at December 31, 2016 and 2017, investment property amounted to Baht 842.7 million and Baht 845.7 million, respectively which accounted for 6.7 percent and 5.0 percent of total assets, representing an increase of 0.4 percent or an increase of Baht 3.0 million from 2016. This was mainly from gain on remeasuring fair value of investment property amounted to Baht 4.5 million.

As at December 31, 2018, investment property amounted to Baht 789.2 million, which accounted for 3.2 percent of total assets, representing a decrease of 6.7 percent or a decrease of Baht 56.5 million from 2017 as a result of the difference of currency forward transactions.

- **PROPERTY, PLANT AND EQUIPMENT**

As at December 31, 2016, 2017 and 2018, property, plant and equipment amounted to Baht 1,240.3 million, Baht 3,945.0 million and Baht 7,558.1 million, respectively which accounted for 9.8 percent, 23.5 percent and 31.0 percent of total assets, respectively. The annually increase was mainly due to the recognition of the construction costs of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River, which are part of the Chao Phraya Estate Project. In addition, during 2017, the Company acquired land through an entire business transfer of Profit Ventures Company Limited ("PVL") by issuing the newly issued ordinary shares of the Company for 929,832,727 shares with a par value of Baht 1.00 per share, to Private Placement, at the offering price of Baht 1.10 per share, totaling Baht 1,022,816,000. This transaction contributed to Baht 203.4 million increased in land. Moreover, in 2018 and 2017, the Company acquired another land plot located on industrial ring road (Rama III road) amounted to Baht 338.5 million and Baht 1,645.9 million, respectively for develop new project which currently are on project development process. As a result, property, plant and

equipment as at December 31, 2018 increased by Baht 3,613.1 million and increased by 91.6 percent when compared with the outstanding as at December 31, 2017. Property, plant and equipment as at December 31, 2017 increased by Baht 2,704.7 million and increased by 218.1 percent when compared with the outstanding as at December 31, 2016.

- **LEASEHOLD**

As at December 31, 2016, 2017 and 2018, leasehold amounted to Baht 100.0 million, which accounted for 0.8 percent, 0.6 percent and 0.4 percent of total assets, respectively. The leasehold was composed of advance payments, compensation, transfer fees and rental during construction and land development.

- **GOODWILL**

As at December 31, 2016, 2017 and 2018, goodwill amounted to Baht 3,614.4 million, which accounted for 28.5 percent, 21.6 percent and 14.9 percent of total assets, respectively. The goodwill as resulting from the reverse acquisition and the calculation of costs relating to business combination. The Company possessed a fair value of equity instruments, which served as clearer supporting evidence since it was a company listed on the Stock Exchange of Thailand. As a result, the fair value of Country Group Development Public Company Limited's equity instruments before acquisition was used as a base for calculating costs relating to the acquisition. The amount of the acquisition costs which exceeded the amount of the acquiree's stake at fair value was stated as goodwill.

- **OTHER NON-CURRENT ASSETS**

As at December 31, 2016 and 2017, other non-current assets, composed of security deposits and prepaid expenses amounted to Baht 66.2 million and Baht 64.2 million, respectively, which accounted for 0.5 percent and 0.4 percent of total assets, respectively. Most of the decreasing in other non-current assets of Baht 2.0 million or 3.0 percent were from that CGD Digital Partners Limited (100 percent-owned subsidiary of the Company) received security deposit for Baht 21.8 million in 2017. Although prepaid expenses increased in accordance with the increase in business transactions of the Company and its subsidiaries, the increase was less than the decrease of security deposit. Consequently, other non-current assets decreased.

As at December 31, 2018, other non-current assets of the Company and its subsidiaries amounted to Baht 28.4 million, which accounted for 0.1 percent of total assets, representing a decrease by Baht 35.8 million or 55.8 percent when compared with as at December 31, 2017. Most of the decreasing in other non-current assets were that prepaid expenses within 1 year were classified from non-current assets to be other current assets.

## **LIABILITIES**

As at December 31, 2016 and 2017, total liabilities of the Company and its subsidiaries amounted to Baht 6,694.3 million and Baht 10,868.2 million, respectively, representing an increase of Baht 4,173.9 million or an increase of 62.4 percent.

As at December 31, 2018, total liabilities of the Company and its subsidiaries amounted to Baht 19,174.2 million, representing an increase of Baht 8,306.0 million or an increase of 76.4 percent when compared to the outstanding as at December 31, 2017.

Majority of liabilities are trade and other current payables, deposits and advance from customers, bills of exchange, construction payables, long-term borrowings and long-term debentures among others.

### **CURRENT LIABILITIES**

As at December 31, 2016 and 2017, current liabilities of the Company and its subsidiaries amounted to Baht 3,243.0 million and Baht 5,220.0 million, respectively increased by Baht 1,977.0 million or increased by 61.0 percent. This was mainly due to the fact that long-term debentures which were issued in 2015 were due for redemption in 2018, the Company thus classified these debentures worth Baht 1,150.0 million from non-current liabilities to be current liabilities. In addition, the Company issued 1-year debenture worth Baht 600.0 million during 2017. Moreover, the Company and its subsidiary received additional deposit and advance from customers worth Baht 900.2 million from customers for condominium units of Four Seasons Private Residences Bangkok at Chao Phraya River. Although the Company paid Baht 805.9 million for some of bills of exchange that were due for redemption during the year but such amount was lower than reclassification of debentures, issuance of debentures and the increases in the deposit and advance from customers. As a result, other current liabilities were increased.

As at December 31, 2018, current liabilities of the Company and its liabilities amounted to Baht 5,026.3 million, decreased by Baht 193.7 million or decreased by 3.7 percent when compared to as at December 31, 2017. This was mainly due to the fact that the Company paid Baht 1,750 million for long-term debenture and Baht 230.2 million for bills of exchange. Although the Company and its subsidiary received additional deposit and advance from customers worth Baht 1,418.8 million from customers for condominium units of Four Seasons Private Residences Bangkok at Chao Phraya River, the amount was less than the decrease of debenture and bills of exchange. Consequently, current liabilities decreased.

### **NON-CURRENT LIABILITIES**

As at December 31, 2017, non-current liabilities of the Company and its subsidiaries amounted to Baht 5,648.2 million, respectively increased by Baht 2,196.9 million or increased by 63.7 percent, compared to December 31, 2016. This was mainly due to the fact that, during the year 2017, Landmark Holdings Co., Ltd., a subsidiary of the Company, received

addition financial support for the Chao Phraya Estate Project amounted to Baht 2,103.5 million. Likewise, long-term construction payables increased by Baht 482.1 million. In addition, during the year 2017 the Company also additional issued long-term debentures worth Baht 750.0 million. Although non-current liabilities decreased from reclassification of long-term debenture that issued in 2015 worth Baht 1,150 million from non-current liabilities to be current liabilities as mention in part of current liabilities, such amount was less than the increment of financial support and debentures issuance. Therefore, non-current liabilities were increased.

As at December 31, 2018, non-current liabilities of the Company and its subsidiaries amounted to Baht 14,147.9 million, increased by Baht 8,499.7 million or increased by 150.5 percent when compared to the outstanding as at December 31, 2017. This was mainly due to the fact that net long-term debenture increased by Baht 2,950 million for its business operations, expansion and working capital. In addition, during the year, Landmark Holdings Co., Ltd., a subsidiary of the Company, received addition financial support for the Chao Phraya Estate Project amounted to Baht 4,886.5 million. Likewise, long-term construction payables increased by Baht 688.9 million.

## CAPITAL STRUCTURE

As at December 31, 2016, total liabilities of the Company and its subsidiaries amounted to Baht 6,694.3 million, which accounted for 52.8 percent of total assets, while shareholders' equity amounted to Baht 5,973.0 million, which accounted for 47.2 percent of total assets. The debt to equity ratio amounted to 1.1 time while the interest-bearing debt to equity ratio amounted to 0.8 time.

As at December 31, 2017, total liabilities of the Company and its subsidiaries amounted to Baht 10,868.2 million, which accounted for 64.8 percent of total assets, while shareholders' equity amounted to Baht 5,914.1 million, which accounted for 35.2 percent of total assets. The debt to equity ratio amounted to 1.8 time while the interest-bearing debt to equity ratio amounted to 1.4 time.

As at December 31, 2018, total liabilities of the Company and its subsidiaries amounted to Baht 19,174.2 million, which accounted for 78.6 percent of total assets, while shareholders' equity amounted to Baht 5,226.8 million, which accounted for 21.4 percent of total assets. The debt to equity ratio amounted

to 3.7 time while the interest-bearing debt to equity ratio amounted to 2.8 time.

## LIQUIDITY

As at December 31, 2017, cash and cash equivalents of the Company and its subsidiaries amounted to Baht 425.1 million, representing a decrease from the year 2016 of Baht 633.4 million. The Company and its subsidiaries have net cash provided by operating activities amounted to Baht 1,457.8 million, most of which could be attributable to deposit and advance from customers worth Baht 901.7 million and also received payment from trade and other current receivables worth Baht 458.9 million. On the other hand, the Company and its subsidiaries have net cash used in investing activities of Baht 2,698.0 million which majority paid for purchase of fixed assets amounted to Baht 1,833.3 million and paid for deposits at bank used as collateral amounted to Baht 869.5 million. On the other hand, the Company and its subsidiaries have net cash from financing activities amounted to Baht 490.6 million. There were cash worth Baht 1,350.0 million from issuance of long-term debenture and cash worth Baht 505.9 million from additional issuance of bill of exchange but repayment for bills of exchange that due for redemption amounted to Baht 1,368.7 million.

As at December 31, 2018, cash and cash equivalents of the Company and its subsidiaries amounted to Baht 1,518.0 million, representing an increase from 2017 of Baht 1,092.9 million or 257.1 percent. The Company and its subsidiaries have net cash provided by operating activities amounted to Baht 278.6 million, most of which could be attributable to deposit and advance from customers worth Baht 1,418.8 million. On the other hand, the Company and its subsidiaries have net cash used in investing activities of Baht 534.1 million which majority paid for purchase of fixed assets amounted to Baht 336.9 million and paid for deposits at bank used as collateral amounted to Baht 197.2 million. In addition, the Company and its subsidiaries have net cash provided by financing activities amount of Baht 1,396.4 million. There were cash worth Baht 3,700 million from issuance of long-term debenture, cash worth Baht 459.7 million from log-term borrowings and cash worth Baht 147.4 million from additional issuance of bill of exchange. While the Company and its subsidiaries repaid Baht 410.7 million for bills of exchange that due for redemption and Baht 2,500 million for long-term debenture.

**SUMMARIZE NET CASH FLOW PROVIDED BY AND USED IN EACH ACTIVITY AS FOLLOWS;**

(Unit : Baht Million)

Activities	For the year ended December 31, 2016	For the year ended December 31, 2017	For the year ended December 31, 2018
Net cash provided by operating activities	669.2	1,457.8	278.6
Net cash used in investing activities	(1,785.8)	(2,698.0)	(534.1)
Net cash provided by financing activities	1,091.8	490.6	1,396.4

**4. FACTORS THAT MAY AFFECT THE COMPANY'S FUTURE PERFORMANCE OR FINANCIAL POSITION**

- Thailand and world economies are factor for sale volume because clients of the company project are both Thais and foreigners. Consequently, the Company concerns about the situation of Thailand and world economies. In 2018, the sale volume of the projects were as forecasted which followed the progress of projects and their construction. In 2018, the impact of economy towards sales did not influence in significant amount.
- Real estate development business serves as the Company's main source of revenue. As a result, the Company's performance greatly depends on the period of income recognition in relation to ownership transfers achieved by the Company's various projects. To receive continuous income, the Company has expanded investments into "income assets" such as Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River and "for sale assets" such as For Seasons Private Residence Bangkok which recognize income in period. There are other factors impacting the Company's revenue such as market competition as well as construction costs.
- At the 2017 Annual General Meeting of Shareholders, which was held on April 27, 2017, shareholders adopted a resolution permitting the Company to issue and offer for sale its debentures worth not more than Baht 5,000 million for its business operations, expansion and working capital. As at December 31, 2018, the Company issued debenture for Baht 3,700 million which still had available debenture for Baht 1,300 million. Moreover Landmark Holdings Co., Ltd., (70 percent-owned subsidiary of the Company) receives financial support for the construction and development of Chao Phraya Estate Project.



# RISK FACTORS

The Company pays close attention to management of risks that may have significant impacts on its business operations, by ensuring that they are at the level which is controllable and acceptable to the Company. In this connection, the main risk factors facing the Company could be summarized as follows:

## 1. STRATEGIC RISK

### 1.1 RISK ARISING FROM DISCONTINUITY OF REVENUE RECOGNITION

The Company started operating real estate business in 2010, and its source revenue are from "For Sales Assets" and "Income Assets". At present, its main source of revenue from for sale assets includes Elements Srinakarin Project which its construction is already completed and its revenue has been gradually recognized since 2013 and Four Seasons Private Residences Bangkok at Chao Phraya River which its construction is expected to be completed in 2019 and its revenue will start being recognized since 1Q 2019. In addition, the Company has revenue from rental of Ovingdean Hall project before recognizing its revenue from selling the asset. Since 2019, the company will have revenue from income assets in 2018 from Capella hotel Bangkok and Four Seasons Hotel at Chao Phraya River which their constructions will be complete and start operating.

The implementation of the above projects may have short-term impacts in terms of discontinuity of the Company's revenue recognition. However since 2019, the Company will have revenue from for sales asset mainly from the transfer of Four Seasons Private Residences Bangkok at Chao Phraya River. Furthermore, the Company will step up its efforts to identify new for sale assets. Since 2019, the Company will continuously gain revenue from income assets, mainly from 2 hotels, and the Company will step up its efforts to identify new income assets.

### 1.2 RISK ARISING FROM INVESTING IN VARIOUS PROJECTS

Main business of the Company is real estate investment and development which may arise risk from unexpected return from company investment. In relation to the selection of projects that offer good potential for its investment, the Company has to take into consideration several factors in order to acquire the projects that give attractive returns at an acceptable level of risk. As a result, the Company has adopted a strict policy requiring a feasibility study, risk and return considerations, detailed due diligence, and hiring of experts in various areas such as legal advisors, financial advisors and marketing advisors in order to obtain adequate information for investment decision making. In addition, the Company established a clear operational plan which was designed and considered impacting from external factors and their solutions. The Company has monitored the implementation of the plan constantly and systematically.

In this connection, the various investment projects are not only subject to careful consideration by the management but also subject to consideration by the Company's board of directors who possess both knowledge and skills. The objective is to ensure that the projects are worthy of investment by the Company.

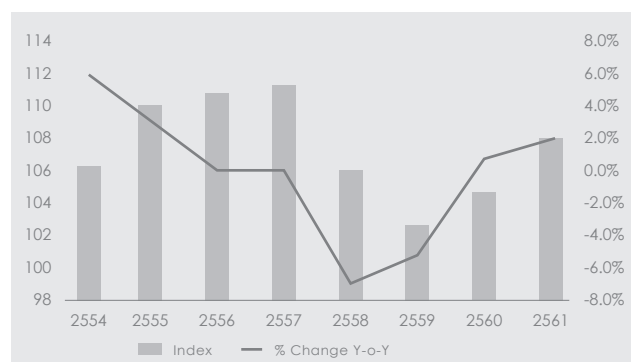
## 2. OPERATIONAL RISK

### 2.1 RISK ASSOCIATED WITH CONSTRUCTION COST CONTROL

Construction cost control is one of important factors resulting to project return. Construction material cost is crucial major cost. In 2018, the construction material price increased. Real Estate Information Center, Government Housing Bank reported that construction material price index in 2018 was 107.9, increasing by 2.6% from 105.2 in 2017. The increase in construction costs may result in erroneous cost estimates and mispricing, which will in turn affect future performance.

## CONSTRUCTION MATERIAL PRICE INDEX

	2011	2012	2013	2014	2015	2016	2017	2018
Index	106.3	110	111	111.8	106.1	103.2	105.2	107.9
% Change Y-o-Y	6.3%	3.5%	0.9%	0.7%	-5.1%	-2.7%	1.9%	2.6%



Source: Real Estate Information Center, Government Housing Bank, Thailand

However, the Company makes a detailed estimate of the construction cost of each project, aiming to get information about the construction cost as close to the actual cost as possible from the start of the project. The information enables the Company to determine the overall construction prices in the contracts to be signed with sub-contractors. As regards some items of construction materials which are purchased by the Company, it will compare various prices quoted by several suppliers. As well, when contracts are signed, prices will be fixed in advance. The objective is for the Company to ensure that it gets the best prices and the best terms as possible. As a result, throughout the construction period of each project, the Company does not run the risk of price volatility.

## 2.2 RISK ARISING FROM SALES OF PROJECTS BEING LOWER THAN ORIGINALLY ESTIMATED

The Company not only has estimated the sales of the condominium projects but has also determined the room rates and occupancy rates of the two hotels. However, in case the Company is unable to sell the projects or the hotel rooms at the rates as estimated, the resultant gaps may have an adverse impact on the performance of the projects and then company performance.

Even though sales of company projects has not significantly been lower than estimated, the Company is aware of this risk. The Company's related sales plans have been developed by teams of experienced and skilled staff. The plans were

forecasted with consideration of unexpected impact. In addition, to achieve the plans, the Company sells through many sales channels. The Company collaborated with real estate brokers who have extensive networks of customers, both local and overseas. As a result, the Company is confident that it is able to reach the established targets. Moreover, the Company closely monitors the project performance and analyzes the situation. It stands ready to adjust its sales plans in a timely manner, ensuring that the revised plans are appropriate in view of the prevailing economic conditions. None of company project sales has not significantly achieved lower than estimated sales.

As regards the sales of hotel rooms, the management is confident that it is able to attract customers to stay at the hotels in an amount as estimated, mainly due to the fact that each hotel has been well designed and the prices for the hotel rooms are appropriate for the targeted customer groups. The sales and design has been advised by both hotel teams which have strong experience and skills in hospitality market. Moreover, the affiliates of the two hotels have strong hospitality management capabilities and a large customer base. The strengths increase the likelihood of achieving the hotel sales forecasts made by the Company.

## 2.3 RISK IN HOTEL AND TOURISM INDUSTRY

Due to the fact that hotel business is related to the number of local and foreign tourists, the external risk factors which lead to the uncontrollable fluctuation of tourism industry such as terrorism, the spread of acute contagious disease, natural disasters, turmoil and global recession, would make the direct impact on the number of local and foreign tourists planning to visit Thailand.

However, the executives still express high confidence over the capability of the Company's business operation. Because of the world renowned executives specializing in hotel management, prime location of the project and outstanding selling points, it is certain that the project will be popular and receive nice feedbacks even in such the time of economic slowdown.

### 3. FINANCIAL RISK

#### 3.1 RISK ARISING FROM LIMITED ACCESS TO FUNDING SOURCES

The Company's projects require large investments for development and construction. As a result, it is necessary for the Company to have access to several different funding sources including, among others, borrowings from financial institutions, offer of rights issues to raise capital, issuance of various types of debt instruments such as debentures and bills of exchange, as well as working capital based on sales of condominium units before the construction is completed. In case the Company is unable to obtain adequate funds in line with the plans established for project development, the failure may have an adverse impact on project implementation and performance.

However, the Company is confident that it is able to obtain adequate funds in line with the established targets. This is mainly because the Company has developed a watertight financial plan, taking into account the working capital of each project and regularly assessing the Company's ability to gain access to funding sources as well as its debt-to-equity ratio which needs to be kept at an appropriate level.

#### 3.2 FOREIGN EXCHANGE RATE RISK

The Company has adopted a policy to invest in various projects, both local and overseas. In this connection, it is well aware of potential impacts on the related project performance, which are created by the risk arising from interest rate volatility. The Company has also adopted a clear policy aiming at reducing the risk arising from interest rate volatility by placing emphasis on a method called 'natural hedge' as much as possible. The objectives are to cut costs and to minimize sophisticated transactions. To deal with any remaining currency risk, the Company has adopted a policy to hedge with currency forward contracts by taking into account trend directions as well as the delivery dates of the forward contracts. The objective is to cover the risk arising from the related transactions as much as possible. Furthermore, the Company has also adopted a clear policy to refrain from any speculative transactions in foreign currencies as they may give rise to uncertainties of the project performance.

#### 3.3 INTEREST RATE RISK

Interest rate movements have an impact on the Company. If the interest rate rises, customers will postpone their purchases, mainly due to the customers' increasing cost of buying real estate. On the other hand, the Company's financial costs also increase since it needs financial support from financial institutions in the form of loans, the proceeds of which will be used for building real estate projects.

However, the Company has developed a plan aiming at closely monitoring and reducing the risk arising from rising interest rates. At present, most of the Company's loans are fixed interest rate loans. The objective is to reduce the risk arising from interest rate volatility. In case it has to get variable interest rate loans, the Company will consider using financial tools such as currency swap in order to reduce such risk. In addition, the Company has established business alliances with several commercial banks. The objective is to enable the Company to make comparison of different offers which lead to the financial costs appropriate to both the Company and its customers.

### 4. RISK ARISING FROM STATE POLICIES

#### 4.1 RISK ARISING FROM CHANGES IN LAWS AND REGULATIONS RELATED TO REAL ESTATE BUSINESS

Changes in laws, rules and ministerial regulations in relation to real estate business have direct impacts on costs and expenditure related to the Company's project implementation. The changes include, among others, the change in the city planning requirements in relation to floor area ratio (FAR), the policy on determination of common areas, and the scope of assessment as well as preparation of environmental impact assessment (EIA) reports. If the regulations or requirements become more restrictive, the changes may have adverse impacts on the Company's performance.

The new mortgage policy from the Bank of Thailand (BOT) which will apply for the purchase of second home and home value more than 10 million Baht will be effective after 1 April 2019. This new policy will not apply with home purchase with the agreement to buy and sell home or down payment before 15 October 2018. The Company conducts survey with clients which a small number of clients require mortgage. Consequently, the new mortgage policy will have little impact on revenue recognition of Four Seasons Private Residences Bangkok at Chao Phraya River. In relation of clients requiring mortgage, the Company works closely with financial institutes to ensure clients to receive mortgage as needed.

However, the Company reduces such risk by regularly conducting surveys and studies on legal constraints and requirements related to real estate business. This enables the Company to prepare for possible changes and to make appropriate operational plans, taking into account the maximum benefits to be gained from future business operations.

# INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors pays close attention to efficiency assessment of the Company's internal control. This is to ensure that the Company's financial reports as well as information used for decision-making are accurate, complete and reliable. In this connection, the Audit Committee consisting of three members responsible for looking after and overseeing the internal control of the Company, ensuring that the policies and desirable practices which have been assigned are implemented in line with the plans outlined by the Board of Directors as well as in compliance with the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

At the Board of Directors' Meeting No. 2/2019 held on 27 February 2019, three members of the Audit Committee were present. In this connection, two of the participating Audit Committee members were knowledgeable in accounting and finance. Having assessed the internal audit systems based on the Office of the Securities Exchange Commission's adequacy assessment form for the internal control systems, the Board of Directors was of opinion that currently the Company's internal control systems were adequate and suitable to its business operations and that there were neither material problems nor deficiencies. The assessment took into consideration five key areas relating to the internal control systems, which included control environment, risk assessment, control activities, information & communication, and monitoring activities. The adequacy assessment of the internal control systems in each area could be summarized as follows:

## CONTROL ENVIRONMENT

The Company has established clear business goals which are reviewed regular, ensuring that they take into account current situations. In order that the established goals could be achieved, the Company determines the level of the staff's remuneration, by annually taking into account the Company's performance as well as the employee performance appraisals in a rational manner.

Furthermore, the Company has established written policies relating to good corporate governance, code of ethical practices, as well as prevention of conflicts of interest. It has also developed an appropriate organizational structure which will enable the management to operate efficiently. Importantly, duties and responsibilities of each work unit have been clearly separated from one another. The Company also recognizes the importance of succession planning. Emphasis has been

placed on recruitment, development and preparations of replacements as well as grooming of a group of candidates for key positions through development and training of high potential and high caliber employees.

## RISK ASSESSMENT

The Company has carried out the adequacy assessment of the internal control systems, using the Office of the Securities Exchange Commission's assessment form which is based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In addition, the Company has undertaken assessments, using other formats such as risks arising from within and without organization as well as guidelines in relation to prevention of risks that may affect the implementation of the Company's various projects. It has also carried out an assessment of risks arising from different types of fraud and also from changes of the organizational leadership which may have an impact on business operations, internal control and finance, among others.

## CONTROL ACTIVITIES

The Company has established the scope of responsibilities and power of high ranking executives as well as their approval limits in writing. Their duties have also been clearly segregated to facilitate checks and balances. Moreover, the Company has established a policy on related party transactions, ensuring that they are in compliance with the laws and the requirements imposed by the Stock Exchange of Thailand, keeping the Company's best interests in mind.

## INFORMATION & COMMUNICATION

The Company sends important information and supporting documents needed for decision making to the Board of Directors in advance, together with the notification of the meeting which always gives details related to agenda. In addition, the Company prepares minutes of each meeting, which cover opinions and resolutions adopted by the meeting. As well, the Company stores books of accounts and supporting documents in a systematic and orderly fashion. It also makes use of information technology in storing and managing information of each work unit, such as the Enterprise Content Management (ECM) for managing different information of each work unit, and the Memo Online Systems.



## MONITORING ACTIVITIES

The Company has established a system for monitoring its operating activities and its compliance with the code of ethical practices as well as rules relating to prevention of conflicts of interest. Moreover, it has established an internal audit office responsible for monitoring the implementation of the internal control systems of various work units in the organization. In this connection, the internal control systems are subject to regular assessments with the internal audit officers being required to submit audit reports directly to the Audit Committee. Emphasis is placed on monitoring the progress relating to the implementing corrective measures. In particular, when any material deficiencies are identified, the related reports must be submitted to the Audit Committee right away so that it could make necessary arrangements for having the deficiencies remedied in a timely manner.

## HEAD OF INTERNAL AUDIT OFFICE

Ms. Anchalee Sriwiwatkul currently serves as senior manager of the Company's Internal Audit Office. She has considerable experience of internal audit of listed companies for over 20 years. As well, she attended a number of training courses related to internal audit operations. Importantly, she also has a good understanding of the Company's activities and business operations.

In this connection, decisions related to appointment, removal or transfer of the head of the Company's Internal Audit Office must meet with the approval of the Audit Committee.

# CORPORATE GOVERNANCE

## 1. POLICY ON GOOD CORPORATE GOVERNANCE

The Board of Directors realizes the importance of good corporate governance and enhances the good corporate governance according to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission. It is importance to the business operation in order to administrate effectively manage and support the continuously growth, create confidence to shareholders, investors, stakeholders and optimization in the long term to the Company as 5 sections as follows:

**Section 1:** Policy on Good Corporate Governance

**Section 2:** Rights and equitable treatment of shareholders

**Section 3:** Role of stakeholders

**Section 4:** Disclosure and transparency

**Section 5:** Responsibilities of the Board of Directors

### SECTION 1: POLICY ON GOOD CORPORATE GOVERNANCE

The Company has written a policy which is supporting the good corporate governance and be under the requirement of several laws and business ethics in order to control the Company's and subsidiaries' operations. The Board of Directors circulated the policy of good corporate governance and business ethics to directors and all employees to follow. The policy is included the following main topics:

- Treat all shareholders and stakeholders equally and fairness
- Commit to creating long term value for the Company by managing the business carefully and cautiously. To be accountable for actions and to perform their duties with all their abilities sufficiently and effectively in order to maximize shareholders' benefit. In addition, the Board of Directors is also responsible for resolving all conflicts of interest.
- Perform their duties transparently, virtuously, auditable, and to disclose adequate information to all stakeholders.
- Carry out the business with risk aversion and place appropriate controls and risk management tools.
- Set up the Company's guideline for ethical conduct in compliance with the guidelines of the Stock Exchange of Thailand for directors, management, and all employees to follow. The guideline focus on having adequate control and internal audit systems to oversee the management

and to ensure that they are efficient and providing the long term shareholders' benefit under the laws and business ethics.

- Encourage all directors and management to regularly take courses with the Thai Institute of Directors Association (IOD) and other institutions in order to be more knowledgeable in all aspects of the directors and management's roles and duty.

## SECTION 2: RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS

### 1. RIGHTS OF SHAREHOLDERS

The Board of Directors recognizes the importance of the equitable treatment of shareholders. As a result, it has adopted a policy on equitable treatment of all shareholders as well as protection of their basic rights, the details of which are as follows:

1. All shareholders have equal rights to buy, sell, transfer shares in their possession, to share the Company's profit, to receive adequate information about the Company's business operations, to attend shareholders meetings to exercise rights to vote for the election or removal of directors, the appointment of an auditor as well as other matters which may impact the Company. These matters include, among others, allocation of dividends, establishment or amendment of the Company's articles of association and the memorandum of association, capital decrease or increase, and approval of special transactions.
2. Same types of shares have equal voting rights with one vote per share.
3. The Company regularly discloses its information to shareholders via the Stock Exchange of Thailand's channels as well as the Company's website. In addition, shareholders could get information about their rights or other information about the Company directly via email: [info\\_ir@cgd.co.th](mailto:info_ir@cgd.co.th).
4. The Company shall send a notice of the annual general meeting together with supporting documents for various agenda items and opinions of the Board of Directors for each agenda item, at least seven days prior to the meeting date, except as otherwise specified in the articles of association, notifications,

order or requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. As well, the notice of the meeting together with the supporting documents shall be made available through the Company's website prior to the meeting date. The objectives are to provide shareholders with adequate time to study the available information in detail and to enable them to make appropriate decisions.

5. The Company clearly informs shareholders of the rules and methods in relation to the attendance of shareholders meetings through the notice of the general meeting of shareholders. As well, it informs the shareholders of the voting procedures at the general meeting of shareholders. As well, the Company puts in place clear step-by-step procedures to be followed at the general meeting of shareholders in relation to presentation of agenda items, raising questions, voting and adopting resolutions. In addition, shareholders are given an opportunity to send their questions to the Company prior to the date of the meeting. Importantly, the Company equitably provides all shareholders with convenience in relation to registration for the attendance of the meeting at least one hour before the meeting starts. They could continue registering for the attendance until the end of the meeting. As well, the shareholders participating in the meeting are provided with appropriate reception buffet.
6. The Company shall not deprive shareholders of the rights to study the Company's information which must be disclosed in line with various requirements and in relation to the shareholders' participation in the shareholders meetings. For examples, the Company shall neither distribute additional key information on short notice nor add new agenda items during the course of the shareholders meeting. As well, the Company shall not change key information without notifying shareholders in advance. Among others, the Company shall not take away the right of late-arriving shareholders to attend the shareholders meeting.
7. Providing supporting facilities, the Company encourages shareholders to participate in shareholders' meetings to exercise their voting rights. For examples, the Company conducts the meeting in line with the order of the agenda items specified in the notice of the shareholders' meeting, which is sent to them. In electing the directors, shareholders can vote for directors individually. As well, shareholders are provided with opportunities to ask questions or express opinions, to which the directors concerned are required to give their adequate responses.
8. In case shareholders cannot attend the shareholders

meeting themselves, the Company has provided them with facilities by making available Proxy Form B, in which shareholders can specify their decisions as regards to their voting. In this connection, shareholders could download both Proxy Form A and Proxy Form B from the Company's website. As well, the Company must offer at least one of its independent directors to be chosen and appointed by shareholders as their proxy holder who will attend the meeting on their behalf.

9. The Company shall make arrangements for clear and accurate minutes of the meeting to be taken, so that shareholders could check them. In this connection, the Company will distribute the minutes of shareholders' meetings through its website after they are sent to the Stock Exchange of Thailand.

## 2. CONFLICTS OF INTEREST

The Board of Directors and the management have considered ending and preventing the conflicts of interest in a careful, honest, prudent and independent manner, taking into account the code of business ethics and the Company's overall benefits.

As a result, in order to promote transparency and prevent the pursuit of self-interest, the Company requires its directors, executives and related parties to disclose to the Board of Directors information about any conflicts of interest, via the Company Secretary. As well, in compliance with the regulations of the Office of the Securities and Exchange, they are also required to report their holdings of the Company's shares to the Board of Directors. In addition, at the meetings of the Executive Committee or the Board of Directors, those who have interests in any transaction or may have a conflict of interest with the Company are prohibited from giving their opinion and from voting on the related agenda item.

Moreover, the Company has established a policy and procedures for approving related party transactions or those which may have a conflict of interest. In this connection, information about names of related parties and their relationships, pricing policies and transaction values as well as the opinions of the directors concerned with the transaction need to be disclosed, taking into consideration the notification issued by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. These notifications have to be strictly adhered to for the overall benefits of shareholders in an equitable manner.

In addition, the Audit Committee has reported to the Board of Directors on the related party transactions and other transactions that have a conflict of interest. The appropriateness of these transactions has already been carefully considered. The report has complied with the

related requirements of the Stock Exchange of Thailand. In strictly adhering to the requirements, the Company discloses the information every quarter and includes it in the annual report as well as in the disclosure report on additional information (Form 56-1).

In this connection, the Company has adopted a policy prohibiting directors, executives and staff members of the Company and its subsidiaries from using insider information which has not been disclosed to the public, for their own benefit or that of third parties, directly or indirectly. In addition, directors, executives or staff members of the Company who receive the Company's financial information are prohibited from using the information for one month before it is disclosed to the public. In this connection, the Company has requested the directors, executives and staff members of the Company to refrain from trading the Company's shares before disclosing the financial statements to the public. As well, it has ensured that the directors and executives understand their responsibility in reporting their holdings of the Company's shares and changes in their shareholdings to the Office of the Securities and Exchange Commission as well as the Stock Exchange of Thailand in compliance with Section 59 and the liability clause in Section 275 of the Securities and Exchange Act B.E. 2535. In this connection, the Company has established disciplinary measures which shall be applied to staff members who violate the Company's rules and regulations or the announcements which are included in the staff manuals.

### SECTION 3: ROLE OF STAKEHOLDERS

The Company places great importance to all stakeholders i.e. shareholders, employees, the Company and the subsidiaries' management teams, partners or external stakeholders i.e. business partners, competitors, creditors, communities and societies, as well as state agencies and related agencies as follows:

Shareholder	: The Company is committed to creating added value in the long run and continuously to providing investment returns for the benefits of shareholders with focus on transparency disclosure and credible.
Employees	: Employees are encouraged to improve their skills and abilities to ensure the highest operational efficiency. Employees are provided with suitable and fair hiring conditions and a meritocratic system of advancement within the Company. The Company ensures a safe work environment that is in line with accepted standards.

Partners	: The Company collaborates with partners in a professional and transparent manner for its mutual best interest
Customers	: The Company encourages providing service according to the agreement and acknowledges the importance of customers is the first with create the good relationship regularly and continuously.
Business partners	: Company shall treat all the partners equally, fairly and keep confidentiality including create good relationship and benefit with partners.
Creditors	: The Company treats lenders fairly according to the debt hierarchy and in line with the relevant contract and the law.
Competitor	: The Company competes fairly and treats competitors equally, respectfully and professionally.
Community/Society	: The Company recognizes the supporting in activities of promoting quality of life and cultivating social responsibility spirit to employees at all level that can lead to the development in community, society and environment.
Government agencies	: The Company complies with all relevant laws, criteria, rules and regulations in the related agencies.
Environment	: The Company encourages the employees to acknowledge the environment preservation and creates the policy to develop the project under the Environmental Impact Assessment (EIA).

The Company has adopted a policy aiming at protecting their rights and treating them equitably. This is mainly because the support from all groups of stakeholders plays an important role in enhancing the Company's competitiveness and profitability, which in turn bring about long-term success for the Company. Recognizing the rights of each group of stakeholders, the Company not only complies with various rules and regulations but also fulfills all obligations of contracts and agreements. As well, emphasis is placed on disclosure of adequate information to facilitate effective participation of the stakeholders concerned. The Company also refrains from depriving the various groups of stakeholders of their rights or from causing negative impacts on them.



If there is a complaint, suggestion, or query on wrongdoing, violation of ethics, error in the financial statements, or deficiency in the internal control system, please direct them to the Secretary to Audit Committee via Tel: 66(0) 2658 7888 and Fax: 66(0) 2658 7880. The Company will investigate into the matter confidentially and report the finding to the Board of Directors.

## SECTION 4: DISCLOSURE AND TRANSPARENCY

### 1. DISCLOSURE

The Company pays close attention to disclosure of accurate, complete, and reliable information, both financial and non-financial, which is important to decision making of investors and stakeholders, in an equitable, timely and transparent manner as well as in line with the rules imposed by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The information which includes various publications, annual statements (Form 56-1) and annual reports, is disclosed through the channels of the Stock Exchange of Thailand and the Company's website.

In the annual report, the Company also makes available the Audit Committee's report as well as the statement indicating responsibilities of the Board of Directors for the financial report.

### 3. RELATIONSHIP WITH INVESTORS

The Company pays close attention to disclosure of accurate, complete, and reliable information, both financial and non-financial, as well as other key information which is important to decision making of investors and stakeholders in an equitable, timely and transparent manner. The information is disclosed to investors, analysts, and interested members of the general public through various channels of the Stock Exchange of Thailand and/or various media such as publications as well as the Company's website. In this connection, the Company has assigned the Company Secretary as the person responsible for giving information service and disclosing the Company's key information. One may contact the Company at Tel: 66(0) 2658 7888, Fax: 66(0) 2658 7880 or through E-mail: info\_ir@cgd.co.th.

## SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

### 1. LEADERSHIP AND VISION

The Board of Directors comprises experienced and knowledgeable persons who are able to provide guidance and set Company's policy, vision, strategy, target, and direction, as well as supervise the management team under the legal framework, the Company's objectives and Articles of Association, and resolutions of the shareholders' meeting. It shall perform its duty with care and honesty

in order to yield maximum benefit for the Company, and raise confidence among shareholders. Furthermore, the Company also emphasizes the importance of internal control system, internal audit process, and continuously assesses the effectiveness of the management, as well as monitors the internal process regularly by its internal audit department which constantly reports to the Audit Committee.

The Board of Directors has considered specify and separate the roles and responsibilities between the Board of Directors and management team. The authority is defined clearly which communicates roles and responsibilities to directors and employees regularly.

### 2. CODE OF CONDUCT

The Company has determined a Code of Conduct for its directors and employees to ensure appropriate action in accordance with the Company and shareholders' expectation in performing their functions. It also provides a guideline for good business conduct as follows:

1. Perform the functions in accordance with the laws, the Company's objectives and Article of Association, the resolution of the Board of Directors, and good corporate governance and director's ethics.
2. Manage the business for the benefit of all current and future stakeholders, as well as preserve the Company's image.
3. Not being involved, directly or indirectly, either in any entity which may have a conflict of interest with the company in which one serves as director or in any entity whose business competes with that of the company in which one serves as director.
4. Stay away from having direct or indirect interests in a connected or competing businesses.
5. Manage with care and avoid commitments that may conflict with its duty in the future.
6. Do not take advantage of the job to gain direct or indirect personal benefit.
7. Devote full ability to carry out the job for the maximum benefit of the Company.
8. Do not conduct or become a major shareholder in a competing business, or have a relatives on the Board of Directors or being shareholders in the same kind of business, regardless of benefitting one's or others' interest.

The Company's directors and all employees are aware of the code of conduct, and behave and perform their functions professionally and ethically, with the goal of maximizing the Company's and shareholders' benefit.

### 3. COMPOSITION OF THE BOARD OF DIRECTORS

1. The Board of Directors will consider, under the guidance of the Nomination and Compensation committees, candidates whose skills, experience, and expertise are essential for the Company's business and nominate them for selection in the shareholders' meeting,
2. The Board of Directors consists of specifies the number of directors on the shareholders' meeting which shall not less than 5 members whose skills, experience, and expertise are essential. In addition, at least one-third but no less than 3 members of the Board of Directors must be independent from the Company.
3. Independent Directors have qualification as follows:
  - a. Holding shares not exceeding 1 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
  - b. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the appointment.
  - c. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.
  - d. Not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the appointment.

The Business relationship accordance with paragraph above is included normal business transaction on rental and lease of property, asset and service transaction or financial

transaction which to be borrow or lend of loan, guarantee, debt collateral including other similar transaction which the party of transaction have obligation to make the payment of debt to other party from 3% of Net Tangible Asset of the Company or Twenty Million Baht which lower than.

- e. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the appointment.
  - f. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the appointment date.
  - g. Not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder.
  - h. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.
- After appointment, the independent director with clearly understanding in the Company business may assign from the Board of Directors to operate the Company, the subsidiary, affiliate or juristic person who may have conflicts of interest, to make decision under Collective Decision.
- i. The independent director has a good knowledge and understanding of the Company's business operations
4. Each director has a term on the Board of Directors as specified in the Public Company Act, and has no limit on the number of consecutive terms they can served on the board.
  5. Each director can serve directorship no more than 5 listed companies' Board of Directors unless approved by the Company's Board of Directors or shareholders on a case by case. This is to encourage

directors to fully perform their directorship and directors and top management teams shall report their information regarding the other directorships in other companies to be acknowledged by the Board of Directors. Currently, none of the Company's directors serves on more than 5 listed companies.

#### 4. ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

See detail of roles and responsibilities of the Board of Directors as shown in the chapter of the shareholding and management structure.

#### 5. BOARD OF DIRECTORS MEETING

The Board of Directors meeting is arranged at least once every three months. The chairman of the Board or the person assigned will call the meeting. In certain situations, two or more directors may request the chairman to call the meeting, which has to be held within 14 days from the requested date.

The Chairman or the person assigned shall send the invitation letter to the Board of Directors Meeting at least 7 days prior the meeting. In the event of an emergency to protect the rights and benefits of the Company, the meeting request can be notified by other method or the meeting can be arranged sooner. The Chairman and CEO shall consider and determine the agenda and provide the opportunity that two or more directors can request the agenda according the article of association

At a meeting of the board of directors, the presence of not less than one half of the total number of directors is required to constitute a quorum. In the case where the chairman of the board is not present at the meeting or is unable to perform his or her duty and if there is a vice-chairman, the vice-chairman presents at the meeting shall preside over the meeting. If there is no vice-chairman or if there is a vice-chairman who is unable to perform his or her duty, the directors present at the meeting shall elect one among themselves to preside over the meeting. The decisions at the meeting shall be by majority of votes. Each director shall have one vote, but a director who has interests in any matter shall not be entitled to vote on such matter. In the case of an equality of votes, the chairman of the meeting shall have an additional vote as a casting vote.

#### 6. ASSESSMENT OF DIRECTOR AND TOP-EXECUTIVE

##### 6.1 Assessment of Director

The Board of Director assigns the Nomination and Compensation Committee to assess the performance of the Board of Director and Sub-Committee with 2 form of assessment which are assessment of the Board of Director by group and by each director (self-assessment). The assessment shall

be made director to review result of performance, problem of the last year.

##### 6.2 Assessment of Top-Executive

The Board of Director assigns the Nomination and Compensation Committee to assess the performance of top executive annually. The assessment will be reported to the Board of Director in order to fix the compensation of top executive and the chairman will be the person who informs the top executive for his acknowledgement.

#### 7. BALANCE OF NON-EXECUTIVE DIRECTORS

The company is set to have at least 1 of the 3 of the directors, but not less than 3 members. Three independent directors held the position of Audit committee members with the qualifications according to the announcement of the Stock Exchange of Thailand on the roles and scope of the audit committee to perform various checks and balances of the company to be fair and accurate.

As of December 31<sup>st</sup>, 2018, the experienced and knowledgeable members of the Board of directors comprise of 12 persons, as follows:

- 11 non-executive directors of which are 7 independent directors
- 1 member of the executive director

The three independent directors were appointed the Audit Committee with the qualifications according to the announcement of the Stock Exchange of Thailand on the roles and scope of the audit committee to perform various checks and balances of the company to be fair and accurate.

#### 8. INTEGRATION OR SEGREGATION

The Chairman of the Board shall not be the same person as chief executive of the management in order to separate the duties of policies setting from regular management. The Company has defined the responsibilities of authority to approve, accounting record and assets management at each level clearly, so they can examine each other easily.

The Chairman and Independent committee member is Mr. Vikrom Koompirochana. For the top management which is the company's chief executive officer is another director which Mr. Ben Taechaubol. Both positions have separate roles and responsibilities clearly and all important decision making has to be conducted through the Board of Directors.

#### 9. INTERNAL CONTROL AND AUDIT SYSTEM

The Company emphasizes the important of the internal control system, at both the management and operational level. There is a written Procedure Manual clearly specifying the authority of staff performing their

duties and the management, and authorization chart. In order to regularly monitor the internal control system and inspect material transactions, the Audit Committee is assigned to audit the internal control system to ensure its effectiveness. Furthermore, the Company also conducts a risk assessment exercise and prepares preventive and mitigate measures, and monitor the compliance with related laws and regulations. There is also a segregation of operational, monitoring, and evaluating functions in order to encourage appropriate level of check and balance among them.

The Company has established the Office of Internal Audit, which performed its duties independently and reported directly to the Audit Committee, in order to audit the operations of the Company and its subsidiaries. The internal audit office was required to report the results of its auditing works directly to the Audit Committee.

In addition, the Audit Committee must conduct an annual review of the appropriateness and sufficiency of the internal control system and report the findings to the Board of Directors, which will express its opinion on the sufficiency of the internal control system in the Annual Report.

#### 10. DIRECTOR'S REPORT

The Board of Directors has assigned the Audit Committee to supervise the preparation and disclosure of information in the financial statements, internal control system, and internal audit, in order to assess the adequacy and appropriateness of the internal control system and the preparation of the financial statements for their accuracy, completeness, sufficiency, accountability, and effectiveness and also assigned company secretary in keeping director's report.

#### 11. KNOWLEDGE AND SKILL IMPROVEMENT FOR DIRECTORS AND MANAGEMENT

The Company encourages all directors and management to take courses with Thai Institute of Directors Association (IOD) and other related courses organized by various institutions on a regular basis in order to enhance their knowledge and skills.

#### 12. DIRECTORS ORIENTATION

For newly appointed directors, the Company arranges an orientation for them to learn about the Company's policies, and other information, such as capital structure, shareholding structure, operating performance, as well as related laws and regulations. They will also be given a director handbook contains useful information on being a Company's director as follows:

##### Director handbook

1. Public Limited Companies Act, B.E. 2535
2. Affidavit
3. Company Business Objectives

4. Articles of Association
5. Company Corporate Governance Report
6. Listed company director handbook of the Securities and Exchange Commission.

##### Information for directors

1. Disclosure Guidelines for Listed Companies' Management
2. Connected party transaction of the Listed Company
3. Corporate Governance Code (the "CG Code") Year 2017
4. Company Profile
5. Recent Annual report

#### 13. COMPANY SECRETARY

The Board of Director realizes the important of roles and responsibilities of Company Secretary which will make the Company to operate its business to comply with the good corporate governance. The roles and responsibilities of the Company Secretary are shown in the chapter of shareholding and management structure.

## 2. SUB-COMMITTEE

The Company has 3 sub-committees are as following:

### 2.1 AUDIT COMMITTEE

The Audit Committee comprise of three independent directors appointed by the Board of Directors. The members of the Audit Committee are as following:

No.	Name	Position
1.	Mr. Subhakorn Bhalakula	Chairman of the Audit Committee
2.	Mr. Hsu-Feng Shueh	Member of the Audit Committee
3.	Pol. Gen. Werapong Chuenpagdee	Member of the Audit Committee

Mr. Subhakorn Bhalakula, Chairman of the Audit Committee, and Mr. Hsu-Feng Shueh, member of the Audit Committee, who has knowledge and experience in auditing the Company's financial statements. Miss Anchalee Sriwiwatkul is to be secretary of the Audit Committee

#### SCOPE OF AUTHORITY AND DUTIES OF THE AUDIT COMMITTEE

1. Review the accuracy and adequacy of the Company's quarterly and annual financial statements by coordinating with the auditor and the in charge management. The Audit Committee may suggest the auditor to review or audit a specific transaction deemed necessary and important.



2. Review the internal control and internal audit systems to ensure their appropriateness and effectiveness in conjunction with the external and internal auditors, review the independence of the Internal Audit Office, and approve the appointment, transfer, and termination of the highest-rank officer of the Internal Audit Office.
3. Review the compliance of the Company's business operation with the securities and stock exchange laws and regulation, as well as other related laws.
4. Evaluate and nominate the Company's external auditor and its compensation based on the auditor's credentials, resources, workload, as well as staff's experience assigned to conduct the audit.
5. Arrange a meeting with the external auditor without a presence of the Company's management at least once a year.
6. Consider the related party transactions or ones that may give rise to a conflict of interest, ensuring that they are in compliance with laws and the requirements of the Stock Exchange of Thailand as well as the requirements of the Office of the Securities and Exchange Commission. This is to ensure that such transactions are rational ones and in the best interests of the Company.
7. Consider the acquisition or disposal of the Company's assets whose value is subject to the approval of the Audit Committee in line with the laws, requirements of the Stock Exchange of Thailand and the regulations of the Office of the Securities and Exchange Commission.
8. Approve the internal audit plan, and the result of the Internal Audit Office's operation.
9. Review and revise the charter of the Audit Committee and propose to the Board of Directors for approval.
10. Prepare an Audit Committee Report to be disclosed in the Company's Annual Report. The report has to be signed by the Chairman of the Audit Committee and must include at least the following information:
  - a. an opinion on the accuracy, completeness and creditability of the Company's financial reports,
  - b. an opinion on the adequacy of the Company's internal control system,
  - c. an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business,
  - d. an opinion on the suitability of an auditor,
  - e. an opinion on the transactions that may lead to conflicts of interest,
  - f. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - g. an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - h. other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
11. Report the duties performed by the Audit Committee to the Board of Directors.
12. In carrying out its duties, if the Audit Committee finds or doubts that there are any transactions or actions that may have a material impact on the Company's financial position or performance, the Audit Committee has to report it to the Board of Directors so that a remedial measure could be implemented within a timeframe which the Audit Committee deems appropriate. The transactions or actions include, among others, the followings:
  - a. Transactions that lead to conflicts of interests,
  - b. Fraud, material irregularities or defects in the internal control system,
  - c. Violation of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business.

If the Board of Directors or the management fails to implement the remedial measure within the timeframe mentioned above, any member of the Audit Committee may send a report on the above-mentioned transaction or action to the Office of the Securities and Exchange Commission.
13. Investigate complaint from the external auditor of any suspicious behaviors, conducted by the Company's directors, managers, managing Director, or any other responsible parties; deem to be in violation of the Securities and Stock Exchange Act, and report the preliminary finding to the Securities and Exchange Commission and the external auditor within 30 days from the notification date.
14. Perform other functions as may be assigned by the Board of Directors and agreed upon by the Audit Committee.

15. In performing such functions, the Audit Committee has a direct responsibility to the Board of Directors, whose responsibility to external parties are still intact.

## 2.2 NOMINATION AND COMPENSATION COMMITTEE

The Nomination and Compensation Committee comprise of 3 members appointed by the Board of Directors. The members of the Compensation Committee are as following:

No.	Name	Position
1.	Mr. Subhakorn Bhalakula	Chairman of the Nomination and Compensation Committee
2.	Pol. Gen. Werapong Chuenpagdee	Member of the Nomination and Compensation Committee
3.	Mr. Ben Taechaubol	Member of the Nomination and Compensation Committee

### SCOPE OF AUTHORITY AND DUTIES OF THE NOMINATION AND COMPENSATION COMMITTEE

#### Responsibilities on Nomination Function

1. Formulate criteria and policy in nominating directors, members of sub-committees and the Chief Executive Officer.
2. Consider and nominate appropriate persons to be appointed as directors, and members of sub-committees and the Chief Executive Officer for approval by the Board of Directors and/or the Shareholder Meeting.
3. Report to the Board of Directors the results of the meetings or other matters that the Board of Directors should be informed.
4. Perform any tasks assigned by the Board of Directors.

#### Responsibilities on Remuneration Function

1. Appraise the performance of the Directors, member of sub-committee and the Chief Executive Officer.
2. Evaluate the compensation for the Directors and member of sub-committee based on a fair and reasonable scheme and propose to the Shareholder Meeting for approval. The compensation includes salary, meeting allowance, annual bonus, and other monetary and non-monetary benefits.
3. Evaluate the compensation for the Chief Executive Officer based on a fair and reasonable scheme and propose to the Board of Director Meeting for approval. The compensation includes salary,

meeting allowance, annual bonus, and other monetary and non-monetary benefits. In addition, evaluate the compensation for high-level management based on a fair and reasonable scheme and propose to the Board of Director Meeting for approval.

4. Review the compensation for the Directors, member of sub-committee, the Chief Executive Officer as well as review the compensation structure for high-level management based on individual performance, company performance, practices in the same sector and other listed companies and their responsibilities.
5. Perform any tasks assigned by the Board of Directors.

## 3. INVESTMENT COMMITTEE

The Investment Committee comprise of two executive directors appointed by the Board of Directors. The members of the investment Committee are as following:

No.	Name	Position
1	Mr. Ben Taechaubol	Chairman of the Investment Committee
2	Mr. Chatchai Chordokrak	Member of the Investment Committee

### SCOPE OF AUTHORITY AND DUTIES OF THE INVESTMENT COMMITTEE

1. Evaluate and approve any investment which total value of the project not over Baht 100 million.
2. Review and propose for approval by the Board of Directors for any investment which total value of the project over Baht 100 million or the investment which is not abide by the investment's policy.
3. Carry out any other tasks assigned by the Board of Directors.

In this connection, the Board of Directors does not specify the tenure of the Chairperson of the Investment of Committee

## 3. NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

### BOARD OF DIRECTORS

In selecting candidates to be appointed as members of the Board of Directors, the selected candidates need to be approved by the Nomination and Remuneration Committee first before submitting their names to the Board of Directors for consideration. After consideration, the Board will propose the names of the candidates to the annual general meeting of shareholders for appointment. The selection will take into account a number of criteria including the candidates' knowledge, ability, experience, vision and credibility. Importantly, the candidates must not possess any prohibited

characteristics specified by the laws. In this connection, the related criteria and methodologies could be summarized as follows:

1. At least half of the Board of Directors must reside in Thailand and the members of the Board must possess qualities specified by the laws.
2. The appointment of directors is subject to a simple majority of votes cast at the annual general meeting of shareholders, based on the following criteria and methodologies:
  - 1) Each shareholder shall be entitled to one vote on each share of stock held by him.
  - 2) Shareholders are required to cast their votes on the appointment of each candidate as director separately on a separate resolution.
3. At every annual general meeting of shareholders, one-third of the total number of the directors shall retire. If the number of directors cannot be divided into three parts, the number of director nearest to one-third shall retire. The directors to retire from their office in the first and second years following the registration of the Company shall be determined by drawing lots. In each subsequent year, the directors who have been in the office for the longest time shall retire. The retiring directors may be re-elected.
4. Directors are entitled to receive remuneration from the Company in the form of monetary rewards, meeting allowance, pension, bonus or benefits in other forms in line with the Company's Articles of Association or the resolution adopted at the general meeting of shareholders, which could be a fixed amount of remuneration, criteria for remuneration to be determined each time or effective continuously or until changed. In addition, directors are also entitled receive the allowances and other benefits in accordance with the Company's regulations. In this connection, such entitlements shall not affect the rights of staff or employees of the Company who are elected as directors, to receive remuneration and other benefits as employees.
5. Any director wishing to resign from office shall tender his resignation letter to the Company. The resignation shall have effect on the day the letter of resignation reaches the Company. The director who resigns may also notify the registrar of his resignation.
6. When a vacancy occurs in the Board of Directors otherwise than by rotation, the Board of Directors shall elect a person who is qualified and does not possess any prohibited characteristics in accordance with the Public Limited Company Act or the law on securities and exchange, as

a replacement director at the following meeting of directors, except when the remaining tenure of the replaced director is less than two months. The replacement director may retain his office only for the remaining tenure of the director whom he replaces. The Board of Directors' election of the replacement director must be supported by a vote of not less than three-fourths of the remaining directors.

7. Shareholders attending a meeting may adopt a resolution to remove any director from office prior to retirement by rotation by a vote of not less than three-fourths of the number of shareholders who are present at the meeting and are entitled to vote, representing an aggregate number of not less than one-half of the number of shares held by the shareholders who are present at the meeting and are entitled to vote.
8. The Board of Directors shall elect one director as Chairperson of the Board of Directors. In case it is deemed appropriate, the Board of Directors may elect one or more directors as Vice Chairpersons.

#### AUDIT COMMITTEE/INDEPENDENT DIRECTORS

As regards the appointment of the Audit Committee members, the Company's Board of Directors or the annual general meeting of shareholders shall appoint the Audit Committee which consists of at least three members selected from the Company's independent directors. In this connection, at least one member of the Audit Committee must have adequate knowledge and work experience in accounting and finance so that he can carry out duties related to the review of the reliability of financial reports. The selection shall also take into consideration qualifications of those who have legal knowledge and work experience as well as a good understanding of the Company's business.

#### NOMINATION AND COMPENSATION COMMITTEE

In the part of the nomination and remuneration committee selection, the Board of Directors or the meeting of shareholders should appoint the committee members consist of two independent directors and one executive director. The nomination and compensation committee will be considered by their qualifications in deep knowledge in the Company's business area, skills and experiences in legal, expertise in developing such compensation and nominations structure. The information obtained from the database of Consultant Company will be used for the purpose of nomination and remuneration in the organization to compatible with internationally-recognized standards.

## TOP MANAGEMENT TEAM MEMBERS

In nominating candidates to assume the position of the Company's senior executive, the Human Resource Division will be responsible for nominating qualified candidates. On the other hand, the selection of the candidates will be left to the discretion of the top management, mainly taking into account the candidates' qualifications, education and experience related to the work unit concerned.

## 4. OVERSEEING THE OPERATIONS OF THE COMPANY AND ITS ASSOCIATES

The Board has a mechanism to supervise its subsidiaries and associated companies. So the company can get involved in their management and control the operations of such companies. The Company will send representatives as directors or executive or controlling authority in the proportion of stock holding. When the Company needs to decide in a matter of significance, the matter should be presented to the Board of Directors for approval. Moreover, the representatives of the company shall look after the subsidiaries or associate to have the disclosure of acquisitions or disposals of assets or related transactions to meet the requirements and criteria of related controlling entities, and also the Board has to prepare financial statements in accordance with accounting standards and meet the deadlines of the consolidated financial statements.

## 5. CONTROL OF INTERNAL INFORMATION

The Company sets up the policy for committees, directors and employees of the Company and its subsidiaries to maintain the confidentiality, not lead to the disclosure of inside information or seek personal interests or benefit of another person, whether directly or indirectly, whether they receive remuneration or not. Moreover, The Company prevents personnel to perform such activities to disclose the information to others or used for personal gain, including securities trading. The Company approved the policy of the use of inside information as follows:

1. Inform the directors and executives to be aware of their responsibility to report the holdings of securities of their own, their spouses and minor children according to Section 59, including penalties under Section 275 of the Securities and Exchange Act B.E.2535 and the regulations of the Stock Exchange of Thailand.
2. Order the Executive report changes in their shareholdings to the Securities Exchange Commission and send a copy of such report to the company on

the same day that the report is sent to the Securities and Exchange Commission.

3. Notify the management and employees of the Company to be aware of the duty of the management and employees of the Company and its subsidiaries. When they are informed about company's financial information, or inside information which can significantly affect the Company's stock price, they need to avoid buying the securities of the company during one month before the financial statements or internal information is publicly available and they are prohibited from the disclosure of such important information to be available to others.

## 6. AUDIT FEE 2018

The Company has expense of audit fee for Deloitte Touche Tohmatsu Jaiyos Co. Ltd which is auditor for 2018 of the Company amount of Baht 2,130,000.

## 7. ADOPTION OF GOOD CORPORATE GOVERNANCE PRINCIPLES

The Company has reviewed and put into practice the Principles of Good Corporate Governance for Listed Companies, which were issued by the Stock Exchange of Thailand, as well as the Corporate Governance Code 2017 (CG Code), which were issued by the Office of the Securities and Exchange Commission. The CG principles and code were adopted as deemed appropriate, taking into consideration the Company's business operations. In this connection, it is recommended that the Company's Board of Directors review the adoption at least once a year. The recent findings show that the Company has already adopted most of the principles and code. The following are some key principles which could not be fully adhered to as yet.

- The Board of Directors should adopt a policy limiting the tenure of an independent director to not more than nine (9) years.

Clarifications:

The Company has taken into consideration the above recommendation and is of the opinion that its business nature requires independent directors who possess knowledge, expertise and experience in a specialized field. As well, the Company's directors possess all the qualifications that meet the criteria of an independent director as defined by the Company. As a result, they are able to effectively carry out their duties as independent directors.



- All members of the Nomination and Remuneration Committee should be independent directors.

Clarifications:

Currently, the Nomination and Remuneration Committee is composed of three members, two of whom are independent directors with the remaining director being an executive director. It could be seen that the number of independent directors is more than half of the committee as a whole. As well, the Chairman of the Nomination and Remuneration Committee is an independent director. Taking into

account the past performance of the Committee, all the three members are independent in the performance of their duties and responsibilities within the scope of responsibilities and authority. As a result, the Company is of the opinion that the current composition of the Nomination and Remuneration Committee is appropriate. Not less importantly, all the Committee's members have appropriate qualification and are able to carry out their duties in an efficient manner.

## CORPORATE SOCIAL RESPONSIBILITY



Country Group Development believes in incorporating social and environmental concerns into its business operations, vision, strategy, and in its interactions with the community. The Company is committed at the highest level and the Board of Directors are directly involved in and are responsible for laying out the corporate policy on these fronts to ensure that the right balance is achieved. At Country Group Development, we understand the importance of its co-existence with the environment, ecology as well as the community. Country Group Development has endeavored to participate and engage itself in various activities with Bangkok River Partners: BRP as our partnership.

Bangkok River Partners (BRP) is a non-profit organization contributing to the protection of Bangkok's Chao Phraya River, in efforts to ensure that the centuries-old communities retain their heart and heritage as the region develops into

one of Bangkok's most prized areas. With the mission to safeguard and maintain the Chao Phraya Riverside district the organization supports the growth of Bangkok's business and creative scene to showcase the very best of Thai creativity, showmanship hospitality within the area, as well as creating an environment that is appealing to creative individuals and industries.

### CLEAN UP THE WORLD 2018

#### **CGD GOES GREEN WITH COMMUNITY CLEAN-UP ALONG THE RIVER OF THE KINGS**

This year the leadership team from the landmark luxury mixed-use Chao Phraya Estate development joined forces with officials from the Canadian Embassy of Thailand along

with teachers from nearby Wat Suthiwaram School to help clean up the area in and around the new Four Seasons Private Residences as part of the annual "Clean Up the World" campaign on Saturday 15 September 2019.

Around 90 volunteers, including Country Group Development's CEO Ben Taechaubol, General Managers from Four Seasons Hotel Bangkok and Capella Bangkok Hotel, joined the clean-up effort, picking up rubbish and clearing away debris to return the riverside surroundings to their natural state.

Now in its 25th year, the Clean Up the World event is part of the United Nations Environment Programme (UNEP), and mobilizes an estimated 35 million volunteers from 130 countries annually, making it one of the largest community-based environmental campaigns in the world. This year, partner hotels and venues are working with Bangkok Metropolitan Administration, foreign embassies in Bangkok, local businesses, community groups, and their neighbours to remove rubbish from streets, public spaces, and canals that could otherwise end up in the Chao Phraya River and be carried out in the Gulf of Thailand.

As part of the campaign, Bangkok River Partners collaborates with Mahidol University and Bangkok University to categorize and count the waste items found during the clean-up to establish a baseline and compare data with subsequent years. The information will help create high impact solutions and measurable goals.

"We are very fortunate to have such a majestic waterway on our doorstep but that comes with a shared responsibility to keep the river clean and make it even more beautiful for future generations to enjoy. Country Group Development is therefore proud to be part of this valuable environmental initiative", added Mr. Taechaubol.



## RELATED PARTY TRANSACTIONS

### 1. CHARACTERISTIC OF THE RELATED PARTY TRANSACTION

The Company and its subsidiaries have the related party transactions with the related persons and/or juristic persons who might have conflict of interest with the Company and its subsidiaries, which the auditor specified them in the note of the financial statement for the year ended December 31, 2018. It could be summarized as follows:

#### 1) MR. SADAWUT TAECHAUBOL

**Relationship:** Mr. Sadawut Taechaubol is the major shareholder of the Company, as at June 15, 2018, held ordinary share of the Company amount of 1,346,933,091 shares or 16.29% of the total paid-up shares. Mr. Sadawut Taechaubol is father of Mr. Ben Taechaubol who is a director and major shareholder of the Company.

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2018	Outstanding As at December 31, 2018	
1. Deposit for reservation, sign the Agreement to buy and sell 2 Condominium units of Elements Srinakarin.	Advance received	-	1,181,244	The Audit Committee has the opinion that such transaction was accorded with the Company's price list of condominium unit with the same normal condition to the unrelated party.
2. Deposit for reservation, sign the Agreement to buy and sell Condominium 1 unit of Four Seasons Private Residences.	Advance received	-	11,000,000	

#### 2) MR. BEN TAECHAUBOL

**Relationship:** Mr. Ben Taechaubol is the major shareholder of the Company, as at June 15, 2018, held ordinary share of the Company amount of 1,397,626,424 shares or 16.91% of the total paid-up shares. Mr. Ben Taechaubol is Chief Executive Officer and a director of the Company.

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2018	Outstanding As at December 31, 2018	
1. Deposit for reservation, sign the Agreement to buy and sell Condominium 1 unit of Four Seasons Private Residences Bangkok at Chao Phraya River.	Advance received	11,722,268	22,722,268	The Audit Committee has the opinion that such transaction was accorded with the Company's price list of condominium unit with the same normal condition to the unrelated party.



**3) MS. ORAWAN TAECHAUBOL**

**Relationship:** Mrs. Orawan Taechaubol is wife of Mr. Sadawut Taechaubol and mother of Mr. Ben Taechaubol

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2018	Outstanding As at December 31, 2018	
1. Deposit for reservation, sign the Agreement to buy and sell Condominium 1 unit of Four Seasons Private Residences Bangkok at Chao Phraya River.	Advance received	8,864,293	27,043,172	The Audit Committee has the opinion that such transaction was accorded with the Company's price list of condominium unit with the same normal condition to the unrelated party.

**4) COUNTRY GROUP SECURITIES PUBLIC COMPANY LIMITED ("CGS")**

**Type of Business:** Securities Brokerage

**Relationship:** Country Group Holdings Public Company Limited ("CGH") and the Company have one common director, namely Pol. Gen. Werapong Chuenpagdee. Mr. Sadawut Taechaubol held ordinary share of CGS indirectly by held ordinary share of Country Group Holdings Public Company Limited as of March 30, 2018 amount of 600,258,893 shares or 13.84% of the total paid-up shares.

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2018	Outstanding As at December 31, 2018	
1. The Company paid deposit for trading securities to CGS.	Deposit for trading securities	-	5,522	The Audit Committee has the opinion that such transaction was the same normal condition to the Unrelated party.
2. The Company received interest income from CGS, which came from deposit for trading securities at an interest rate of 0.8%.	Interest income	44	-	
3. The Company paid fee for debenture issuance.	Prepaid debentures issuance fee	-	14,224,860	
	Debentures issuance fee	2,788.139	-	

**5) COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED ("CGH")**

**Type of Business:** Holdings Company

**Relationship:** Country Group Holdings Public Company Limited ("CGH") and the Company have one common director, namely Pol. Gen. Werapong Chuenpagdee. In addition, as at March 30, 2018 the Company's major shareholder, Mr. Sadawut Taechaubol, held 604,490,326 shares or 13.94% of CGH's paid-up capital.

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2018	Outstanding As at December 31, 2018	
1. The Company invested in 153,061,800 ordinary shares of Country Group Holdings Public Company Limited	Investment in ordinary shares	-	146,939,328	The Audit Committee has the opinion that such transaction was the same normal condition to the Unrelated party.
2. The Company received 51,020,600 warrants (CGH-W3) from Country Group Holdings Public Company Limited.	CGH-W3	1,530,618	1,530,618	
3. Dividend income from investment in ordinary shares.	Dividend income	5,357,163	-	

## 2. MEASUREMENT OR PROCEDURE TO APPROVE THE RELATED PARTY TRANSACTION

For protecting benefits for the Company and overall shareholders, the Company has set up measurement and procedure to execute the related party transaction, which the Board of Directors would strictly supervise the Company's operation to comply with rules and regulation of Securities and Exchange Commission and the Stock Exchange of Thailand.

In case that the Company and the Subsidiaries have the related party transaction with the person who might have conflict of interest, interested person or the person who might have conflict of interest in the future, the Company would request for the Audit Committee's opinion regarding necessity and appropriateness of such transaction by considering the most benefit to the Company. If the Audit Committee is not in the expertise area to consider the potential connected transaction, the Company will hire an independent expert or the Company's auditor to give the opinion on such transaction for the Board of Directors or the shareholders' consideration. Moreover, the related party transactions will be disclosed in the note of the financial statements, which would be audited by the auditor.

## 3. POLICY OR TREND ON THE RELATED PARTY TRANSACTIONS IN THE FUTURE

The Company set up the policy or trend to execute the related party transactions in the future. If there would be the related party transaction in the future, the Company would execute it under the normal business activity, which could be referred to the same condition with the third party. Thus, the Company would have practice according to the Stock of Exchange Act on 1992, rules, notifications, or regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, including rules and regulations of disclosure on the related party transaction and acquisition or disposition on the main asset of the listed company and its subsidiary, and the accounting standard governed by the Institute of Certified Accountants and Auditors of Thailand strictly.

In case that the Company has the related party transactions with the person who might have conflict of interest, interested person or the person who might have conflict of interest in the future, the Company would request for the Audit Committee's opinion regarding necessity and appropriateness of such transaction. If the Audit Committee is not in the expertise area to consider the potential related party transaction, the Company will hire an independent expert or the Company's auditor to give the opinion on such transaction for the Board of Directors or the shareholders' consideration. Moreover, the related party transactions will be disclosed in the note of the financial statements, which would be audited by the auditor.









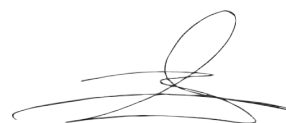
## REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

In accordance with the guidelines established by the Stock Exchange of Thailand regarding good Corporate Governance of listed companies on the Stock Exchange, the Board of the Directors of listed companies is responsible for a Statement of the Directors Responsibilities in the Annual Report.

The Board of Directors of Country Group Development Public Company Limited hereby certifies that the Financial Statements of the Company and its subsidiaries have been prepared in accordance with Generally Accepted Accounting Principles established by the Accounting Society of Thailand and the Financial Statements to reflect accurate and reasonable financial position and performance of the Company during the past fiscal year. The aforesaid Financial Statements have been audited with unqualified opinion expressed by Certified Public Accountant.



**Mr. Vikrom Koompirochana**  
Chairman of the Board of Directors



**Mr. Ben Taechaubol**  
Chief Executive Officer

# AUDIT COMMITTEE REPORT 2018

The Audit Committee of Country Group Development Public Company Limited is composed of three independent members including Mr. Subhakorn Bhalakula serving as Chairman of the Audit Committee, Pol. Lt. Gen. Werapong Chuenpagdee and Mr. Hsu Feng Shueh who are qualified professionals and possess work experiences related to accounting, finance, laws, business management and organizational administration. The Audit Committee performs its duties in an independent manner as specified in the Audit Committee Charter and in full compliance with the guidelines and requirements of the Office of the Securities and Exchange Commission (SEC) as well as the Stock Exchange of Thailand (SET).

In 2018, the Audit Committee held 7 meetings altogether, in which the executives concerned, the internal auditor and the external auditor participated to discuss the agenda items relevant to them. The summary of the work performed by the Committee is as follows:

## 1. REVIEWING FINANCIAL STATEMENTS

The Audit Committee reviewed the consolidated financial statements of Country Group Development Public Company Limited and its subsidiaries, both quarterly and yearly, for the year 2018, ensuring that they were accurate, complete and reliable. Before the Committee conducted the review, the financial statements were already reviewed and audited by the Company's auditor. In this connection, the Committee also invited the members of the management concerned as well as the auditor to participate in its meetings to consider the financial statements, give clarifications and answer its questions in relation to the accuracy, completeness and adjustments of key accounting entries, as well as the adequacy of information disclosed in the financial statements, observations of the auditor and key findings from the audit.

In addition, the Audit Committee held a private meeting with the auditor, in which no member of the Company's management participated. The objective was to discuss the audit plan and the independence of duty performance, as well as the issuance of the auditor's opinions with attention given to the presentation of additional information in the auditor's report in line with a new international standard on auditing, namely Key Audit Matters (KAMs) in the Independent Auditor's Report. In this connection, the auditor received good cooperation from the management and was able to carry out duties in an independent manner. In particular, the auditor had adequate knowledge, experience and practice guidelines which were appropriate for the performance of the auditor duties

The Audit Committee is of the opinion that the financial statements disclose not only accurate, complete and reliable information but are also prepared in line with the Generally Accepted Accounting Principles (GAAP). In particular, adequate information is disclosed in the financial statements and there is no item which has a significant impact on the financial statements.

## 2. REVIEWING INTERNAL CONTROL SYSTEMS

The Audit Committee reviewed the internal control systems, in line with the guidelines issued by the Office of the Securities and Exchange Commission (SEC) as well as the findings of the internal audit unit and the auditor. There was neither issue nor defect which had a significant impact on the Company. In addition, the management implemented improvements in line with the recommendations given by the Audit Committee, the auditor and the internal control unit in a continuous manner. This demonstrated the attention which the Company paid to the internal control. Importantly, it generated reasonable confidence that the Company had put in place adequate internal control systems.

## 3. REVIEWING RISK MANAGEMENT

The Audit Committee ensured that the Company put in place risk management systems at the organizational level, aiming at reducing the risks arising from internal or external factors. The Committee also regularly monitored the investment project risk, operational risk, and financial risk. As well, it gave recommendations for improving the risk management process, ensuring that the Company possessed an appropriate risk management process which could mitigate impacts and respond to changes in an efficient manner.

## 4. REVIEWING COMPLIANCE WITH LAWS AND REGULATIONS

The Audit Committee reviewed and oversaw the Company's conduct of business affairs, ensuring that it was in strict compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand as well as other relevant laws that governed the Company's businesses. In this connection, there was no transaction which was in violation of the related laws and regulations.

## 5. OVERSEEING INTERNAL CONTROL

The Audit Committee oversaw the internal audit activities, ensuring that they were implemented independently. In this connection, the internal audit unit was required to report directly to the Audit Committee, as specified in the Audit Committee Charter. As well, the Committee gave its approval to the internal auditor's 2018 audit plan whose preparation took into consideration the risk assessment so that the priority of each work system was in line with the organization's goals. As well, the Committee gave recommendations for the internal audit unit's implementation. It also conducted appraisals of the unit's performance. The appraisal results would be used for making the internal audit unit's performance more efficient and more effective.

## 6. MONITORING PROGRESS IN PROJECT IMPLEMENTATION

The Audit Committee monitored the performance of various projects every quarter, taking into consideration their progress, problems and impacts which occurred as a result of the project implementation. In this connection, the Committee gave appropriate recommendations which could serve as guidelines for the implementation. Moreover, it gave suggestions and monitored the results from applying appropriate technologies to business operations. The objective was to accommodate the Company's future conduct of business affairs.

## 7. CONSIDERING PROPOSAL FOR AUDITOR APPOINTMENT AND AUDIT FEE FOR 2018

In selecting the auditor, the Audit Committee placed emphasis not only on the independence of duty performance, but also on skills, knowledge and experience of the Company's businesses as well as the audit fee. In this connection, the Audit Committee deemed it appropriate to propose the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the Company's auditor for the year 2018, to the Board of Directors for consideration, after which the proposal would be forwarded to the Annual General Meeting of Shareholders 2018 for approval.

In summary, the Audit Committee has carried out all the duties and responsibilities specified in the Audit Committee Charter by not only properly applying their knowledge, skills and abilities in a careful and adequately independent manner but also by giving opinions and recommendations with a view to the best interests of stakeholders who are treated in an equitable manner. The Committee is of the opinion that the Company's financial statements are accurate, reliable and prepared in accordance with the Generally Accepted Accounting Principles (GAAP). As well, the Company's conduct of business affairs is in compliance with the laws and various obligations related to business operations. Apart from good corporate governance systems, the Company has put in place not only risk management systems which are at an acceptable level, but also internal control systems which are adequate for business operations.

On behalf of the Audit Committee



(Mr. Subhakorn Bhalakula)

Chairman of the Audit Committee

21 January 2019

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

### **TO THE SHAREHOLDERS AND BOARD OF DIRECTORS COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED**

#### **Opinion**

We have audited the consolidated financial statements of Country Group Development Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Country Group Development Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are 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 the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Deloitte Touche Tohmatsu Jaiyos Audit**

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**Key Audit Matters**

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

Key Audit Matters	Audit Responses
<p><b>Impairment of goodwill and leasehold</b></p> <p>Impairment of goodwill and leasehold is a key audit matter because goodwill represents a material item of total assets in the consolidated statement of financial position of the Group, and leasehold represents a material item of total assets in the separate statement of financial position of the Company. These assets have been recognized in the financial statements as a consequence of the acquisitive nature of the Group.</p> <p>The impairment assessment of goodwill and leasehold requires the Group's management to exercise a number of judgments and key assumptions relevant to its projections of future operating performance, future plans for management and use of leasehold, and determination of an appropriate discount rate in order to comply with the requirements of Thai Financial Reporting Standards.</p> <p>Accounting policies of goodwill were disclosed in Note 3.12 and Note 3.20.2 to the financial statements. Accounting policy and detail of leasehold were disclosed in Note 3.10 and Note 14 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the design and implementation of the key internal controls over the impairment assessment of goodwill and leasehold</li> <li>• Performed operating effectiveness testing of key internal controls over the impairment assessment of goodwill and leasehold</li> <li>• Performed substantive procedures as follows: <ul style="list-style-type: none"> <li>- Examined the supporting evidence in relation to the management consideration of the impairment assessment of goodwill and leasehold</li> <li>- Evaluated the appropriateness of key assumptions and methodology used by the Group's management in assessing the impairment of goodwill and leasehold.</li> </ul> </li> </ul>

**Deloitte Touche Tohmatsu Jaiyos Audit**

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Key Audit Matters	Audit Responses
<p><b>Valuation of investment property</b></p> <p>The Group owns an investment property located in Brighton, United Kingdom, consisting of land and buildings, which has an existing lease agreement with a lessee for operating school business. The investment property represents a material item of total assets in the consolidated statements of financial position.</p> <p>The investment property is stated at its fair value based on independent valuation by external appraisers. Valuation of investment property is a key audit matter as the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied.</p> <p>Accounting policies of investment property were disclosed in Note 3.8 and Note 3.20.2 and its detail was disclosed in Note 12 to the financial statements.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the design and implementation of the key internal controls over the valuation of investment property</li> <li>• Performed operating effectiveness testing of key internal controls over the valuation of investment property</li> <li>• Performed substantive procedures as follows: <ul style="list-style-type: none"> <li>- Evaluated the qualification, competence and independence of the external appraisers</li> <li>- Evaluated the appropriateness of key assumptions and valuation methodology used by the external appraisers in the valuation of the investment property</li> <li>- Considered the adequacy and appropriateness of the disclosure of fair value measurement of the investment property in Note to the financial statements.</li> </ul> </li> </ul>

**Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Deloitte Touche Tohmatsu Jaiyos Audit

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## **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 TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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.

**Deloitte Touche Tohmatsu Jaiyos Audit**

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- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Dr. Suwatchai Meakhaamnouychai  
Certified Public Accountant (Thailand)

Registration No. 6638

**BANGKOK**  
February 27, 2019

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	1,517,968,181	425,109,756	818,060,461	158,167,006
Current investments	6	100,502,312	-	100,502,312	-
Trade and other current receivables	7	1,498,592,685	1,269,274,710	78,037,208	10,324,073
Short-term loans to related companies	30.2	-	-	820,905,043	839,943,371
Land and cost of projects under construction and utilities	8	5,792,756,254	3,465,740,032	17,338,733	159,769,951
Other current assets	9	477,498,789	245,404,500	359,858,780	278,799,993
Total Current Assets		<u>9,387,318,221</u>	<u>5,405,528,998</u>	<u>2,194,702,537</u>	<u>1,447,004,394</u>
<b>NON-CURRENT ASSETS</b>					
Deposits at bank used as collateral	10	1,764,912,934	1,581,813,813	-	435,302,156
Investments held as available for sale	11	218,969,946	307,088,227	218,969,946	307,088,227
Investments in subsidiaries	30.1	-	-	1,494,701,445	1,496,380,151
Prepaid deposits for construction		895,501,448	895,501,448	-	-
Investment property	12	789,158,751	845,666,309	-	-
Property, plant and equipment	13	7,558,089,732	3,944,962,524	2,198,616,111	1,855,782,885
Leasehold	14	99,973,099	99,973,099	3,781,994,396	3,781,994,396
Goodwill		3,614,375,768	3,614,375,768	-	-
Other intangible assets	15	5,864,249	2,127,706	3,407,148	1,849,993
Deferred tax assets	16	38,340,870	21,025,957	38,340,870	21,025,957
Other non-current assets		28,392,716	64,228,197	21,290,972	4,900,459
Total Non-Current Assets		<u>15,013,579,513</u>	<u>11,376,763,048</u>	<u>7,757,320,888</u>	<u>7,904,324,224</u>
<b>TOTAL ASSETS</b>		<u><u>24,400,897,734</u></u>	<u><u>16,782,292,046</u></u>	<u><u>9,952,023,425</u></u>	<u><u>9,351,328,618</u></u>



**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT DECEMBER 31, 2018**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other current payables	17	522,070,801	287,765,982	35,753,475	52,130,033
Payables from purchase of investment in subsidiaries from related companies	30.4	-	-	445,734,402	477,204,099
Deposit and advance from customers		3,863,059,642	2,444,229,957	3,217,199	5,927,974
Short-term borrowings		8,312,624	8,899,511	-	-
Short-term borrowings from a related company	30.3	-	-	438,889,250	469,875,624
Bills of exchange	18	437,095,119	667,275,353	437,095,119	667,275,353
Current portion of long-term debentures	21	-	1,750,000,000	-	1,750,000,000
Other current liabilities	19	195,659,301	61,848,959	29,784,015	19,483,563
Total Current Liabilities		<u>5,026,197,487</u>	<u>5,220,019,762</u>	<u>1,390,473,460</u>	<u>3,441,896,646</u>
<b>NON-CURRENT LIABILITIES</b>					
Construction payables	20.1	1,485,322,090	796,411,973	-	-
Long-term borrowings	20	8,954,080,829	4,067,573,235	-	-
Long-term debentures	21	3,700,000,000	750,000,000	3,700,000,000	750,000,000
Provisions for employee benefit	22	8,499,592	6,813,796	8,270,079	6,813,796
Other non-current liabilities		-	27,423,728	-	-
Total Non-Current Liabilities		<u>14,147,902,511</u>	<u>5,648,222,732</u>	<u>3,708,270,079</u>	<u>756,813,796</u>
TOTAL LIABILITIES		<u>19,174,099,998</u>	<u>10,868,242,494</u>	<u>5,098,743,539</u>	<u>4,198,710,442</u>
<b>SHAREHOLDERS' EQUITY</b>					
<b>SHARE CAPITAL</b>					
Authorized share capital	23				
10,785,353,544 ordinary shares of Baht 1.00 each		<u>10,785,353,544</u>		<u>10,785,353,544</u>	
Authorized share capital					
8,966,127,954 ordinary shares of Baht 1.00 each			<u>8,966,127,954</u>		<u>8,966,127,954</u>
Issued and paid share capital					
8,266,127,954 ordinary shares of Baht 1.00 each, fully paid		8,266,127,954	8,266,127,954	8,266,127,954	8,266,127,954
SHARE DISCOUNT ON ORDINARY SHARES		(1,559,517,810)	(1,559,517,810)	(1,559,517,810)	(1,559,517,810)
DEFICIT FROM BUSINESS COMBINATION					
UNDER COMMON CONTROL		(819,437,470)	(819,437,470)	(819,437,470)	(819,437,470)
ADJUSTMENT OF EQUITY INTERESTS					
UNDER REVERSE ACQUISITION		(732,872,059)	(732,872,059)	-	-
SURPLUS FROM CHANGE IN OWNERSHIP					
INTEREST IN A SUBSIDIARY		<u>1,578,638,448</u>	<u>1,578,638,448</u>	<u>-</u>	<u>-</u>
		6,732,939,063	6,732,939,063	5,887,172,674	5,887,172,674
ACCUMULATED DEFICIT		(1,358,954,122)	(895,103,718)	(910,546,929)	(679,303,264)
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	26	(422,836,205)	(277,685,843)	(123,345,859)	(55,251,234)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		4,951,148,736	5,560,149,502	4,853,279,886	5,152,618,176
NON-CONTROLLING INTERESTS		275,649,000	353,900,050	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>5,226,797,736</u>	<u>5,914,049,552</u>	<u>4,853,279,886</u>	<u>5,152,618,176</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>24,400,897,734</u>	<u>16,782,292,046</u>	<u>9,952,023,425</u>	<u>9,351,328,618</u>

Notes to the financial statements form an integral part of these financial statements

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
<b>REVENUES</b>					
Revenue from sale of condominium		244,058,483	908,586,453	244,058,483	908,586,453
Commission income		474,953	1,056,037	474,953	1,056,037
Rental income from investment property	12	51,390,715	52,508,664	-	-
Interest income		8,821,330	5,726,863	77,163,927	110,890,264
Dividend income		5,357,163	4,245,934	5,357,163	4,245,934
Gain on remeasuring fair value of investment property	12	-	4,351,980	-	-
Gain on foreign exchange rate		51,157,001	124,860,392	43,219,880	-
Gain on sale of current investments		-	4,002	-	4,002
Gain on remeasuring current investments		502,312	-	502,312	-
Other income		7,874,033	6,298,611	56,768,064	30,134,717
<b>Total Revenues</b>		<u>369,635,990</u>	<u>1,107,638,936</u>	<u>427,544,782</u>	<u>1,054,917,407</u>
<b>EXPENSES</b>					
Cost of condominium sale		146,939,094	544,426,173	146,939,094	544,426,173
Direct operating expenses arising from investment property	12	3,012,279	3,187,394	-	-
Distribution costs		180,459,038	286,521,239	22,893,014	66,057,684
Administrative expenses		209,216,400	207,374,636	155,003,260	166,868,088
Directors and managements' remuneration	28	42,701,304	51,126,666	42,701,304	51,126,666
Loss on foreign exchange rate		-	-	-	196,652
Finance costs		330,076,314	211,390,676	291,945,907	177,969,465
<b>Total Expenses</b>		<u>912,404,429</u>	<u>1,304,026,784</u>	<u>659,482,579</u>	<u>1,006,644,728</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<u>(542,768,439)</u>	<u>(196,387,848)</u>	<u>(231,937,797)</u>	<u>48,272,679</u>
INCOME TAX REVENUE	16	<u>344,685</u>	<u>3,002,322</u>	<u>371,832</u>	<u>527,129</u>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>		<u>(542,423,754)</u>	<u>(193,385,526)</u>	<u>(231,565,965)</u>	<u>48,799,808</u>

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	16				
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Loss on remeasuring investments held as available for sale	26.1	(68,094,625)	(72,753,221)	(68,094,625)	(72,753,221)
Exchange differences on translating financial statements of foreign operations	26.2	(77,055,737)	(604,914)	-	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		322,300	2,402,752	322,300	2,402,752
<b>OTHER COMPREHENSIVE LOSS</b>					
FOR THE YEAR - NET OF TAX		(144,828,062)	(70,955,383)	(67,772,325)	(70,350,469)
<b>TOTAL COMPREHENSIVE LOSS</b>					
<b>FOR THE YEAR</b>		<u>(687,251,816)</u>	<u>(264,340,909)</u>	<u>(299,338,290)</u>	<u>(21,550,661)</u>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>					
Owners of the parent		(464,172,704)	(144,298,322)	(231,565,965)	48,799,808
Non-controlling interests		(78,251,050)	(49,087,204)	-	-
		<u>(542,423,754)</u>	<u>(193,385,526)</u>	<u>(231,565,965)</u>	<u>48,799,808</u>
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO</b>					
Owners of the parent		(609,000,766)	(215,253,705)	(299,338,290)	(21,550,661)
Non-controlling interests		(78,251,050)	(49,087,204)	-	-
		<u>(687,251,816)</u>	<u>(264,340,909)</u>	<u>(299,338,290)</u>	<u>(21,550,661)</u>
<b>BASIC EARNINGS (LOSS) PER SHARE</b>	29				
Basic earnings (loss) per share		<b>Baht</b> (0.056)	(0.018)	(0.028)	0.006
Weighted average number of ordinary shares		<b>Shares</b> 8,266,127,954	7,878,909,942	8,266,127,954	7,878,909,942

Notes to the financial statements form an integral part of these financial statements

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Note	CONSOLIDATED FINANCIAL STATEMENTS											UNIT : BAHT
	Owners of the parent											
	Issued and paid share capital	Share discount on ordinary shares	Deficit from business combination under common control	Adjustment of equity interests under reverse acquisition	Surplus from change in ownership interest in a subsidiary	Accumulated deficit	Gain (loss) on re-measuring investments held as available for sale	Other components of shareholders' equity			Total owners of the parent	
								Exchange differences on translating financial statements of foreign operations	Surplus from acquisition of business under common control	Total other components of equity		
Beginning balance as at January 1, 2017 Increase in ordinary share capital Increase in ordinary share capital from non-controlling interests in a subsidiary Business combination under common control Completion of the liquidation of subsidiaries Total comprehensive loss for the year <b>Ending balance as at December 31, 2017</b>	7,336,295,227	(1,652,501,083)	-	(732,872,059)	1,578,638,448	(753,208,148)	17,501,987	(221,829,695)	(623,476)	(204,951,184)	5,571,401,201	5,973,073,977
	929,832,727	92,983,273	-	-	-	-	-	-	-	-	1,022,816,000	-
	-	-	-	-	-	-	-	-	-	-	-	1,553,818
	-	-	(819,437,470)	-	-	-	-	-	-	-	(819,437,470)	-
	-	-	-	-	-	-	-	-	623,476	623,476	(239,340)	384,136
	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(895,103,718)	(72,753,221)	(604,914)	-	(73,358,135)	(215,253,705)	(264,340,909)
					</							

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Note	SEPARATE FINANCIAL STATEMENTS					UNIT : BAHT
		Issued and paid share capital	Share discount on ordinary share capital	Deficit from business combination under common control	Accumulated deficit	Other components of shareholders' equity Gain (loss) on remeasuring investments held as available for sale	Total shareholders' equity
Beginning balance as at January 1, 2017		7,336,295,227	(1,652,501,083)	-	(730,505,824)	17,501,987	4,970,790,307
Increase in ordinary share capital		929,832,727	92,983,273	-	-	-	1,022,816,000
Business combination under common control	2.2.4	-	-	(819,437,470)	-	-	(819,437,470)
Total comprehensive income (loss) for the year		-	-	-	51,202,560	(72,753,221)	(21,550,661)
<b>Ending balance as at December 31, 2017</b>		<b>8,266,127,954</b>	<b>(1,559,517,810)</b>	<b>(819,437,470)</b>	<b>(679,303,264)</b>	<b>(55,251,234)</b>	<b>5,152,618,176</b>
Beginning balance as at January 1, 2018		8,266,127,954	(1,559,517,810)	(819,437,470)	(679,303,264)	(55,251,234)	5,152,618,176
Total comprehensive loss for the year		-	-	-	(231,243,665)	(68,094,625)	(299,338,290)
<b>Ending balance as at December 31, 2018</b>		<b>8,266,127,954</b>	<b>(1,559,517,810)</b>	<b>(819,437,470)</b>	<b>(910,546,929)</b>	<b>(123,345,859)</b>	<b>4,853,279,886</b>

Notes to the financial statements form an integral part of these financial statements



**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax		(542,768,439)	(196,387,848)	(231,937,797)	48,272,679
Adjustment for:					
Depreciation and amortization		33,233,427	80,273,702	6,102,678	6,063,614
Gain on sale of current investments		-	(4,002)	-	(4,002)
Gain on remeasuring current investments		(502,312)	-	(502,312)	-
(Gain) loss on foreign exchange rate		(8,543,359)	(124,510,447)	(43,215,249)	206,276
Loss on impairment of investment in subsidiaries		-	-	5,949,984	-
Gain on remeasuring fair value of investment property		-	(4,351,980)	-	-
Loss on disposal and write-off of fixed assets		1,669,957	30,726,910	51,424	-
Employee benefit expense		2,088,671	2,635,646	1,859,158	2,635,646
Interest income		(8,821,330)	(5,726,863)	(77,163,927)	(110,890,264)
Dividend income		(5,357,163)	(4,245,934)	(5,357,163)	(4,245,934)
Finance costs		330,076,314	211,390,676	291,945,907	177,969,465
Operating profit (loss) before changes in operating assets and liabilities		(198,924,234)	(10,200,140)	(52,267,297)	120,007,480
(Increase) decrease in operating assets					
Current investments		(100,000,000)	824,709	(100,000,000)	824,709
Trade and other current receivables		(230,243,240)	458,925,066	(67,713,135)	996,213
Land and cost of projects under construction and utilities		(255,205,137)	308,715,876	142,431,218	524,900,329
Other current assets		(266,999,583)	(87,481,340)	(75,855,394)	(34,676,217)
Other non-current assets		35,835,481	1,915,690	(16,390,513)	72,340
Increase (decrease) in operating liabilities					
Trade and other current payables		8,629,545	(7,342,177)	(16,942,728)	11,882,323
Deposit and advance from customers		1,418,829,685	901,739,465	(2,710,775)	1,586,259
Other current liabilities		41,472,195	8,900,820	(2,509,137)	6,671,913
Other non-current liabilities		(27,423,728)	11,674,741	-	-
Cash received (paid) from operations		425,970,984	1,587,672,710	(191,957,761)	632,265,349
Cash received from interest		9,761,999	5,764,801	5,691,146	115,961,220
Cash received from dividend		5,357,163	4,245,934	5,357,163	4,245,934
Cash paid for finance costs		(159,274,313)	(129,626,076)	(200,347,265)	(108,929,795)
Cash received from income tax refund		-	1,208,811	-	1,208,811
Cash paid for income tax		(3,250,002)	(11,462,985)	(3,183,550)	(11,444,345)
Net cash provided by (used in) operating activities		278,565,831	1,457,803,195	(384,440,267)	633,307,174

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash received from short-term loans to related companies	4.1.3	-	-	-	416,387,606
Cash paid for deposits at bank used as collateral		(197,245,405)	(869,522,268)	-	(435,302,156)
Cash received from deposits at bank used as collateral		-	-	435,302,156	-
Cash received from capital reduction of trust unit value of investments held as available for sale	11	3,000,000	5,250,000	3,000,000	5,250,000
Cash paid for investment in subsidiary		-	-	(672,875)	-
Cash paid for purchase of fixed assets	4.1.1	(336,927,226)	(1,833,251,873)	(327,816,300)	(1,646,968,080)
Cash received from sale of fixed assets		57,804	864,486	57,804	-
Cash paid for purchase of other intangible assets	4.1.2	(3,003,380)	(1,331,679)	(2,219,817)	(1,331,679)
Net cash provided by (used in) investing activities		<u>(534,118,207)</u>	<u>(2,697,991,334)</u>	<u>107,650,968</u>	<u>(1,661,964,309)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from short-term borrowings	4.2	-	1,825,467	-	-
Cash received from short-term borrowings from a related company	4.1.5	-	-	-	16,720,000
Proceeds from bills of exchange issuance	4.2	147,401,634	505,932,717	147,401,634	505,932,717
Cash repaid for bills of exchange	4.2	(410,718,880)	(1,368,705,253)	(410,718,880)	(1,368,705,253)
Cash received from long-term borrowings	4.2	459,706,387	-	-	-
Cash received from long-term debentures issuance	4.2	3,700,000,000	1,350,000,000	3,700,000,000	1,350,000,000
Cash repaid for long-term debentures	4.2	(2,500,000,000)	-	(2,500,000,000)	-
Cash received from increase in ordinary share capital from non-controlling interests in a subsidiary		-	1,553,818	-	-
Cash paid for capital refund to non-controlling interests from the liquidation of subsidiaries		-	(287)	-	-
Net cash provided by financing activities		<u>1,396,389,141</u>	<u>490,606,462</u>	<u>936,682,754</u>	<u>503,947,464</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>1,140,836,765</u>	<u>(749,581,677)</u>	<u>659,893,455</u>	<u>(524,709,671)</u>
<b>Foreign exchange rate differences</b>		<u>(47,978,340)</u>	<u>116,171,797</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents as at January 1,		<u>425,109,756</u>	<u>1,058,519,636</u>	<u>158,167,006</u>	<u>682,876,677</u>
<b>Cash and cash equivalents as at December 31,</b>	5	<u><u>1,517,968,181</u></u>	<u><u>425,109,756</u></u>	<u><u>818,060,461</u></u>	<u><u>158,167,006</u></u>

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**1. THE COMPANY AND ITS SUBSIDIARIES' (THE "GROUP") GENERAL INFORMATION AND OPERATIONS**

**1.1 The Company's general information and operations**

Country Group Development Public Company Limited (the "Company") was incorporated in Thailand on March 29, 1995. Subsequently, the Company was registered as a public company limited on May 7, 1997. The Company was listed on the Market for Alternative Investment ("MAI") on June 25, 2007 and was listed on the Stock Exchange of Thailand ("SET") on September 30, 2014. The head office of the Company is located at 898 Ploenchit Tower, 20<sup>th</sup> floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. The principle businesses of the Company are a holding company and real estate.

**1.2 Subsidiaries' general information and operations**

1.2.1 Landmark Holdings Company Limited was incorporated in Thailand on July 5, 2013 and has registered its head office at 898 Ploenchit Tower, 20<sup>th</sup> floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is trading, rent and real estate operations and a holding company.

1.2.2 BCEG Country Group Engineering Company Limited was incorporated in Thailand on July 5, 2013 and has registered its head office at 898 Ploenchit Tower, 20<sup>th</sup> floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main businesses are construction and wholesaler of equipment and furniture used in construction.

1.2.3 Chao Phraya Estate Residences Company Limited was incorporated in Thailand on October 20, 2014 and has registered its head office at 898 Ploenchit Tower, 20<sup>th</sup> floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is real estate management of Chao Phraya Estate Project.

1.2.4 CGD Data Limited was incorporated in Hong Kong on October 22, 2013 and its head office is located at Suite 3004 Universal Trade CTR, 3-5A Arbuthnot Road, Central, Hong Kong. Its main business is a holding company.

1.2.5 CGD Digital Partners Limited was incorporated in Mauritius on October 29, 2013 and its head office is located at 8<sup>th</sup> floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius. Its main business is a holding company.

1.2.6 CGUK 1 Limited was incorporated in Guernsey on July 31, 2015 and its head office is located at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD. Its main business is real estate.

1.2.7 Leading Schools Partnership Limited was incorporated in Guernsey on August 26, 2016 and its head office is located at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD. Its main business is a holding company.

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- 1.2.8 HYUK Limited was incorporated in Guernsey on October 27, 2016 and its head office is located at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD. Its main business is foreign real estate business.

## 2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

### 2.1 Basis for preparation of the financial statements

- 2.1.1 The Group and the Company maintain their accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.1.2 The Group's and the Company's financial statements have been prepared in accordance with the Thai Accounting Standard ("TAS") No. 1 (Revised 2017) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2018 onwards, and the Regulation of The Stock Exchange of Thailand ("SET") dated October 2, 2017, regarding "The preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560" and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No. 2) B.E. 2559" dated October 11, 2016.
- 2.1.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).

### 2.2 Basis for preparation of the consolidated financial statements

- 2.2.1 The consolidated financial statements are prepared by including the financial statements of the Company and its subsidiaries as follows:

Subsidiaries	Country of registration	Type of business	Percentage of holding (%)	
			As at	As at
			December 31, 2018	December 31, 2017
Direct subsidiaries				
Landmark Holdings Co., Ltd.	Thailand	Trading, rent and real estate operation and holding company	70.00	70.00
BCEG Country Group Engineering Co., Ltd.	Thailand	Construction and wholesaler of equipment and furniture used in construction	99.99	99.99
CGD Data Limited	Hong Kong	Holding company	100.00	100.00
CGD Digital Partners Limited	Mauritius	Holding company	100.00	100.00
Leading Schools Partnership Limited	Guernsey	Holding company	96.45	96.45
HYUK Limited	Guernsey	Real estate	100.00	100.00
Indirect subsidiaries				
Chao Phraya Estate Residences Co., Ltd.	Thailand	Real estate management of Chao Phraya Estate Project	70.00 <sup>(1)</sup>	70.00 <sup>(1)</sup>
CGUK 1 Limited	Guernsey	Real estate	96.45 <sup>(2)</sup>	96.45 <sup>(2)</sup>

<sup>(1)</sup> The Company holds shares indirectly through Landmark Holdings Company Limited.

<sup>(2)</sup> The Company holds shares indirectly through Leading Schools Partnership Limited.

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- 2.2.2 The Company included financial statements of its subsidiaries (include its indirect subsidiaries) in preparing the consolidated financial statements since the Company has control both directly and indirectly over the subsidiaries' financial and operating policies to the date which the Company loses control over the subsidiaries.
- 2.2.3 The consolidated financial statements are the consolidation between the Group's accounts by eliminated intercompany transactions and balances including unrealized gain (loss) from these financial statements. The accounting policies of subsidiaries are adjusted to comply with the parent company in preparation of the consolidated financial statements. The non-controlling interests' information is separately presented in the consolidated statements of financial position and the consolidated statements of profit or loss and other comprehensive income.
- 2.2.4 Business combination under common control

On April 27, 2017, the Annual General Meeting of Shareholders of the Company has a resolution to approve the acquisition and Entire Business Transfer ("EBT") of Profit Ventures Company Limited ("PVL"). Subsequently, on June 2, 2017, the Company fully complied with such resolution by issuing the newly issued ordinary shares of the Company for 929,832,727 shares with a par value of Baht 1.00 per share, to Private Placement, at the offering price of Baht 1.10 per share, totaling Baht 1,022,816,000, as the payment for the entire business transfer of PVL instead of cash settlement.

Such transaction is considered as business combination under common control. Therefore, the Company applies the similar to pooling of interests method in accordance with accounting guideline of business combinations under common control. The assets and liabilities included in the financial statements are recognized at the book values of identifiable assets and liabilities of the entity under common control at the date of business combinations and presented the differences between the fair value of consideration transferred and net assets received from the entity under common control in the amount of Baht 819.44 million as deficit from business combination under common control, presented in the shareholders' equity. Transaction costs that the Company incurs in connection with the business combination, such as legal fees and other professional and consulting fees are expenses as incurred.

The Company did not include PVL's operation in the latest period in the Company's financial statements and did not restate the statement of profit or loss and other comprehensive income of the comparison period since the operation of PVL is not materially significant to the statement of profit or loss and other comprehensive income.



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## 2.3 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group and the Company have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's financial statements, except the following financial reporting standard:

Thai Accounting Standard No.7 (Revised 2017) "Statement of Cash Flows"

This revised accounting standard requires the disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This accounting standard requires prospective method for such amendment.

## 2.4 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

### 2.4.1 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2019

#### New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the periods beginning on or after January 1, 2019 onwards.

#### **Thai Financial Reporting Standards ("TFRS")**

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

#### **Thai Financial Reporting Standard Interpretation ("TFRIC")**

TFRIC 22	Foreign Currency Transactions and Advance Consideration
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**Thai Financial Reporting Standards (“TFRSs”) Revised 2018**

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (“TFRSs”) Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the periods beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

**Thai Accounting Standards (“TAS”)**

TAS 28 (Revised 2018)	Investment in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

The Group’s and the Company’s management will adopt such TFRSs in the preparation of the Group’s and the Company’s financial statements when it becomes effective. The Group’s and the Company’s management have assessed the impact of these TFRSs and considered that the adoption of the financial reporting standards does not have any significant impact on the financial statements of the Group and the Company in the period of initial application.

2.4.2 Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments which have been announced in the Royal Gazette and will be effective for the financial statements for the periods beginning on or after January 1, 2020 onwards, as follows:

**Thai Accounting Standards (“TAS”)**

TAS 32	Financial Instruments: Presentation
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**Thai Financial Reporting Standards (“TFRS”)**

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

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

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These TFRSs 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, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These TFRSs will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group's and the Company's management will adopt such TFRSs in the preparation of the Group's and the Company's financial statements when they become effective. The Group's and the Company's management are in the process to assess the impact of these TFRSs on the financial statements of the Group and the Company in the period of initial application.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The Group and the Company recognize revenues and expenses, as follows:
  - 3.1.1 Revenue from the sale of residential condominium units are recognized as revenue when transfer of significant risks and rewards to the buyer.
  - 3.1.2 Rental income from investment property is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.
  - 3.1.3 Dividend income is recognized in the statement of profit or loss and other comprehensive income when the right to receive the dividend is established. Dividend from investments in marketable securities will recognize when the dividend is declared.
  - 3.1.4 Commission income, interest income, other income and expenses are recognized based on an accrual basis.
- 3.2 For cost of sales of residential condominium units, the Company has allotted total development costs which are expected to occur (also considering actual costs incurred) to the residential condominium units sold on the basis of the sales area and the selling price and recognized as cost of condominium sale in the statement of profit or loss and other comprehensive income.

Expenses related to sales, such as specific business taxes and transfer fees, are recognized as expense when it is sold.

#### **3.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and cash at financial institutions except cash at financial institutions which maturity of refund over 3 months and cash at bank with obligation.

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### 3.4 Trade receivables

Trade receivables are presented on net realizable value.

The Group and the Company estimate the allowance for doubtful accounts based on the assessment of the management on the loss would be occurred from the balance of trade receivables at the end of reporting period. The estimate encompasses consideration of past collection experiences and other factors and the local economic conditions. Doubtful accounts are recognized as an expense in the statement of profit or loss and other comprehensive income.

### 3.5 Land and cost of projects under construction and utilities

Land and cost of projects under construction and utilities are stated at the lower of cost or net realizable value. The project cost consists of cost of land, development cost, construction cost, miscellaneous direct expenses of the project and borrowing costs. Borrowing costs will be stopped to recognize as cost whenever the construction project have been completed or stop development.

### 3.6 Borrowing costs

Borrowing costs for the construction or production of an asset that necessarily takes a substantial period of time to get ready for use or sale that have been included as capitalized until the assets are ready to be used according to the purpose. The other borrowing costs are recognized as expenses in the period incurred. Borrowing costs consist of interest and other costs arising from the borrowing.

### 3.7 Investments

3.7.1 Investment in subsidiaries in the separate financial statements are stated at cost less allowance for impairment (if any). The Company recognized loss from impairment of investment in subsidiaries in the statement of profit or loss and other comprehensive income. Investment in subsidiaries represent the investment in those companies has been controlled both directly or indirectly by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

3.7.2 Investment in marketable securities held for trading purposes are classified as current assets and are carried at fair value. Gain or loss on changes in market values are recognized in the statement of profit or loss and other comprehensive income. The fair value of trading investments is determined as last bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand. If the Company disposes part of its holding investments, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as gain (loss) on disposal of trading investments.

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3.7.3 Marketable equity securities other than those securities held for trading are classified as available-for-sale securities. Investments held as available for sale are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognized in other components of equity through other comprehensive income. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. When these investments are derecognized, the cumulative gain or loss previously recognized directly in other comprehensive income is recognized in the statement of profit or loss and other comprehensive income.

### 3.8 Investment property

Investment property that is held to earn for rental or for capital appreciation or both, rather than for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes.

The Group and the Company measured investment property initially at its cost, including related transaction costs. After initial recognition, the Group and the Company measure the investment property at fair value, which has been determined by the independent professional appraisers.

The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditures include professional fees for legal services, property transfer taxes and other related transaction costs.

The Group and the Company recognized gain or loss arising from a change in the fair value of investment property in the statement of profit or loss and other comprehensive income for the period in which it arises.

### 3.9 Property, plant and equipment

Lands are stated at cost less allowance for impairment (if any).

Building and equipment of the Group and the Company are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciation is calculated by the straight-line method, based on the estimated useful life of assets as follows:

Building - sales office	3	Years
Building improvement	5	Years
Furniture and fixtures	3 and 5	Years
Office equipment and tools	3 and 5	Years
Other equipment	5	Years
Vehicles	5	Years

Gain or loss on disposal or write-off property, plant and equipment is recognized in the statement of profit or loss and other comprehensive income in the period of disposal or write-off.



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Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

The costs of repair and maintenance of property, plant and equipment are recognized as an expense in statement of profit or loss and other comprehensive income as incurred.

### 3.10 Leasehold

Leasehold are recorded at cost less accumulated amortization and allowance for diminution in value (if any).

Amortization of leasehold will be recorded in the statement of profit or loss and other comprehensive income on the straight-line method, based on the lease period or other amortization method used shall reflect the pattern of consumption of the future economic benefits which is more appropriate.

### 3.11 Other intangible assets

Other intangible assets are stated at costs less accumulated amortization and allowance for impairment (if any). Impairment will be tested annually and allowance for impairment is recognized as expense in the statement of profit or loss and other comprehensive income.

Amortization is charged to the statement of profit or loss and other comprehensive income. Amortization are calculated by the straight-line method, based on the expected periods of economic useful life of other intangible assets. The expected periods of economic useful life is stated as follows:

Computer program	5 and 10 Years
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### 3.12 Business combinations and goodwill

Business combinations are accounted by using the acquisition method. The Company (acquirer) measures the cost of the acquisition by using the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree for each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related cost are accounted as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, being the excess of cost of business combination over the fair value of the net identifiable assets, of the acquired business.

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

For the purpose of impairment testing, 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 get the benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units). Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in the statement of profit or loss and other comprehensive income. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.13 Income tax

Income tax expense (revenue) represents the sum of the current tax and deferred tax.

#### Current tax

The current tax is tax that has to pay by calculating on taxable profit for the year. Taxable profit differs from profit that reported in the statement of profit or loss and other comprehensive income because it excludes items that can count as income or taxable expenses in other years, and not include the items that cannot count as taxable income or taxable expenses. Current tax is calculated by using tax rates that have been enacted at the statement of financial position date.

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax assets shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

The Group and the Company calculated deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when the Group and the Company have a legally enforceable right to set off the recognized amounts and the Group and the Company intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when deferred tax assets and liabilities are relate to income taxes levied by the same taxation authority.

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The Group and the Company have presented income tax expenses or income related to profit or loss in the statement of profit or loss and other comprehensive income. Deferred income tax are recognized directly in the statement of changes in shareholders' equity if the income tax relate to the transactions that recognized directly in shareholder's equity.

### 3.14 Employee benefits

#### 3.14.1 Short-term benefits

The Group and the Company record the payment to workmen's compensation fund as expenses throughout the accounting period.

The Group and the Company record the payment to provident fund as expenses throughout the accounting period.

#### 3.14.2 Long-term benefits

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

The Company records employee benefits obligation under the Labor Protection Act and other long-term benefits obligation under the Company's employment policy using the Projected Unit Credit Method calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date, using various factors including assessment of the average age and employment life of its employees, employee turnover and assumption of future salary increases. The employee benefits obligation is discounted to the present value as at the statement of financial position date and under the assumption that the employees of various ages will work with the Company until retirement age. Discount rate used to calculate the employee benefit obligations is based on yield rate of government bond.

Gains (losses) on remeasurements of defined benefit plans arising from post-employment benefits are recognized in other comprehensive income.

### 3.15 Provisions

Provisions are recognized as liabilities in the statement of financial position when the Group and the Company have a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

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3.16 The Group and the Company recorded foreign currencies transactions at the following exchange rates:

3.16.1 Foreign currencies transactions

- Foreign currency transactions are converted into Baht at exchange rates prevailing at the transaction dates or the appropriate average exchange rate for the current period.
- Assets and liabilities denominated in foreign currencies outstanding as at the end of the year are converted into Baht at the exchange rates determined by the Bank of Thailand.
- Gains or losses on foreign exchange rates arising on settlements and conversion are recognized as income or expense in the statement of profit or loss and other comprehensive income.

3.16.2 Foreign operations

- Assets and liabilities of foreign operations are converted to Baht using the exchange rate at the reporting date.
- Income and expenses of foreign operations are converted to Baht using the exchange rate at the close of the transaction date.
- The difference between revaluation are recorded in the statement of profit or loss and other comprehensive income and presented as exchange differences on translation financial statement of a foreign operation under other components of shareholders' equity until the investment is sold out.
- When the debt repayments that are receivables or payables with foreign operations, the transaction is not expected to have a repayment plan or no possibility to pay in the near future. Gains and losses on exchange rates of financial transaction will be considered as part of a net investment in a foreign operation and recognized in other comprehensive income and are presented as exchange differences in equity until the investment is sold out.

3.17 Long-term leases

Operating leases

Leases of assets which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expenses in the statement of profit or loss and other comprehensive income base on the straight-line method over the lease term.

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## 3.18 Earnings (loss) per share

- Basic earnings (loss) per share are calculated by dividing net profit (loss) for the year by the sum of weighted average number of the ordinary shares held by outside parties outstanding during the year.
- Diluted earnings (loss) per share are calculated by dividing net profit (loss) for the year by the sum of weighted average number of ordinary shares during the year plus weighted average number of ordinary shares to be issued upon conversion of warrants into ordinary shares.

## 3.19 Fair value measurements

In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if a producer or supplier of a marketable good would take those characteristics into the consideration the price that would be received from sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

## 3.20 Use of management's judgments and key sources of estimation uncertainty

## 3.20.1 Use of management's significant judgments in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's and the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

## (1) Deferred tax assets

The Group and the Company recognize deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. The Group's and the Company's management uses judgments based upon the likely timing and level of estimate future taxable profits to determine the amount of deferred tax assets that can be recognized as at reporting period.



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(2) Provisions for employee benefit

The present value of the provisions for employee benefit depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the provisions for employee benefit. In determining the appropriate discount rate, the Group and the Company consider the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 22.

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

(3) Impairment

The Group and the Company shall assess the assets balance with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. For the assets balance with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.20.2 Key sources of estimation uncertainty

The Group and the Company have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(1) Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Group and the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and the Company engage third party qualified valuers to perform the valuation.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 34.4.

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## (2) Fair value of investment property

The fair value of the investment property of the Group appraised by an independent appraiser using discounted cash flow method based on income approach. The key assumptions used in the valuation include expected revenues and discount rate.

## (3) Calculation of recoverable amount

In the calculation of recoverable amount, the Group's and the Company's management estimated the future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## (4) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group's and the Company's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

**4. DISCLOSURES SUPPLEMENTARY OF CASH FLOWS INFORMATION**

## 4.1 Non-cash items as at December 31, are as follows:

## 4.1.1 Fixed asset payables

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Fixed asset payables - brought forward				
as at January 1,	37,450	685,977	37,450	685,977
Add Purchase of fixed assets	357,749,982	2,035,981,876	348,546,180	1,849,698,083
Less Purchase of fixed assets by issuing ordinary share capital	-	(203,378,530)	-	(203,378,530)
Less Deposits for purchase of fixed assets	(20,000,000)	-	(20,000,000)	-
Less Cash paid for purchase of fixed assets	(336,927,226)	(1,833,251,873)	(327,816,300)	(1,646,968,080)
Fixed asset payables - carried forward				
as at December 31,	860,206	37,450	767,330	37,450

(Unit : Baht)

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#### 4.1.2 Other intangible asset payables

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Other intangible asset payables				
- brought forward as at January 1,	163,710	-	163,710	-
<u>Add</u> Purchase of other intangible assets	4,351,259	1,495,389	2,056,107	1,495,389
<u>Less</u> Cash paid for purchase of other intangible assets	(3,003,380)	(1,331,679)	(2,219,817)	(1,331,679)
Other intangible asset payables				
- carried forward as at December 31,	<u>1,511,589</u>	<u>163,710</u>	<u>-</u>	<u>163,710</u>

#### 4.1.3 Short-term loans to related companies

	<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>2018</b>	<b>2017</b>
Short-term loans to related companies		
- brought forward as at January 1,	839,943,371	1,256,913,586
<u>Less</u> Cash received from short-term loan to related companies	-	(416,387,606)
<u>Less</u> Cash paid for increased share capital in a subsidiary	(3,128,111)	-
<u>Less</u> Loss on foreign exchange rate	(15,910,217)	(582,609)
Short-term loans to related companies		
- carried forward as at December 31,	<u>820,905,043</u>	<u>839,943,371</u>

#### 4.1.4 Payables from purchase of investment in subsidiaries from related companies

	<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>2018</b>	<b>2017</b>
Payables from purchase of investment in subsidiaries		
from related companies - brought forward as at January 1,	477,204,099	477,466,033
<u>Less</u> Unrealized gain on foreign exchange rate	(31,469,697)	(261,934)
Payables from purchase of investment in subsidiaries		
from related companies - carried forward as at December 31,	<u>445,734,402</u>	<u>477,204,099</u>

#### 4.1.5 Short-term borrowings from a related company

	<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>2018</b>	<b>2017</b>
Short-term borrowings from a related company		
- brought forward as at January 1,	469,875,624	453,232,085
<u>Add</u> Cash received from short-term borrowings from a related company	-	16,720,000
<u>Add (less)</u> Unrealized (gain) loss on foreign exchange rate	(30,986,374)	378,703
<u>Less</u> Realized gain on foreign exchange rate	-	(455,164)
Short-term borrowings from a related company		
- carried forward as at December 31,	<u>438,889,250</u>	<u>469,875,624</u>

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## 4.1.6 Construction payables and long-term borrowings

For the years ended December 31, 2018 and 2017, a subsidiary's non-cash items related to construction payables increased by Baht 688.91 million and Baht 482.15 million, respectively, and long-term borrowings which arose from payment terms and conditions under a construction contract increased by Baht 4,914.97 million and Baht 2,103.71 million, respectively (see Note 20.1). Such construction payables and long-term borrowings are non-cash items related to land and cost of project under construction and utilities of Chao Phraya Estate Project (see Note 8.2) and building under construction (see Note 13).

## 4.2 Changes in liabilities arising from financing activities for the years ended December 31, are as follows:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS							
	As at	Changes in cash flows		Non-cash items				As at
	January 1, 2018	Cash received	Cash paid	Increase in Borrowings	Differences on translating foreign currencies	Amortized prepaid interest	Others	December 31, 2018
Short-term borrowings	8,899,511	-	-	-	(586,887)	-	-	8,312,624
Bills of exchange	667,275,353	147,401,634	(410,718,880)	-	-	33,137,012		437,095,119
Current portion of long-term debentures	1,750,000,000	-	(1,750,000,000)	-	-	-	-	-
Long-term borrowings	4,067,573,235	459,706,387	-	4,455,316,659	(26,383,500)		(2,131,952)	8,954,080,829
Long-term debentures	750,000,000	3,700,000,000	(750,000,000)	-	-	-	-	3,700,000,000

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS							
	As at	Changes in cash flows		Non-cash items				As at
	January 1, 2017	Cash received	Cash paid	Increase in Borrowings	Differences on translating foreign currencies	Amortized prepaid interest	Others	December 31, 2017
Short-term borrowings	7,077,927	1,825,467	-	-	(3,883)	-	-	8,899,511
Bills of exchange	1,473,187,224	505,932,717	(1,368,705,253)	-	-	56,860,665	-	667,275,353
Current portion of long-term debentures	-	600,000,000	-	-	-	-	1,150,000,000	1,750,000,000
Long-term borrowings	1,964,083,401	-	-	1,772,986,475	112,669,110	-	217,834,249	4,067,573,235
Long-term debentures	1,150,000,000	750,000,000	-	-	-	-	(1,150,000,000)	750,000,000

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(Unit : Baht)

	As at January 1, 2018	SEPARATE FINANCIAL STATEMENTS Changes in cash flows		Non-cash items			As at December 31, 2018
		Cash received	Cash paid	Differences on translating foreign currencies	Reclassification	Amortized prepaid interest	
Short-term borrowings from a related company	469,875,624	-	-	(30,986,374)	-	-	438,889,250
Bills of exchange	667,275,353	147,401,634	(410,718,880)	-	-	33,137,012	437,095,119
Current portion of long-term debentures	1,750,000,000	-	(1,750,000,000)	-	-	-	-
Long-term debentures	750,000,000	3,700,000,000	(750,000,000)	-	-	-	3,700,000,000

(Unit : Baht)

	As at January 1, 2017	SEPARATE FINANCIAL STATEMENTS Changes in cash flows		Non-cash items			As at December 31, 2017
		Cash received	Cash paid	Differences on translating foreign currencies	Reclassification	Amortized prepaid interest	
Short-term borrowings from a related company	453,232,085	16,720,000	-	(76,461)	-	-	469,875,624
Bills of exchange	1,473,187,224	505,932,717	(1,368,705,253)	-	-	56,860,665	667,275,353
Current portion of long-term debentures	-	600,000,000	-	-	1,150,000,000	-	1,750,000,000
Long-term debentures	1,150,000,000	750,000,000	-	-	(1,150,000,000)	-	750,000,000

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Cash	57,023	86,354	44,302	38,424
Savings account	1,512,735,884	420,973,708	815,454,821	154,103,731
Current account	5,175,274	4,049,694	2,561,338	4,024,851
Total cash and cash equivalents	<u>1,517,968,181</u>	<u>425,109,756</u>	<u>818,060,461</u>	<u>158,167,006</u>



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**6. CURRENT INVESTMENTS**

Current investments consist of:

	(Unit : Baht)			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2018		As at December 31, 2017	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
<b>Trading securities</b>				
Mutual fund				
Debt securities	100,000,000	100,502,312	-	-
Add Unrealized gain on remeasurement	502,312	-	-	-
Total current investments	<u>100,502,312</u>	<u>100,502,312</u>	<u>-</u>	<u>-</u>

The movements of current investments during the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Carrying value as at January 1,	-	820,707
Amount of purchasing securities	100,000,000	-
Amount of selling securities	-	(824,709)
Gain on sale of current investments	-	4,002
Changes in fair value of current investments	502,312	-
Carrying value as at December 31,	<u>100,502,312</u>	<u>-</u>

**7. TRADE AND OTHER CURRENT RECEIVABLES**

Trade and other current receivables consist of:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
<b>Trade receivables</b>				
Trade receivables - domestic	3,310,358	-	-	-
Trade receivables - overseas	-	13,153,965	-	-
Installment due receivables	288,572,890	141,946,126	-	-
Income due under contract	(288,572,890)	(141,946,126)	-	-
Total trade receivables	<u>3,310,358</u>	<u>13,153,965</u>	<u>-</u>	<u>-</u>
<b>Other current receivables</b>				
Prepaid expenses	96,020,412	9,537,495	1,947,882	1,896,956
Advance	491,434	1,332,337	20,000	239,521
Prepaid deposit	106,340,924	12,795,127	-	-
Prepaid deposit for construction	1,249,307,801	1,228,805,774	23,909,623	3,407,596
Other receivables - related companies (see Note 30.4)	-	-	52,159,703	4,780,000
Other receivables - other companies	<u>43,121,756</u>	<u>3,650,012</u>	<u>-</u>	<u>-</u>
Total trade and other current receivables	<u>1,498,592,685</u>	<u>1,269,274,710</u>	<u>78,037,208</u>	<u>10,324,073</u>

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## 8. LAND AND COST OF PROJECTS UNDER CONSTRUCTION AND UTILITIES

Land and cost of projects under construction and utilities consist of:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Elements Project (see Note 8.1)	17,338,733	159,769,951	17,338,733	159,769,951
Chao Phraya Estate Project (see Note 8.2)	5,775,417,521	3,305,970,081	-	-
Total land and cost of projects under construction and utilities	<u>5,792,756,254</u>	<u>3,465,740,032</u>	<u>17,338,733</u>	<u>159,769,951</u>

8.1 Land and cost of project under construction and utilities of Elements Project consist of:

	<b>(Unit : Baht)</b>	
	<b>CONSOLIDATED AND SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>
Land	299,113,725	299,113,725
Condominium construction	986,003,360	986,003,360
Cost of project design	16,725,732	16,725,732
Other expenses of project	74,087,516	71,515,226
Utilities	159,312,088	157,376,502
Furniture	194,099,069	194,099,069
Borrowing costs	18,319,497	18,319,497
Total	<u>1,747,660,987</u>	<u>1,743,153,111</u>
<u>Less</u> Accumulated transferred to cost of condominium sold and distribution costs to the present	<u>(1,730,322,254)</u>	<u>(1,583,383,160)</u>
Total land and cost of project under construction and utilities	<u>17,338,733</u>	<u>159,769,951</u>

As at December 31, 2017, the Company mortgaged land and buildings of Elements Project for a collateral of issuance of long-term debentures. Subsequently, on March 21, 2018, the Company fully repaid such debentures and released all mortgages (see Note 21.3).

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8.2 Land and cost of project under construction and utilities of Chao Phraya Estate Project consist of:

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2018	2017
Condominium construction	5,032,256,968	2,912,043,627
Cost of project design	148,465,589	131,773,810
Other expenses of project	159,944,869	132,175,062
Borrowing costs	434,750,095	129,977,582
Total land and cost of project under construction and utilities	<u>5,775,417,521</u>	<u>3,305,970,081</u>

As at December 31, 2018 and 2017, a subsidiary has mortgaged buildings of Chao Phraya Estate Project as a collateral under a conditional guarantee agreement (see Note 20.1).

9. OTHER CURRENT ASSETS

Other current assets consist of:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
Accrued interest receivable - related companies (see Note 30.4)	-	-	289,090,775	220,948,556
Refundable withholding tax	30,780,466	27,521,865	30,672,769	27,489,219
Revenue Department receivable	345,654,486	174,058,859	-	-
Undue input value added tax	59,964,150	20,967,133	-	-
Deposits for purchase of fixed assets	625,689	20,400,000	625,689	20,400,000
Others	40,473,998	2,456,643	39,469,547	9,962,218
Total other current assets	<u>477,498,789</u>	<u>245,404,500</u>	<u>359,858,780</u>	<u>278,799,993</u>

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## 10. DEPOSITS AT BANK USED AS COLLATERAL

Deposits at bank used as collateral consist of:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Deposits at bank used as collateral for payment service	205,803	203,985	-	-
Deposits at bank used as collateral for issuance of long-term debentures (see Note 21.3)	-	435,302,156	-	435,302,156
Deposits at bank used as Escrow Account under a construction contract (see Note 20.1)	1,764,707,131	1,146,307,672	-	-
Total deposits at bank used as collateral	<u>1,764,912,934</u>	<u>1,581,813,813</u>	<u>-</u>	<u>435,302,156</u>

## 11. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale consist of:

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>			
	<b>As at December 31, 2018</b>		<b>As at December 31, 2017</b>	
	<b>Cost/ Carrying value</b>	<b>Fair value</b>	<b>Cost/ Carrying value</b>	<b>Fair value</b>
Marketable equity securities				
Ordinary shares	234,402,269	146,939,328	234,402,269	206,633,430
Warrants to purchase ordinary shares	-	1,530,618	-	1,454,797
Unit trust	138,750,000	70,500,000	141,750,000	99,000,000
<u>Add</u> Unrealized loss on remeasurement	<u>(154,182,323)</u>	<u>-</u>	<u>(69,064,042)</u>	<u>-</u>
Total investments held as available for sale	<u>218,969,946</u>	<u>218,969,946</u>	<u>307,088,227</u>	<u>307,088,227</u>

The movements of investments held as available for sale during the years ended December 31, are as follows:

	<b>CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS</b>	
	<b>2018</b>	<b>2017</b>
Carrying value as at January 1,	307,088,227	403,279,753
Cash received from the capital reduction of trust unit value of investments held as available for sale	(3,000,000)	(5,250,000)
Changing in fair value of investments held as available for sale	(85,118,281)	(90,941,526)
Carrying value as at December 31,	<u>218,969,946</u>	<u>307,088,227</u>

As at December 31, 2018, the Company has pledged some portions of investment in ordinary shares and all of investment in unit trust which have the total book values of Baht 209.70 million, as collateral for issuance of the Company's long-term debentures (see Note 21.5 and Note 21.6) (As at December 31, 2017 : Nil).

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**12. INVESTMENT PROPERTY**

On July 1, 2016, CGUK 1 Limited, a subsidiary of the Company, acquired an investment property located in Brighton, United Kingdom, consisting of land and buildings. The property has an existing lease agreement with a lessee for operating school business. The lease agreement has remaining terms of 16 years approximately.

Reconciliations of investment property for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2018	2017
Carrying value as at January 1,	845,666,309	842,742,946
<u>Add</u> Gain on remeasuring fair value of investment property	-	4,351,980
<u>Less</u> Exchange differences from translation	(56,507,558)	(1,428,617)
Carrying value as at December 31,	<u>789,158,751</u>	<u>845,666,309</u>

As at December 31, 2018 and 2017, CGUK 1 Limited has mortgaged land and buildings as a collateral for long-term borrowing from a foreign financial institution (see Note 20.2).

On December 20, 2018 and 2017, investment property was revalued by independent professional appraisers. The new appraised value of investment property was GBP 19.43 million (such amount included transaction cost of GBP 1.33 million).

Amounts recognized in the statement of profit or loss and other comprehensive income which relate to investment property for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2018	2017
Rental income from investment property	51,390,715	52,508,664
Direct operating expenses arising from investment property that generated rental income for the year	3,012,279	3,187,394



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### 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

As at December 31, 2018

					(Unit : Baht)
Type of assets	CONSOLIDATED FINANCIAL STATEMENTS				Balance as at December 31, 2018
	Balance as at December 31, 2017	Additions	Disposals/ write off	Transfer in (out)	
Cost					
Land	1,849,246,530	338,448,000	-	-	2,187,694,530
Land improvement	-	508,250	-	-	508,250
Building - sales office	3,788,807	-	(3,788,807)	-	-
Building improvement	11,622,438	5,863,475	-	-	17,485,913
Furniture and fixtures	128,606,454	378,271	(62,533)	-	128,922,192
Office equipment and tools	15,291,184	4,110,249	-	-	19,401,433
Other equipment	3,294,770	213,786	(3,210,000)	-	298,556
Vehicle	490,000	-	-	-	490,000
Total	2,012,340,183	349,522,031	(7,061,340)	-	2,354,800,874
Accumulated depreciation					
Building - sales office	(3,477,050)	(211,757)	3,688,807	-	-
Building improvement	(9,205,200)	(656,056)	-	-	(9,861,256)
Furniture and fixtures	(69,616,852)	(27,965,231)	53,305	-	(97,528,778)
Office equipment and tools	(9,709,437)	(3,064,390)	-	-	(12,773,827)
Other equipment	(448,265)	(623,277)	1,030,720	-	(40,822)
Vehicle	(287,557)	(98,000)	-	-	(385,557)
Total	(92,744,361)	(32,618,711)	4,772,832	-	(120,590,240)
Buildings under construction	2,025,366,702	3,298,512,396	-	-	5,323,879,098
Total property, plant and equipment	3,944,962,524				7,558,089,732

As at December 31, 2018, the Company has pledged land which has book value amount of Baht 2,187.70 million, including component parts and buildings in the future as a collateral for issuance of long-term debentures (see Note 21.5 and Note 21.6).

As at December 31, 2017, the Company has pledged some areas of land which has book value amount of Baht 203.38 million, including component parts and buildings in the future as a collateral for issuance of long-term debentures. Subsequently, on June 27, 2018, the Company fully repaid such debentures before the maturity date and redeemed all of collateral (see Note 21.4).

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**As at December 31, 2017**

**(Unit : Baht)**

Type of assets	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2016	Additions	Disposals/ write off	Transfer in (out)	Balance as at December 31, 2017
<b>Cost</b>					
Land	-	1,849,246,530	-	-	1,849,246,530
Building - sales office	176,381,701	1,414,579	(174,007,473)	-	3,788,807
Building improvement	11,626,825	-	-	(4,387)	11,622,438
Furniture and fixtures	128,602,067	-	-	4,387	128,606,454
Office equipment and tools	14,729,635	561,549	-	-	15,291,184
Other equipment	-	3,294,770	-	-	3,294,770
Vehicle	490,000	-	-	-	490,000
Total	331,830,228	1,854,517,428	(174,007,473)	-	2,012,340,183
<b>Accumulated depreciation</b>					
Building - sales office	(97,504,125)	(48,389,002)	142,416,077	-	(3,477,050)
Building improvement	(6,880,713)	(2,324,487)	-	-	(9,205,200)
Furniture and fixtures	(43,781,436)	(25,835,416)	-	-	(69,616,852)
Office equipment and tools	(7,033,378)	(2,676,059)	-	-	(9,709,437)
Other equipment	-	(448,265)	-	-	(448,265)
Vehicle	(189,557)	(98,000)	-	-	(287,557)
Total	(155,389,209)	(79,771,229)	142,416,077	-	(92,744,361)
Buildings under construction	1,063,844,249	961,522,453	-	-	2,025,366,702
Allowance for impairment	-	(31,591,396)	31,591,396	-	-
Total property, plant and equipment	1,240,285,268				3,944,962,524

**For the years ended December 31,**

	2018	2017
Depreciation	32,618,711	79,771,229

On November 10, 2017, the Board of Director's Meeting of Landmark Holdings Co., Ltd. (the "subsidiary") had a resolution to demolish sales gallery of Chao Phraya Estate Project in November 2017, which was slightly ahead of its original schedule in 2018 because the subsidiary had to utilize the located areas of the sales gallery to construct the Four Seasons Hotel. This event indicated that the sales gallery was impaired during the period. The subsidiary recognized loss on impairment of fixed assets in the amount of Baht 31.59 million. Subsequently, the subsidiary completely demolished the sales gallery and sold the scrap in the amount of Baht 0.86 million. Therefore, the subsidiary recognized loss on disposal of fixed assets of Baht 30.73 million, which was presented as a part of administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2017.

**As at December 31, 2017**

(Unit : Baht)					
Type of assets	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2017
	Balance as at December 31, 2016	Additions	Disposals/ write off	Transfer in (out)	
<b>Cost</b>					
Land	-	1,849,246,530	-	-	1,849,246,530
Building - sales office	3,788,807	-	-	-	3,788,807
Building improvement	11,626,825	-	-	(4,387)	11,622,438
Furniture and fixtures	2,466,891	-	-	4,387	2,471,278
Office equipment and tools	9,881,087	451,553	-	-	10,332,640
Vehicle	250,000	-	-	-	250,000
Total	28,013,610	1,849,698,083	-	-	1,877,711,693
<b>Accumulated depreciation</b>					
Building - sales office	(2,214,241)	(1,262,809)	-	-	(3,477,050)
Building improvement	(6,880,713)	(2,324,487)	-	-	(9,205,200)
Furniture and fixtures	(1,522,346)	(334,737)	-	-	(1,857,083)
Office equipment and tools	(5,549,343)	(1,686,844)	-	-	(7,236,187)
Vehicle	(103,288)	(50,000)	-	-	(153,288)
Total	(16,269,931)	(5,658,877)	-	-	(21,928,808)
Total property, plant and equipment	11,743,679				1,855,782,885

	For the years ended December 31,	
	2018	2017
Depreciation	5,603,726	5,658,877

Costs of buildings and equipment which are fully depreciated but still in use presented in the consolidated and separate financial statements as at December 31, 2018 and 2017 are Baht 22.44 million and Baht 5.51 million, respectively.

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**14. LEASEHOLD****Consolidated financial statements**

On December 6, 2005, Landmark Development Group Company Limited (“the former lessee”), entered into a land lease agreement with the Crown Property Bureau (“the lessor”). The initial lease period is 25 years to improve the area for commercial business.

Subsequently, on May 8, 2013, Country Group Development Public Company Limited (“the lessee”) entered into a land lease agreement on behalf of the former lessee with the lessor to support the purchase and transfer of the entire business of the Landmark Development Group Company Limited, which has terms and conditions as follows:

1. The lessee agrees to finish land development upon the lessee’s project within construction period of the project and the lessee agrees to pay rental at the rate specified in the agreement during the development period. The initial lease period is 25 years from the date the lessee finishes land development or the due date of construction period as specified in the agreement, whichever is earlier.
2. The lessee may make full prepayment for the residual of the rental period with the discount rate specified in the agreement but with approval from the lessor. In the 15<sup>th</sup> year of rental period, the lessee has to submit its financial statements of the 14<sup>th</sup> year of operation to the lessor for consideration of incremental rental fee (if any) as terms specified in the agreement.
3. The lessor agrees to allow the lessee to propose for the extension of lease period (follow article 1) for another 25 years. The lessee shall notice to the lessor by written document not less than 24 months before maturity (follow article 1). The parties will maintain the lease terms according to the original agreement except for the rental fee, which must be calculated using the similar method and formula under the original contract and the percentage of the official appraisal of Land Department as specified in the agreement.

When the lease period is matured (follow article 3), the lessor must allow the lessee to lease further according to the agreement. If other person proposes to lease at a higher rate, the lessor must notify the lessee. If the lessee agrees to pay rental at a rate equal to such other person, the lessor must allow the first rights to the lessee.

In the consolidated financial statements, leasehold consists of:

	<b>(Unit : Baht)</b>		
	<b>CONSOLIDATED FINANCIAL STATEMENTS</b>		
	<b>Balance as at December 31, 2017</b>	<b>Purchases/ acquires</b>	<b>Balance as at December 31, 2018</b>
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Rental under construction and land development	4,580,000	-	4,580,000
<b>Total</b>	<b>99,973,099</b>	<b>-</b>	<b>99,973,099</b>

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	(Unit : Baht)		
	CONSOLIDATED FINANCIAL STATEMENTS		
	Balance as at December 31, 2016	Purchases/ acquires	Balance as at December 31, 2017
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Rental under construction and land development	4,580,000	-	4,580,000
Total	99,973,099	-	99,973,099

### Separate financial statements

On May 15, 2013, the Company paid for business transfer of Landmark Development Group Company Limited at fair value of Baht 3,700 million. The Company received both assets and liabilities of Landmark Development Group Company Limited including leasehold at fair value of Baht 3,769.76 million which has book value of Baht 87.74 million. The difference of Baht 3,682.02 million is recorded as leasehold in the separate financial statements.

Subsequently, on October 1, 2014, the Company entered into a land sublease agreement and assignment of leasehold rights with Landmark Holdings Company Limited, a subsidiary, to develop Chao Phraya Estate Project according to business structure and objective of the Company. The terms of determining sublease rental fee and conditions of rental payment in the land sublease agreement shall be complied with the original lease contract, which the Company entered with the Crown Property Bureau.

In the separate financial statements, leasehold consists of:

	(Unit : Baht)		
	SEPARATE FINANCIAL STATEMENTS		
	Balance as at December 31, 2017	Purchases/ acquires	Balance as at December 31, 2018
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Surplus on the fair value of the business acquisition	3,682,021,297	-	3,682,021,297
Rental during construction and land development	4,580,000	-	4,580,000
Total	3,781,994,396	-	3,781,994,396

	(Unit : Baht)		
	SEPARATE FINANCIAL STATEMENTS		
	Balance as at December 31, 2016	Purchases/ acquires	Balance as at December 31, 2017
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Surplus on the fair value of the business acquisition	3,682,021,297	-	3,682,021,297
Rental during construction and land development	4,580,000	-	4,580,000
Total	3,781,994,396	-	3,781,994,396



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**15. OTHER INTANGIBLE ASSETS**

Other intangible assets consist of:

**As at December 31, 2018**

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2017	Additions	Disposals/ write off
			Balance as at December 31, 2018
<b>Cost</b>			
Computer program	5,908,924	1,151,607	-
Total	5,908,924	1,151,607	-
<b>Accumulated amortization</b>			
Computer program	(4,129,353)	(614,716)	-
Total	(4,129,353)	(614,716)	-
Computer program under installation	348,135	3,199,652	-
Total other intangible assets	2,127,706		5,864,249

**As at December 31, 2017**

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2016	Additions	Disposals/ write off
			Balance as at December 31, 2017
<b>Cost</b>			
Computer program	4,761,670	1,147,254	-
Total	4,761,670	1,147,254	-
<b>Accumulated amortization</b>			
Computer program	(3,626,880)	(502,473)	-
Total	(3,626,880)	(502,473)	-
Computer program under installation	-	348,135	-
Total other intangible assets	1,134,790		2,127,706

For the years ended December 31,  
**2018**      **2017**

Amortization      614,716      502,473

**As at December 31, 2018**

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2017	Additions	Disposals/ write off
			Balance as at December 31, 2018
<b>Cost</b>			
Computer program	5,413,070	49,006	-
Total	5,413,070	49,006	-
<b>Accumulated amortization</b>			
Computer program	(3,911,212)	(498,952)	-
Total	(3,911,212)	(498,952)	-
Computer program under installation	348,135	2,007,101	-
Total other intangible assets	1,849,993		3,407,148

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As at December 31, 2017

(Unit : Baht)			
SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2016	Additions	Disposals/ write off
			Balance as at December 31, 2017
<b>Cost</b>			
Computer program	4,265,816	1,147,254	-
Total	4,265,816	1,147,254	-
<b>Accumulated amortization</b>			
Computer program	(3,506,475)	(404,737)	-
Total	(3,506,475)	(404,737)	-
Computer program under installation	-	348,135	-
Total other intangible assets	759,341		1,849,993
		<b>For the years ended December 31,</b>	
		<b>2018</b>	<b>2017</b>
Amortization		498,952	404,737

## 16. DEFERRED TAX ASSETS/ CORPORATE INCOME TAX

The movements of deferred tax assets and liabilities during the years ended December 31, 2018 and 2017 are as follows:

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2017	Items as recognized in profit or loss	Items recognized in other comprehensive income
			Balance as at December 31, 2018
<b>Deferred tax assets</b>			
Allowance for doubtful debts	5,850,390	-	-
Loss on remeasuring investments held as available for sale	13,812,808	-	17,023,656
Provisions for employee benefit	1,362,759	371,832	(80,575)
<b>Deferred tax assets</b>	21,025,957	371,832	16,943,081
			38,340,870
(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2016	Items as recognized in profit or loss	Items recognized in other comprehensive income
			Balance as at December 31, 2017
<b>Deferred tax assets (liabilities)</b>			
Allowance for doubtful debts	5,850,390	-	-
(Gain) loss on remeasuring investments held as available for sale	(4,375,497)	-	18,188,305
Provisions for employee benefit	1,436,318	527,129	(600,688)
<b>Deferred tax assets</b>	2,911,211	527,129	17,587,617
			21,025,957

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(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS		
	Balance as at December 31, 2017	Items as recognized in profit or loss	Items recognized in other comprehensive income
<b>Deferred tax assets</b>			<b>Balance as at December 31, 2018</b>
Allowance for doubtful debts	5,850,390	-	-
Loss on remeasuring investments held as available for sale	13,812,808	-	17,023,656
Provisions for employee benefit	1,362,759	371,832	(80,575)
<b>Deferred tax assets</b>	<b>21,025,957</b>	<b>371,832</b>	<b>16,943,081</b>
			<b>38,340,870</b>

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS		
	Balance as at December 31, 2016	Items as recognized in profit or loss	Items recognized in other comprehensive income
<b>Deferred tax assets (liabilities)</b>			<b>Balance as at December 31, 2017</b>
Allowance for doubtful debts	5,850,390	-	-
(Gain) loss on remeasuring investments held as available for sale	(4,375,497)	-	18,188,305
Provisions for employee benefit	1,436,318	527,129	(600,688)
<b>Deferred tax assets</b>	<b>2,911,211</b>	<b>527,129</b>	<b>17,587,617</b>
			<b>21,025,957</b>

As at December 31, 2018 and 2017, the Group and the Company have unused tax losses as following details:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
Unused tax losses	1,594,738,404	1,093,112,629	571,210,095	344,156,110

However, the Group and the Company did not record deferred tax assets for temporary difference from unused tax losses since the Group's and the Company's management considered that there is uncertainty to utilize such unused tax losses in the future.

Income tax recognized in profit or loss for the years ended December 31, consists of:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current income tax for the year (reversal)	27,147	(2,475,193)	-	-
Deferred income tax related to temporary differences				
Increase in deferred tax assets	(371,832)	(527,129)	(371,832)	(527,129)
Income tax revenue per statements of profit or loss and other comprehensive income	<b>(344,685)</b>	<b>(3,002,322)</b>	<b>(371,832)</b>	<b>(527,129)</b>

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Income tax recognized in other comprehensive income for the years ended December 31, consists of:

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS						
	2018			2017		
	Before tax	Income tax (revenue) expense	Net of tax	Before tax	Income tax (revenue) expense	Net of tax
Loss on remeasuring investments held as available for sale	85,118,281	(17,023,656)	68,094,625	90,941,526	(18,188,305)	72,753,221
Exchange differences on translating financial statements of foreign operations	77,055,737	-	77,055,737	604,914	-	604,914
Gains on remeasurements of defined benefit plans	(402,875)	80,575	(322,300)	(3,003,440)	600,688	(2,402,752)
Total	161,771,143	(16,943,081)	144,828,062	88,543,000	(17,587,617)	70,955,383

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS						
	2018			2017		
	Before tax	Income tax (revenue) expense	Net of tax	Before tax	Income tax (revenue) expense	Net of tax
Loss on remeasuring investments held as available for sale	85,118,281	(17,023,656)	68,094,625	90,941,526	(18,188,305)	72,753,221
Gains on remeasurements of defined benefit plans	(402,875)	80,575	(322,300)	(3,003,440)	600,688	(2,402,752)
Total	84,715,406	(16,943,081)	67,772,325	87,938,086	(17,587,617)	70,350,469

Reconciliations of income tax and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				
	2018		2017	
	Amount Baht	Tax rate %	Amount Baht	Tax rate %
Loss before income tax	(542,768,439)		(196,387,848)	
Income tax revenue using applicable tax rate at reporting date	(108,553,688)	20.00	(39,277,570)	20.00
Income tax of foreign subsidiary calculated by using revenue base (reversal)	27,147		(2,564,684)	
Tax effect of non-deductible expenses	847,528		552,903	
Tax effect of tax exempted income and additional deductible expenses	(1,763,316)		-	
Effect of unused tax losses and the benefit arising from previously unrecognized tax losses that is used to reduce current tax expense	109,469,476		38,814,158	
Deferred income tax related to temporary differences	(371,832)		(527,129)	
Income tax revenue per statements of profit or loss and other comprehensive income	(344,685)	(0.06)	(3,002,322)	(1.53)

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	SEPARATE FINANCIAL STATEMENTS			
	2018		2017	
	Amount Baht	Tax rate %	Amount Baht	Tax rate %
Profit (loss) before income tax	<u>(231,937,797)</u>		<u>48,272,679</u>	
Income tax (revenue) expense using applicable tax rate at reporting date	(46,387,559)	20.00	9,654,536	20.00
Tax effect of non-deductible expenses	661,424		885,914	
Tax effect of tax exempted income and additional deductible expenses	(1,283,730)		-	
Effect of unused tax losses and the benefit arising from previously unrecognized tax losses that is used to reduce current tax expense	47,009,865		(10,540,450)	
Deferred income tax related to temporary differences	<u>(371,832)</u>		<u>(527,129)</u>	
Income tax revenue per statements of profit or loss and other comprehensive income	<u>(371,832)</u>	(0.16)	<u>(527,129)</u>	(1.09)

The Group and the Company used income tax rate at 20% in calculation of income tax and deferred income tax for the years ended December 31, 2018 and 2017.

## 17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
<b>Trade payables</b>				
Trade payables - domestic	12,438,355	16,466,396	735,036	782,750
Trade payables - overseas	<u>23,932,871</u>	<u>26,765,379</u>	<u>2,241,047</u>	<u>-</u>
Total trade payables	36,371,226	43,231,775	2,976,083	782,750
<b>Other current payables</b>				
Other payables - a related company (see Note 30.4)	-	-	607,063	-
Other payables - other companies	9,443,809	11,532,186	4,955,785	4,974,852
Accrued expenses	77,984,153	55,212,229	20,989,631	40,232,156
Retention	<u>398,271,613</u>	<u>177,789,792</u>	<u>6,224,913</u>	<u>6,140,275</u>
Total trade and other current payables	<u>522,070,801</u>	<u>287,765,982</u>	<u>35,753,475</u>	<u>52,130,033</u>



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## 18. BILLS OF EXCHANGE

Bills of exchange consist of:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at	As at
	December 31, 2018	December 31, 2017
Bills of exchange	444,000,000	680,000,000
<u>Less</u> Prepaid interest expenses	<u>(6,904,881)</u>	<u>(12,724,647)</u>
Total bills of exchange	<u>437,095,119</u>	<u>667,275,353</u>

The Company's Board of Directors' Meeting No. 2/2014, held on January 17, 2014, had a resolution to approve to extend limits of the issuance and sale of short-term bills (bills of exchange) from Baht 650 million to Baht 1,000 million to the private placement of up to 10 bills with an interest rate not exceeding 12% per annum in order to enhance the liquidity of the Company to expand business and invest in new projects, and authorized the Chief Executive Office or the assignee to be a negotiator related to the issuance of the bills of exchange.

Subsequently, the Company's Board of Directors' Meeting No. 3/2015 held on March 16, 2015, had a resolution to approve to extend limits of the issuance and sale of short-term bills (bills of exchange) from Baht 1,000 million to Baht 1,500 million to general public or private placement; institutional and/or high net worth investors with unlimited bills or to private placement of up to 10 bills.

As at December 31, 2018 and 2017, the Company has issued and offered short-term bills of exchange through the private placement. These bills of exchange specify the name of the holders, which are unsubordinated and unsecured, as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2018				
Date of issuance of bills of exchange	Remaining value (Baht)	Interest rate per annum (%)	Remaining age (days)	Maturity date
April 10, 2018 - December 18, 2018	444,000,000	6.00 - 7.00	4 - 256	January 4, 2019 - September 13, 2019

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
As at December 31, 2017				
Date of issuance of bills of exchange	Remaining value (Baht)	Interest rate per annum (%)	Remaining age (days)	Maturity date
April 18, 2017 - December 27, 2017	680,000,000	6.00 - 7.50	12 - 178	January 12, 2018 - June 27, 2018

On the issuance date of bills of exchange, prepaid interest expenses have been deducted which the Company will recognize as finance costs over the period of bills of exchange.

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**19. OTHER CURRENT LIABILITIES**

Other current liabilities consist of:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Payable - Condominium Juristic person	308,356	1,492,358	308,356	1,492,358
Accrued interest expense	121,626,152	25,801,175	15,850,684	3,041,096
Withholding tax payable	41,185,177	23,407,314	8,374,356	4,556,772
Corporate income tax payable	26,935	-	-	-
Revenue Department payable	3,846,782	2,651,270	1,280,375	2,113,868
Others	28,665,899	8,496,842	3,970,244	8,279,469
Total other current liabilities	<u>195,659,301</u>	<u>61,848,959</u>	<u>29,784,015</u>	<u>19,483,563</u>

**20. LONG-TERM BORROWINGS**

Long-term borrowings consist of:

	<b>(Unit : Baht)</b>	
	<b>CONSOLIDATED</b>	
	<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>
Long-term borrowings (see Note 20.1)	8,582,466,827	3,667,495,335
Long-term borrowings from a foreign financial institution (see Note 20.2)	371,614,002	400,077,900
Total long-term borrowings	<u>8,954,080,829</u>	<u>4,067,573,235</u>

20.1 On August 26, 2016, Landmark Holdings Co., Ltd. (the “subsidiary”) (the “Employer”), entered into a construction contract of the Chao Phraya Estate Project with BCEG Thai International Co., Ltd. (the “Contractor”). According to the contract, the contractor has rights to assign construction payable to a foreign commercial bank who will provide financial support for this project. In addition, based on the contract, the subsidiary will pay all of construction payables to the contractor and/or a foreign commercial bank under order of assignment of the contractor on September 20, 2020. The subsidiary will be responsible for interest expenses according to the agreement. To guarantee for the contractor, the subsidiary pledged collaterals, which the details are as follows:

- Pledge all shares of Landmark Holdings Co., Ltd.
- Rights to utilize leasehold and mortgage of buildings of Chao Phraya Estate Project under a conditional guarantee agreement, which will be enforced under incidents as specified in the agreement
- Deposits at bank used as collateral (Escrow Account) of the subsidiary (see Note 10)

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As at December 31, 2018 and 2017, the subsidiary has outstanding balance of construction payables in the amount of Baht 1,485.32 million and Baht 796.41 million, respectively, and long-term borrowings under the construction contract in the amount of Baht 8,582.47 million and Baht 3,667.50 million, respectively, with interest rate as agreed.

- 20.2 On October 14, 2016, CGUK 1 Limited (the “subsidiary”) entered into a borrowing agreement with a foreign financial institution in the amount of GBP 9 million, with interest rate at Base Rate plus 3% per annum and repayable on October 17, 2021. The subsidiary mortgaged land and buildings which has the book value as at December 31, 2018 and 2017 of Baht 789.16 million and Baht 845.67 million, respectively, for collateral of such borrowing (see Note 12).

As at December 31, 2018 and 2017, the subsidiary has outstanding balances of the borrowing in the amount of Baht 371.61 million and Baht 400.08 million, respectively.

## 21. LONG-TERM DEBENTURES

Long-term debentures consist of:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2018	2017
Current portion of long-term debentures	-	1,750,000,000
Long-term debentures	3,700,000,000	750,000,000
Total long-term debentures	<u>3,700,000,000</u>	<u>2,500,000,000</u>

On April 27, 2017, the Annual General Meeting of Shareholders had a resolution to approve the issuance and offering of the debentures with the condition that the total amount of debentures which are not matured at any period of time shall not exceed Baht 5,000 million. The Company has issued and offered long-term debentures as follows:

- 21.1 On September 24, 2015, the Company issued and offered three-year debentures of Baht 150 million to institutional and/or high net worth investors. The debentures were registered, unsubordinated, unsecured, with no debentures holder’s representative, which bear interest at a fixed rate of 6.25% per annum, payable quarterly. The first interest payable was due on December 24, 2015 and the debentures were due on September 24, 2018. The Company had to maintain Interest bearing debt to Equity ratio at 2.5 : 1 at the end of each annual financial report date over the debentures effective period. Subsequently, on September 24, 2018, the Company fully repaid such debentures.

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- 21.2 On September 25, 2015, the Company issued and offered two-year and six-month debentures of Baht 1,000 million to institutional and/or high net worth investors. The debentures were registered, unsubordinated, unsecured with no debentures holder's representative, which bear interest at a fixed rate of 6.00% per annum, payable quarterly. The first interest payable was due on December 25, 2015 and the debentures were due on March 25, 2018. The Company had to maintain Interest bearing debt to Equity ratio at 2.5 : 1 at the end of each annual financial report date over the debentures effective period. Subsequently, on March 25, 2018, the Company fully repaid such debentures.
- 21.3 On March 24, 2017, the Company issued and offered two-year debentures of Baht 750 million to institutional and/or high net worth investors. The debentures were registered, unsubordinated, secured, with debentures holder's representative, which bear interest at a fixed rate of 7.00% per annum, payable quarterly. The first interest payable was due on June 24, 2017 and the debentures will be due on March 24, 2019. The Company mortgaged land and buildings of Elements Project as a collateral with the right of mortgage capital of Baht 750 million. In addition, the Company opened a deposit at bank account to use as collateral for issuance of long-term debentures (see Note 10) which on the transfer registration of Elements Project, the Company is required to deposit amount of 50% of the selling price to such account. Subsequently, on March 21, 2018, the Company fully repaid such debentures before the maturity date and redeemed all of collateral.
- 21.4 On December 27, 2017, the Company issued and offered one-year debentures of Baht 600 million to institutional and/or high net worth investors. The debentures were registered, unsubordinated, secured, with debentures holder's representative, of which the Company has the rights to early redeem, which bear interest at a fixed rate of 6.50% per annum, payable quarterly. The first interest payable was due on March 27, 2018 and the debentures will be due on December 27, 2018. The Company mortgaged some areas of land which has book value as at December 31, 2017 of Baht 203.38 million including component parts and building in the future as a collateral (see Note 13) with the right of mortgage capital of Baht 600 million. The Company has to maintain Interest bearing debt to Equity ratio at 2.5 : 1 at the end of each annual financial report date over the debentures effective period. Subsequently, on June 27, 2018, the Company fully repaid such debentures before the maturity date and redeemed all of collateral.
- 21.5 On March 21, 2018, the Company issued and offered two-year debentures of Baht 2,000 million to institutional and/or high net worth investors. The debentures are registered, unsubordinated, secured, with debentures holder's representative, of which the Company has the rights to early redeem, which bear interest at a fixed rate of 7.00% per annum, payable quarterly. The first interest payable was due on June 21, 2018 and the debentures will be due on March 21, 2020. The Company has mortgaged some areas of land which has book value as at December 31, 2018 of Baht 1,984.32 million including component parts and building in the future as a collateral (see Note 13) with the right of mortgage capital of Baht 2,000 million. In addition, the Company pledged some portion of investment in ordinary shares and all of investment in unit trust as collateral which have the book value as at December 31, 2018 of Baht 147.30 million (see Note 11).

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- 21.6 On June 25, 2018, the Company issued and offered two-year debentures of Baht 1,000 million to institutional and/or high net worth investors. The debentures are registered, unsubordinated, secured, with debentures holder's representative, of which the Company has the rights to early redeem, which bear interest at a fixed rate of 7.00% per annum, payable quarterly. The first interest payable was due on September 25, 2018 and the debentures will be due on September 25, 2020. The Company has mortgaged some areas of land which has book value as at December 31, 2018 of Baht 203.38 million including component parts and building in the future as a collateral (see Note 13) with the right of mortgage capital of Baht 1,000 million. In addition, the Company pledged some portion of investment in ordinary shares as collateral which have the book value as at December 31, 2018 of Baht 62.40 million (see Note 11).
- 21.7 On October 19, 2018, the Company issued and offered two-year debentures of Baht 700 million to institutional and/or high net worth investors. The debentures are registered, unsubordinated, unsecured, with debentures holder's representative of which the Company has the rights to early redeem, which bear interest at a fixed rate of 7.25% per annum, payable quarterly. The first interest payable will be on January 19, 2019 and the debentures will be due on October 19, 2020.

## 22. PROVISIONS FOR EMPLOYEE BENEFIT

The Company has post-employment benefit plans under the Labor Protection Act, which are the benefit plans for a specific purpose.

Amounts recognized in the statement of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, are as follows:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current service cost	1,902,635	2,384,290	1,673,122	2,384,290
Interest cost	186,036	251,356	186,036	251,356
Total	<u>2,088,671</u>	<u>2,635,646</u>	<u>1,859,158</u>	<u>2,635,646</u>

Changes in the present value of the provisions for employee benefit are as follows:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
Beginning balance of provisions for employee benefit	6,813,796	7,181,590	6,813,796	7,181,590
Current service cost	1,902,635	2,384,290	1,673,122	2,384,290
Interest cost	186,036	251,356	186,036	251,356
	<u>8,902,467</u>	<u>9,817,236</u>	<u>8,672,954</u>	<u>9,817,236</u>
Less Gains on remeasurements of defined benefit plans	<u>(402,875)</u>	<u>(3,003,440)</u>	<u>(402,875)</u>	<u>(3,003,440)</u>
Ending balance of provisions for employee benefit	<u>8,499,592</u>	<u>6,813,796</u>	<u>8,270,079</u>	<u>6,813,796</u>



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Significant actuarial assumptions used to calculate the defined benefit obligations are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	% per annum	% per annum	% per annum	% per annum
Financial assumptions				
Discount rate	3.24 - 3.29	3.08	3.29	3.08
Expected rate of salary increase	5.00 - 6.00	6.00	6.00	6.00
Demographic assumption				
Turnover rate	1.91 - 34.38*	2.87 - 34.38*	2.87 - 34.38*	2.87 - 34.38*
Mortality rate	105 of	105 of	105 of	105 of
	TMO2017**	TMO2017**	TMO2017**	TMO2017**

\* Depends on age range of employees

\*\* Refer to TMO2017: Thai Mortality Ordinary Tables of 2017

Significant actuarial assumptions for the determination of the provisions for employee benefit are discount rate, expected rate of salary increase, turnover rate and mortality rate. The following sensitivity analysis has been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Unit : Baht)				
Impact on the present value of provisions employee benefit increases (decreases)				
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
Discount rate - increase by 1%	(1,116,535)	(903,177)	(1,082,819)	(903,177)
Discount rate - decrease by 1%	1,360,046	1,105,453	1,319,289	1,105,453
Expected rate of salary increase - increase by 1%	1,294,857	1,049,809	1,255,264	1,049,809
Expected rate of salary increase - decrease by 1%	(1,088,867)	(879,054)	(1,055,376)	(879,054)
Turnover rate - increase by 20%	(1,207,327)	(1,008,395)	(1,183,205)	(1,008,395)
Turnover rate - decrease by 20%	1,517,421	1,289,365	1,489,315	1,289,365
Mortality rate - increase by 20%	(110,217)	(87,061)	(106,712)	(87,061)
Mortality rate - decrease by 20%	112,175	88,605	108,612	88,605

The aforementioned sensitivity analysis may not be representative of the actual change in provisions for employee benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presentation of the above sensitivity analysis, the present value of provisions for employee benefit has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the provisions for employee benefit recognized in the statement of financial position.

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Maturity analysis of the benefit payments of the provisions for post-employment benefits as at December 31, 2018 and 2017, are as follows:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Within 1 year	1,330,676	1,071,664	1,330,676	1,071,664
Over 1 but not over 5 years	162,669	294,916	162,669	294,916
Over 5 years	7,006,247	5,447,216	6,776,734	5,447,216
Total	<u>8,499,592</u>	<u>6,813,796</u>	<u>8,270,079</u>	<u>6,813,796</u>

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labor Protection Act, which is in the process of being announced in the Royal Gazette. The new Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered an amendment to post-employment benefits plan. The Group and the Company will reflect the effect of such change by recognizing past service cost as an expense in the statement of profit or loss and other comprehensive income of the period in which the law is effective.

## 23. SHARE CAPITAL

On April 26, 2018, the Company's Annual General Meeting of Shareholders had the significant resolutions regarding share capital as follows:

- 23.1 Approved the reduction of the Company's registered share capital from Baht 8,966,127,954 to Baht 8,266,127,954, by cancelling 700,000,000 unsold ordinary shares with a par value of Baht 1.00 per share and the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the registered capital. The Company registered the decrease of share capital and the amendment of Clause 4 of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce on May 24, 2018.
- 23.2 Approved the issuance and offer for sale of warrants to purchase ordinary shares of the Company No. 4 ("Warrant No. 4" or "CGD-W4") in the amount of not exceeding 1,653,225,590 units to its existing shareholders on a pro rata basis to their existing shareholdings (rights offering), and approved the related authorization.
- 23.3 Approved the issuance of warrants under the Employee Stock Option Plan No. 2 (ESOP) by issuing non-transferrable stock warrants which specify the names of the holders. The Company will allocate 40,000,000 warrants to the directors, executives, and employees of the Company and/or its subsidiaries.
- 23.4 Approved the increase of the Company's registered share capital by Baht 2,519,225,590 from the existing registered share capital of Baht 8,266,127,954 to Baht 10,785,353,544 by issuing 2,519,225,590 new ordinary shares, with a par value of Baht 1.00 per share which divided into 3 parts as follows:

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23.4.1 The increase of the Company's registered capital by means of General Mandate at the amount of Baht 826,000,000 by issuing 826,000,000 newly issued ordinary shares, with a par value of Baht 1.00 per share, for the allotment of newly issued ordinary shares to Private Placement for the General Mandate.

23.4.2 The increase of the Company's registered share capital of 1,653,225,590 newly issued ordinary shares, at a par value of Baht 1.00 per share to support the issuance and offer for sale warrants to purchase ordinary shares of the Company No. 4 ("CGD-W4") in the amount of not exceeding 1,653,225,590 shares.

23.4.3 The increase of the Company's registered share capital of 40,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share to support the issuance of warrants under the Employee Stock Option Plan No. 2 to the directors, executives, and employees of the Company and/or its subsidiaries.

The Company registered the increase of share capital and the amendment of Clause 4 of the Memorandum of Association with the Department of Business Development, the Ministry of Commerce on May 25, 2018.

23.5 Approved the allocation of 2,519,225,590 newly issued ordinary shares, at a par value of Baht 1.00 per share as follows:

23.5.1 The allocation of 826,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share, to offer to private placement, as per the Announcement of the Capital Market Supervisory Board No. Tor. Jor. 72/2558.

23.5.2 The allocation of 1,653,225,590 newly issued ordinary shares, at a par value of Baht 1.00 per share to support the issuance and offer for sale of warrants to purchase ordinary shares of the Company No. 4 ("CGD-W4") to its existing shareholders in the amount of not exceeding 1,653,225,590 shares (see Note 24).

23.5.3 The allocation of 40,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share to support the issuance of warrants under the Employee Stock Option Plan No. 2 allocated to the directors, executives, and employees of the Company and/or its subsidiaries.

## 23.6 Capital Management

The objectives when managing capital are to maintain the Group's and the Company's ability to continue operate in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

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## 24. WARRANTS

According to the Annual General Shareholders' Meeting for the year 2018 held on April 26, 2018, there was a resolution to approve the issuance and offering of warrants to purchase ordinary shares of the Company No. 4 ("CGD-W4"). On June 27, 2018, the Company issued and allotted warrants to purchase ordinary shares (CGD-W4) to existing shareholders on a pro rata basis to their respective shareholdings, at no cost, at the allocation ratio of 5 existing shares per 1 unit of the warrants. The warrants are registered with indicate name's type and transferable subscription without offer price. The exercise ratio is 1 unit per 1 ordinary share and price are detailed below:

Warrants	Issued date	Issued units (Million units)	Exercise price Baht/unit	Exercise period*	
				Start	End
CGD-W4	June 27, 2018	1,653	2.75	December 28, 2018	June 26, 2021

\* The warrant holders shall be entitled to exercise their rights under the warrants to purchase Company's ordinary shares on the last business day of every 6th month after the warrants' issuance date.

As at December 31, 2018, all of warrants have not been exercised.

## 25. LEGAL RESERVE

According to the Public Company Limited Act, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund, until the reserve fund reaches not less than 10% of the authorized share capital.

Under the Civil and Commercial Code, the subsidiaries are required to set aside as a statutory reserve at least five percent of its net profit each time a dividend is declared until the reserve reaches ten percent of the registered share capital. The reserve is not available for dividend distribution until the subsidiaries finally wound up.

## 26. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity consist of:

### 26.1 Gain (loss) on remeasuring investments held as available for sale

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017
Beginning balance	(55,251,234)	17,501,987
Net loss on remeasuring investments held as available for sale	(85,118,281)	(90,941,526)
Income tax related to loss on remeasuring investments held as available for sale	17,023,656	18,188,305
Ending balance	<u>(123,345,859)</u>	<u>(55,251,234)</u>

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Gain (loss) on remeasuring investments held as available for sale represents the cumulative gain and loss arising on the remeasurement of investments held as available for sale that has been recognized directly in other comprehensive income, net of amount reclassified to profit or loss when the investment has been disposed of or is determined to be impaired.

## 26.2 Exchange differences on translating financial statements of foreign operations

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017
Beginning balance	(222,434,609)	(221,829,695)
Decrease during the year	(77,055,737)	(604,914)
Ending balance	<u>(299,490,346)</u>	<u>(222,434,609)</u>

Exchange differences on translating financial statements of foreign operations to Thai Baht currency are recognized directly in other comprehensive income and accumulated separately presented as other components of shareholders' equity under shareholders' equity.

## 27. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, 2018 and 2017, that occurred from important expenses are as follows:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Changing in land and cost of projects under construction	(2,327,016,222)	(1,437,700,137)	142,431,218	(524,900,329)
Payment for construction works	2,473,955,316	1,982,126,310	4,507,876	19,525,844
Employee expenses	149,767,313	88,189,874	103,437,583	88,166,586
Depreciation and amortization	33,233,427	80,273,702	6,102,678	6,063,614
Consulting and professional fees	10,453,046	23,908,478	3,622,700	7,616,811
Rental, service fee and utilities expenses	25,405,872	24,711,682	17,377,169	17,322,392
Commission expenses	51,490,915	78,164,720	8,432,413	17,221,665
Advertisement and public relation expenses	40,334,247	47,827,544	1,280,679	11,616,564
Promotion expenses	41,205,791	57,948,388	6,983,324	21,222,672
Maintenance expenses	887,457	705,032	653,681	350,117
Specific business tax	7,596,734	27,958,635	7,596,734	27,958,635
Tax and other fees	8,113,773	21,513,403	7,087,825	20,720,189
Directors and managements' remuneration	42,701,304	51,126,666	42,701,304	51,126,666



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## 28. DIRECTORS AND MANAGERMENTS' REMUNERATION

28.1 Directors' remuneration represents the benefit paid to the Company's directors under section 90 of the Public Company Act, which does not include the salary and related benefits paid to the Company's directors, who are executive managements of the Company.

28.2 The managements' remuneration in cash are salary, bonus and provident funds which are paid to the Company's management according to the TAS No. 24 (Revised 2017) "Related Party Disclosures".

Directors and managements' remuneration for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2018	2017
Directors' remuneration	5,280,000	5,605,342
Managements' remuneration		
Short-term employee benefit	36,758,176	44,416,316
Post-employment benefit	663,128	1,105,008
Total	<u>42,701,304</u>	<u>51,126,666</u>

## 29. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to owners of the parent by the weighted average number of ordinary shares held by third parties during the year, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,			
	2018	2017	2018	2017
Net profit (loss) of owners of the parent (Baht)	<u>(464,172,704)</u>	<u>(144,298,322)</u>	<u>(231,565,965)</u>	<u>48,799,808</u>
Beginning number of outstanding ordinary shares (shares)	8,266,127,954	7,336,295,227	8,266,127,954	7,336,295,227
Effect of share issued during the year (shares)	<u>-</u>	<u>542,614,715</u>	<u>-</u>	<u>542,614,715</u>
Weighted average number of ordinary shares (shares)	<u>8,266,127,954</u>	<u>7,878,909,942</u>	<u>8,266,127,954</u>	<u>7,878,909,942</u>
Basic earnings (loss) per share (Baht)	(0.056)	(0.018)	(0.028)	0.006

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## Diluted earnings (loss) per share

Diluted earnings (loss) per share for the years ended December 31, 2018 and 2017 are calculated by dividing the profit (loss) for the year of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, fair value of the Company's ordinary shares for the years ended December 31, 2018 and 2017 were lower than the exercise price causing the Company to exclude the effect of dilutive potential ordinary share from the calculation of diluted earnings (loss) per share.

**30. TRANSACTIONS WITH RELATED PARTIES**

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

In addition, related parties include associated companies and individuals which have significant influence over the Group and the Company, key management personnel, and directors and officers with authority in the planning and direction of the Group's and the Company's operations, together with close members of the families of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

**30.1 Investment in subsidiaries**

(Unit : Baht)

Companies	Type of business	Country of registration	SEPARATE FINANCIAL STATEMENTS							
			Paid share capital	Paid share capital	Percentage of holding (%)		Cost method		Dividend income	
			As at	As at	As at	As at	As at	As at	For the years ended	
			December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	
			2018	2017	2018	2017	2018	2017	2018	2017
Subsidiaries										
Landmark Holdings Co., Ltd.	Trading, rent and real estate operations and a holding company	Thailand	210,000,000	210,000,000	70.00	70.00	146,999,970	146,999,970	-	-
BCEG Country Group Engineering Co., Ltd.	Construction and wholesaler of equipment and furniture used in construction	Thailand	1,000,000	1,000,000	99.99	99.99	999,970	999,970	-	-
CGD Data Limited	Holding company	Hong Kong	583,137,484	583,137,484	100.00	100.00	583,137,484	583,137,484	-	-
CGD Digital Partners Limited	Holding company	Mauritius	547,579,834	547,579,834	100.00	100.00	547,579,834	547,579,834	-	-
Leading Schools Partnership Limited	Holding company	Guernsey	225,641,944	225,641,944	96.45	96.45	217,662,851	217,662,851	-	-
HYUK Limited	Foreign real estate	Guernsey	4,271,320	42	100.00	100.00	4,271,320	42	-	-
							1,500,651,429	1,496,380,151	-	-
Less Allowance for impairment of investments in subsidiaries							(5,949,984)	-	-	-
Total investment in subsidiaries							1,494,701,445	1,496,380,151	-	-

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On August 9, 2018, the Board of Director's meeting had a resolution to approve the dissolution of 2 subsidiaries, CGD Data Limited and HYUK Limited because these 2 subsidiaries have ceased their business operations. Currently, the 2 subsidiaries are in the process of dissolution. As the subsidiaries have accumulated deficits, the Company has recognized loss on impairment of investments in subsidiaries in the amount of Baht 5.95 million which was presented as a part of administrative expenses in the separate statement of profit or loss and other comprehensive income for year ended December 31, 2018.

Subsequently, on November 9, 2018, the Board of Directors' Meeting of HYUK Limited (the "subsidiary") had a resolution to approve the increase of authorized share capital from GBP 1 (1 ordinary shares, with a par value of GBP 1 per share) to GBP 101,000 (101,000 ordinary shares, with a par value of GBP 1 per share). The Company invested in the same portion (100%). The Company paid for the increase of authorized share capital by converting loan to the subsidiary to equity investment (see Note 30.2) and paid cash for the remaining in full. The subsidiary registered its increased share capital on November 15, 2018.

On July 21, 2017, the Board of Directors' Meeting of Leading Schools Partnership Limited (the "subsidiary") had a resolution to approve the increase of authorized share capital from GBP 5,000,000 (5,000,000 ordinary shares, with a par value of GBP 1 per share) to GBP 5,035,370 (5,035,370 ordinary shares, with a par value of GBP 1 per share). The subsidiary registered its increased share capital on July 21, 2017. However, the Company waived the rights to purchase the increased share capital of the subsidiary. As a result, the Company had the proportion of shareholding in the subsidiary decreased from 97.13% to 96.45%.

### 30.2 Short-term loans to related companies

						(Unit : Baht)
		SEPARATE FINANCIAL STATEMENTS				
	Nature of relationship	Balance as at December 31, 2017	Increase	Decrease	Balance as at December 31, 2018	Cost of intercompany loans policy
<b>Subsidiaries</b>						
Landmark Holdings Co., Ltd.	Shareholder and common director	600,000,000	-	-	600,000,000	9.25 % p.a.
Leading Schools Partnership Limited	Shareholder and common director	236,722,906	-	(15,817,863)	220,905,043	7.00 % p.a.
HYUK Limited	Shareholder and common director	3,220,465	-	(3,220,465)	-	7.00 % p.a.
Total		<u>839,943,371</u>	<u>-</u>	<u>(19,038,328)</u>	<u>820,905,043</u>	

						(Unit : Baht)
		SEPARATE FINANCIAL STATEMENTS				
	Nature of relationship	Balance as at December 31, 2016	Increase	Decrease	Balance as at December 31, 2017	Cost of intercompany loans policy
<b>Subsidiaries</b>						
Landmark Holdings Co., Ltd.	Shareholder and common director	1,000,000,000	-	(400,000,000)	600,000,000	9.25 % p.a.
Leading Schools Partnership Limited	Shareholder and common director	248,194,846	-	(11,471,940)	236,722,906	7.00 % p.a.
HYUK Limited	Shareholder and common director	8,718,740	-	(5,498,275)	3,220,465	7.00 % p.a.
Total		<u>1,256,913,586</u>	<u>-</u>	<u>(416,970,215)</u>	<u>839,943,371</u>	

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- (1) On February 17, 2014, the Company entered into a loan agreement with Landmark Holdings Co., Ltd. in the amount of Baht 100 million, duration of the drawdown loan within 12 months from the agreement date. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 12 months from the first drawdown. Later, on February 17, 2015, the Company entered into an agreement to extend the repayment period for such loan by requiring the repayment within 12 months from the agreement date.

Subsequently, on February 17, 2016, the Company made an amendment of the loan agreement to be repayable on demand. During the year ended December 31, 2017, the Company received full repayment of the loan.

- (2) On September 1, 2014, the Company entered into an additional loan agreement with Landmark Holdings Co., Ltd. in the amount of Baht 800 million, duration of the drawdown loan within 18 months from the agreement date. The Company can call for reimbursement by giving a written notice 15 days in advance. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 18 months from the first drawdown. Later, on March 1, 2016, the Company made an amendment of the loan agreement to be repayable on demand. During the year ended December 31, 2017, the Company received repayment for some portions of such loan in the amount of Baht 200 million.
- (3) On November 13, 2015, the Company entered into an additional loan agreement with Landmark Holdings Co., Ltd. in the amount of Baht 100 million, duration of the drawdown loan within 12 months from the agreement date. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 12 months from the first drawdown. Later, on November 12, 2016, the Company made an amendment of the loan agreement to be repayable on demand. During the year ended December 31, 2017, the Company received full repayment of the loan.
- (4) On September 23, 2016, the Company entered into a loan agreement with Leading Schools Partnership Limited (the “subsidiary”) in the amount of GBP 10.55 million, duration of the drawdown loan within September 30, 2016. The loan is unsecured and has interest rate at 7.00% per annum and repayable on demand. On that day, the subsidiary drew down the loan in the amount of GBP 10.55 million, or equivalent to Baht 472.82 million. Furthermore, the Company entered into a convertible loan agreement to convert the debt into equity of Baht 217.66 million resulting to the increase in investment in the subsidiary in the same amount.
- (5) On November 22, 2016, the Company entered into a loan agreement with HYUK Limited (the “subsidiary”) in the amount of GBP 19.50 million, duration of the drawdown loan within June 30, 2017. The loan is unsecured and has interest rate at 7.00% per annum and repayable on demand. During the year 2018, the Company converted such remaining loan of Baht 3.13 million to investment in the subsidiary.

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### 30.3 Short-term borrowings from a related company

		(Unit : Baht)			
Subsidiary	Nature of relationship	Balance as at December 31, 2017	SEPARATE FINANCIAL STATEMENTS		Cost of intercompany loans policy
			Increase	Decrease	
CGD Digital Partners Limited	Shareholder and common director	469,875,624	-	(30,986,374)	438,889,250
Total		469,875,624	-	(30,986,374)	438,889,250

		(Unit : Baht)			
Subsidiary	Nature of relationship	Balance as at December 31, 2016	SEPARATE FINANCIAL STATEMENTS		Cost of intercompany loans policy
			Increase	Decrease	
CGD Digital Partners Limited	Shareholder and common director	453,232,085	16,643,539	-	469,875,624
Total		453,232,085	16,643,539	-	469,875,624

On June 24, 2016, the Company entered into a borrowing agreement with CGD Digital Partners Limited in the amount of GBP 15 million. The borrowing is unsecured and no interest charge and repayable on demand. Subsequently, on June 30, 2016, the Company repaid the borrowing amounting to GBP 4.81 million by settling with dividend income from CGD Digital Partners Limited instead of cash repayment.

On June 22, 2017, the Company entered into an additional borrowing agreement with CGD Digital Partners Limited in the amount of GBP 0.38 million. The borrowing is unsecured and no interest charge and repayable on demand.

### 30.4 Other balances and transactions with related parties

A portion of the Group's and the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. These companies are related through common shareholders and directors both direct and indirect. The pricing policies for each transaction are as follows:

Transactions	Transfer pricing policies
Service fee	Mutually agreed in accordance with the contract which is comparable to market price

Significant transactions with related parties consist of:

		(Unit : Baht)			
Nature of relationship		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMETNS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2018	2017	2018	2017
Outstanding balances					
Subsidiaries					
Landmark Holdings Co., Ltd.	Shareholder and common director				
Other receivables (see Note 7)		-	-	43,599,703	4,780,000
Accrued interest income (see Note 9)		-	-	238,345,890	182,845,890
Other payables (see Note 17)		-	-	607,063	-



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		(Unit : Baht)			
	Nature of relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2018	2017	2018	2017
<b>Outstanding balances (continued)</b>					
<b>Subsidiaries (continued)</b>					
BCEG Country Group	Shareholder				
Engineering Co., Ltd.	and common director				
Other receivables (see Note 7)		-	-	8,560,000	-
CGD Data Limited	Shareholder				
	and common director				
Payable from purchase of investment in a subsidiary		-	-	445,734,402	477,204,057
CGUK 1 Limited	Shareholder				
	and common director				
Accrued interest income (see Note 9)		-	-	15,265,198	16,358,259
Leading Schools Partnership Limited	Shareholder				
	and common director				
Accrued interest income (see Note 9)		-	-	35,479,687	21,449,600
HYUK Limited	Shareholder				
	and common director				
Accrued interest income (see Note 9)		-	-	-	294,807
Payable from purchase of investment in a subsidiary		-	-	-	42
<b>Related companies</b>					
Country Group Securities PCL.	Common director				
Deposit at financial institution		5,522	5,478	5,522	5,478
Prepaid debentures issuance fee		14,224,860	-	14,224,860	-
Country Group Holdings PCL.	Shareholder				
	and common major shareholder				
Investment in ordinary shares		146,939,328	206,633,430	146,939,328	206,633,430
Warrants CGH-W1		-	179,282	-	179,282
Warrants CGH-W2		-	1,275,515	-	1,275,515
Warrants CGH-W3		1,530,618	-	1,530,618	-
MF Holdings Co., Ltd.	Common director				
Bills of exchange		200,000,000	200,000,000	200,000,000	200,000,000
Prepaid interest expense		1,180,614	4,155,586	1,180,614	4,155,586
<b>Related persons</b>					
Mr. Sadawut Taechaubol	Major shareholder				
Advance received		12,181,244	12,181,244	1,181,244	1,181,244
Mr. Ben Taechaubol	Shareholder and director				
Advance received		11,000,000	11,000,000	-	-
Ms. Orawan Taechaubol	Related person				
Advance received		27,043,172	18,178,879	-	-

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		(Unit : Baht)			
	Nature of relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		December 31,		December 31,	
		2018	2017	2018	2017
<b>Revenues and expenses</b>					
<b>Subsidiaries</b>					
Landmark Holdings Co., Ltd.	Shareholder and common director				
Interest income		-	-	55,500,000	90,884,791
Other service income		-	-	42,000,000	24,000,000
Land sublease income		-	-	3,000,000	4,158,383
BCEG Country Group Engineering Co., Ltd.	Shareholder and common director				
Other service income		-	-	11,000,000	-
Leading Schools Partnership Limited	Shareholder and common director				
Interest income		-	-	16,249,026	16,624,849
HYUK Limited	Shareholder and common director				
Interest income		-	-	194,089	237,090
<b>Related companies</b>					
Country Group Securities PCL.	Common director				
Interest income		44	306,256	44	306,256
Debentures issuance fee		2,788,139	-	2,788,139	-
Country Group Holdings PCL.	Shareholder and common major shareholder				
Dividend income		5,357,163	4,245,934	5,357,163	4,245,934
MF Holdings Co., Ltd.	Common director				
Interest expense		11,459,375	11,081,746	11,459,375	11,081,746
<b>Related person</b>					
Mr. Sadawut Taechaubol	Major shareholder				
Revenue from sale of condominium		-	1,869,965	-	1,869,965

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**31. FINANCIAL INFORMATION BY SEGMENT**

The Group's operations involve various business segments, which are a holding company, and real estate business.

The Group does not have revenues from transactions with a single external customer at 10% or more of total revenues.

The financial information by segment for the years ended December 31, 2018 and 2017, are as follows:

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
For the year ended December 31, 2018				
	Real estate business		Elimination	Total
	Real estate development Domestic	Investment property Foreign		
Revenues				
Revenue from external customers	318,176,411	51,459,579	-	369,635,990
Inter - segment revenues	16,443,115	-	(16,443,115)	-
	<u>334,619,526</u>	<u>51,459,579</u>	<u>(16,443,115)</u>	<u>369,635,990</u>
Expenses				
Cost of condominium sale	146,939,094	-	-	146,939,094
Direct operating expenses arising from investment property	-	3,012,279	-	3,012,279
Distribution costs	180,459,038	-	-	180,459,038
Administrative expenses	201,861,236	7,355,164	-	209,216,400
Directors and managements' remuneration	42,701,304	-	-	42,701,304
Finance costs	317,584,576	29,248,591	(16,756,853)	330,076,314
Total expenses	<u>889,545,248</u>	<u>39,616,034</u>	<u>(16,756,853)</u>	<u>912,404,429</u>
Profit (loss) before income tax	(554,925,722)	11,843,545	313,738	(542,768,439)
Income tax revenue (expense)	371,832	(27,147)	-	344,685
Net profit (loss) for the year	<u>(554,553,890)</u>	<u>11,816,398</u>	<u>313,738</u>	<u>(542,423,754)</u>

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
For the year ended December 31, 2017				
	Real estate business		Elimination	Total
	Real estate development Domestic	Investment property Foreign		
Revenues				
Revenue from external customers	1,050,722,411	56,916,525	-	1,107,638,936
Inter - segment revenues	16,861,939	-	(16,861,939)	-
	<u>1,067,584,350</u>	<u>56,916,525</u>	<u>(16,861,939)</u>	<u>1,107,638,936</u>
Expenses				
Cost of condominium sale	544,426,173	-	-	544,426,173
Direct operating expenses arising from investment property	-	3,187,394	-	3,187,394
Distribution costs	286,521,239	-	-	286,521,239
Administrative expenses	197,704,958	9,669,678	-	207,374,636
Directors and managements' remuneration	51,126,666	-	-	51,126,666
Finance costs	197,674,836	30,957,293	(17,241,453)	211,390,676
Total expenses	<u>1,277,453,872</u>	<u>43,814,365</u>	<u>(17,241,453)</u>	<u>1,304,026,784</u>
Profit (loss) before income tax	(209,869,522)	13,102,160	379,514	(196,387,848)
Income tax revenue	437,638	2,564,684	-	3,002,322
Net profit (loss) for the year	<u>(209,431,884)</u>	<u>15,666,844</u>	<u>379,514</u>	<u>(193,385,526)</u>

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(Unit : Baht)				
CONSOLIDATED FINANCIAL STATEMENTS				
	Real estate business		Elimination	Total
	Real estate	Investment		
	Development Domestic	property Foreign		
<b>Total assets</b>				
As at December 31, 2018	25,137,253,830	1,747,235,569	(2,483,591,665)	24,400,897,734
As at December 31, 2017	17,490,506,209	1,845,407,718	(2,553,621,881)	16,782,292,046
<b>Total liabilities</b>				
As at December 31, 2018	19,661,071,532	675,387,643	(1,162,359,177)	19,174,099,998
As at December 31, 2017	11,386,047,712	713,283,352	(1,231,088,570)	10,868,242,494

## 32. SIGNIFICANT AGREEMENTS

- 32.1 On May 15, 2013, the Company entered into the Joint Venture Agreement with BCEG Thai International Co., Ltd. to let such company to jointly invest in Landmark Holdings Co., Ltd. (the “subsidiary”) for the purpose of mutually developing in the Chao Phraya Estate Project. Under this agreement BCEG Thai International Co., Ltd. shall contribute share subscriptions in total amount of USD 60 million in cash to the subsidiary and shall be used only for the development of the project. Subsequently, the subsidiary received the share subscriptions in full amount according to this agreement, and registered the increased share capital with the Department of Business Development, the Ministry of Commerce. After the increase in share capital, the Company and BCEG Thai International Co., Ltd. held shares of Landmark Holdings Co., Ltd. at 70% and 30%, respectively.
- 32.2 The Company entered into the Operating Services Agreement with two subsidiaries to provide management and operation services to such company. The fee computed on cost plus basis and the termination condition are specified in the agreement.
- 32.3 On November 19, 2014, Landmark Holdings Co., Ltd. which is the Company’s subsidiary entered into a license agreement with Four Seasons Hotel & Resorts Asia Pacific Pte Ltd. for using the “Four Seasons” name in connection with the ownership and operation of the residences and in the rendition of all necessary or appropriate services and activities associated with the operation of Chao Phraya Estate project from November 19, 2014 up to the closing of the sale. Four Seasons Hotel & Resorts Asia Pacific Pte Ltd. is entitled to receive license fee, which is computed on certain percentage of gross sale prices of the project.

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**33. COMMITMENTS AND CONTINGENT LIABILITIES**

- 33.1 As at December 31, 2018 and 2017, the Company had a letter of guarantee for guarantee payment of a subsidiary.
- 33.2 During the year 2017, the Company had entered into a land purchase agreement in the amount of Baht 338.45 million and paid deposit on the contract date in the amount of Baht 20 million. Subsequently, on March 21, 2018 the Company paid for such land in the remaining amount of Baht 318.45 million. Therefore, as at December 31, 2018, the Company had no commitment on such contract.
- 33.3 Landmark Holdings Co., Ltd. (the “subsidiary”) entered into a contract with BCEG Thai International Co., Ltd. who is the contractor of Chao Phraya Estate Project (see Note 20.1). As at December 31, 2018 and 2017, the remaining value of the contract is Baht 2,821.52 million and Baht 7,741.63 million, respectively.
- 33.4 The Company has commitments in land rental agreement used for office space and parking lot for Elements Project and land rental agreement for development of Chao Phraya Estate Project, office space lease and facilities agreement and car rental agreements. The Company had commitments to pay the rentals as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2018	2017
Within 1 year	16,752,566	12,662,146
Over 1 year but not over 5 years	40,991,870	53,071,106
Over 5 years	295,022,065	306,529,777

Lease and service payments recorded as expenses in the statements of profit or loss and other comprehensive income for the year ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	2018	2017
For the years ended December 31,	12,583,901	5,885,083



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### 34. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

#### 34.1 Credit risk

Credit risk is the risk of uncertainty in payment received from sale and service under credit on accounts receivable which will affect the results of operations of the Group and the Company. The Company's main business is the sale of residential condominium units. Therefore, there is no risk because if receivables do not get paid or the customers fail to pay the installment period, the Company will not transfer ownership of condominiums.

As at December 31, 2018 and 2017, the maximum exposures to credit risk of the Group and the Company are limited to the carrying amount of trade receivables less allowance for doubtful accounts.

#### 34.2 Interest rate risk

Interest rate risk arises from fluctuations in interest rates, which affect the performance of the Group and the Company. However, the effect of fluctuations in interest rate did not materially affect to the Group and the Company due to most financial assets and liabilities have interest rate at fixed rate. The objective is to reduce the risk arising from interest rate volatility. In case it has to get variable interest rate loans, the Group and the Company will consider using financial tools such as currency swap in order to reduce such risk. In addition, the Group and the Company has established business alliances with several commercial banks. The objective is to enable the Group and the Company to make comparison of different offers which lead to the financial costs appropriate to the Group and the Company.

#### 34.3 Foreign exchange rate risk

Foreign exchange rate risk arises from the change in foreign currency exchange rate to have an adverse effect on the Group and the Company.

As at December 31, 2018 and 2017, the Group and the Company have significant balances of financial assets and liabilities in foreign currencies as follows:

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Financial assets	21.72	21.10	40.00	37.37
Financial liabilities	9.58	9.66	21.31	21.31

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Financial assets	56.43	35.26	-	-
Financial liabilities	266.66	136.88	0.07	-

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## 34.4 Fair values of financial assets and financial liabilities

As most of the Group's and the Company's financial assets and financial liabilities are short-term in nature with interest rate at fixed rate, the Group's and the Company's management believe that the carrying amounts of the financial assets and liabilities; cash and cash equivalents, trade and other current receivables, short-term loans to related companies, other current assets, deposits at bank used as collateral, trade and other current payables, payables from purchase of investment in subsidiaries from related companies, short-term borrowings, bills of exchange, current portion of long-term debentures, and other current liabilities, approximate to their fair values. For long-term financial liabilities; construction payables, long-term borrowings and long-term debentures, the Group's and the Company's management believe that their estimated fair values are based on the amounts presented in the statement of financial position.

However, certain assets of the Group and the Company are measured at fair value at the end of reporting period. The following tables give information about how the fair values of these assets are determined.

CONSOLIDATED FINANCIAL STATEMENTS					
Assets	Fair value (Baht) As at December 31, 2018	Fair value (Baht) As at December 31, 2017	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements	Significant unobservable inputs
1. Investment in fixed income fund	100,502,312	-	Level 2	Net asset value of investment units of the last working day of the reporting period	N/A
2. Investment in ordinary shares and warrants registered in the Stock Exchange of Thailand	148,469,946	208,088,227	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
3. Investment in unit trust registered in the Stock Exchange of Thailand	70,500,000	99,000,000	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
4. Investment property	789,158,751	845,666,309	Level 3	Discounted cash flow using income approach appraised by the independent professional appraisers. Information used in fair value measurement are expected revenues and discount rate	Projected cash flows and discount rate

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SEPARATE FINANCIAL STATEMENTS					
Assets	Fair value (Baht) As at December 31, 2018	Fair value (Baht) As at December 31, 2017	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements	Significant unobservable inputs
1. Investment in fixed income fund	100,502,312	-	Level 2	Net asset value of investment units of the last working day of the reporting period	N/A
2. Investment in ordinary shares and warrants registered in the Stock Exchange of Thailand	148,469,946	208,088,227	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
3. Investment in unit trust registered in the Stock Exchange of Thailand	70,500,000	99,000,000	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A

### 35. EVENTS AFTER THE REPORTING PERIOD

35.1 On January 21, 2019, the Board of Directors No. 1/2019 has approved the date of the issuance and offering of the Warrants (“CGD-WC”) to the directors, executives and employees of the Company and/or its subsidiaries to be on February 25, 2019. The term of the Warrants is 5 years and the maturity date of the Warrants shall be on February 24, 2024 (see Note 23.3). Subsequently, on February 25, 2019, the Company has already issued and offered of such Warrants.

35.2 On February 27, 2019, the Board of Director’s Meeting of the Company No. 2/2019 passes the significant resolutions as follows:

35.2.1 To propose the Annual General Meeting of Shareholders to consider and approve the reduction of the Company’s registered share capital from Baht 10,785,353,544 to Baht 9,958,993,608, by cancelling 826,359,936 unsold ordinary shares with a par value of Baht 1.00 per share and the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the registered capital.

35.2.2 To propose the Annual General Meeting of Shareholders to consider and approve the increase of the Company’s registered share capital by Baht 826,000,000 from the existing registered share capital of Baht 9,958,993,608 to Baht 10,784,993,608 by issuing 826,000,000 new ordinary shares with a par value of Baht 1.00 per share.

35.2.3 To propose the Annual General Meeting of Shareholders to consider and approve the allocation of 826,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share is to offer to private placement, as per the Announcement of the Capital Market Supervisory Board No. Tor. Jor. 72/2558.

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**36. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved for issuance by the authorized directors of the Company on February 27, 2019.







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