

ANNUAL REPORT 2019

COUNTRY GROUP DEVELOPMENT PCL



COUNTRY GROUP
DEVELOPMENT

COUNTRY GROUP DEVELOPMENT PCL.
ANNUAL REPORT 2019

CONTENTS

MESSAGE FROM CHAIRMAN & CEO	04	MANAGEMENT BIOGRAPHIES	64
2019 FINANCIAL HIGHLIGHTS	06	BUSINESS OPERATION	68
2019 AT A GLANCE	08	MANAGEMENT DISCUSSION & ANALYSIS	76
BOARD OF DIRECTORS	10	RISK FACTORS	84
OUR APPROACH & PROJECTS PORTFOLIO	12	INTERNAL CONTROL & RISK MANAGEMENT	88
ECONOMIC ANALYSIS	28	CORPORATE GOVERNANCE	90
SHAREHOLDER STRUCTURE	41	CORPORATE SOCIAL RESPONSIBILITY	101
GENERAL INFORMATION & OTHER IMPORTANT INFORMATION	42	RELATED PARTY TRANSACTIONS	103
SHAREHOLDING & MANAGEMENT STRUCTURES	45	REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS	107
MAJOR SHAREHOLDERS & DIVIDEND POLICY	52	AUDIT COMMITTEE REPORT 2018	108
ORGANIZATION STRUCTURE	53	REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	110
BOARD OF DIRECTORS BIOGRAPHIES	54	FINANCIAL STATEMENTS	114



MESSAGE FROM CHAIRMAN & CEO

To My Fellow Shareholders,

Whilst we would have preferred otherwise, the global Covid-19 pandemic is truly upon us and with it the uncertainty and challenge it poses for individuals and corporations worldwide. It is no denying fact that the covid-19 pandemic has an immense global impact on all countries concerned and no company, whether large or small, is exempt from such a painful situation.

Notwithstanding this impact, the year 2019 was yet another integral year for us and its achievements not to be forgotten as we took huge steps in concluding our flagship Chaophraya Estate project. We were delighted to begin welcoming our first group of residents of the Four Seasons Private Residences into their new homes in December, with the process of transferring and settling our residents in with the decoration of their units, our main focus for the remainder of 2020. The pandemic has not made this process easy but we stand ready to assist our residents, both local as well as our international clients, to minimize the disruption before they are able to enjoy their new homes.

The beginning of 2020 saw glimpses of what is to come with the Four Seasons Hotel hosting what is undoubtedly some of the year's most glamorous weddings to positive reviews but again, due to the pandemic, the Four Seasons Hotel and Capella Hotel both of which were originally scheduled for opening in April 2020, had to be postponed till later on in the year. Nonetheless, our wonderful Four Seasons and Capella team remain eager to begin serving guests as soon as the world-wide pandemic situation shows sign of improvement.

Beyond the Chaophraya Estate, the year 2019 was spent preparing the imminent launch of our next exciting project which is a mixed use education and residential project, to serve the ever growing real demand of affordable urban living solutions that are of the quality synonymous with the Country Group brand.

Our flagship international school, the Concordia International School Bangkok which begins construction this year, is particularly exciting as we look forward to bringing to Thailand, the distinguished Concordia curriculum which is an American, rich values-base education rooted in the Christian faith. Concordia Bangkok is the sister school of Hong Kong International School (HKIS), Concordia International School Shanghai (CISS), renowned for preparing students for acceptance and success in top-tier American colleges and universities.

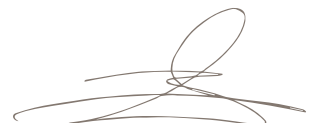
Country Group Development, like everyone, will have to react to the immense task ahead of us during this Covid-19 pandemic. These are challenging times but we are fortunate to have reached the stage of completion of construction on our Chaophraya Estate and with our wonderful leadership team and their 'never back down' spirit, we are quietly confident in our ability to overcome these challenges.

On behalf of the Board of Directors, we would like to offer our sincere gratitude to those that made 2019 possible. We wish everyone good health and safety during these challenging times; with the hope and knowledge that "this too shall pass" and serve to only bring us closer.

Yours faithfully,



Vikrom Koornpirochana
Chairman



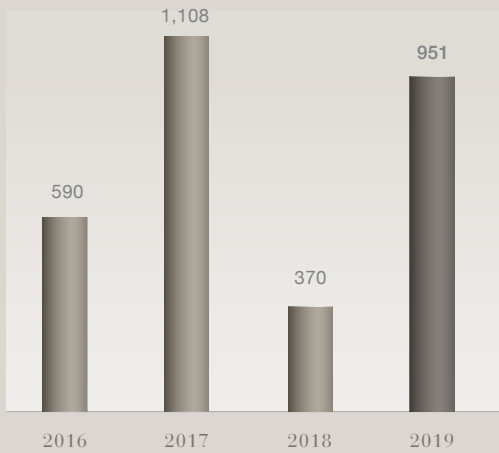
Ben Taechaubol
Chief Executive Officer

FINANCIAL HIGHLIGHTS

Significant financial information comparison for the year 2016-2019

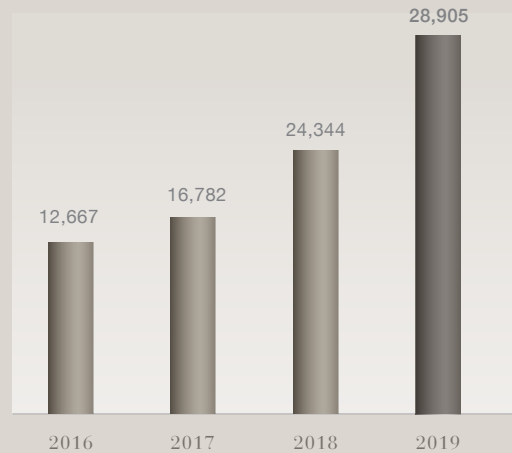
TOTAL REVENUE

(Baht Million)



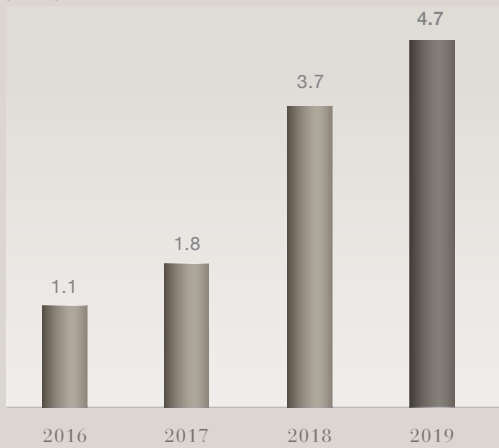
TOTAL ASSETS

(Baht Million)



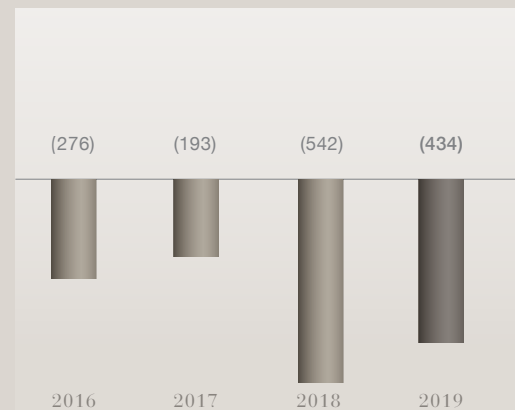
DEBT TO EQUITY RATIO

(Times)



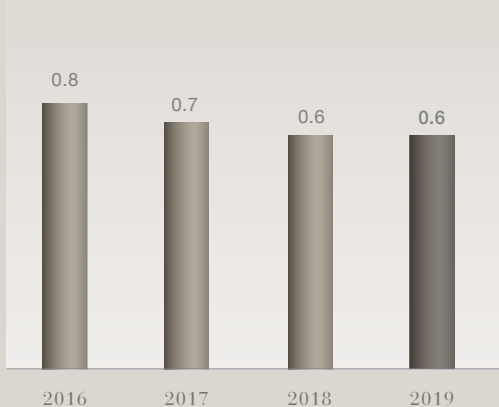
NET PROFIT (LOSS)

(Baht Million)



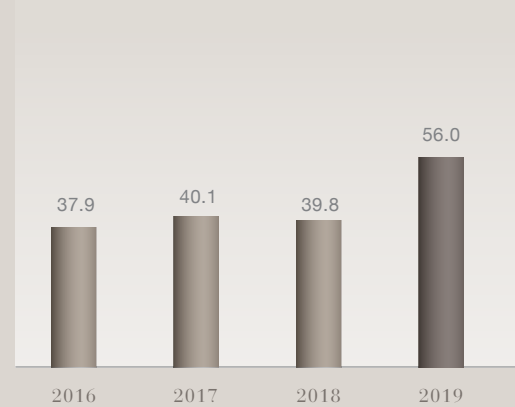
BOOK VALUE PER SHARE

(Baht / Share)



GROSS PROFIT MARGIN

(%)



Unit : Baht Million	2016	2017	2018	2019
FINANCIAL POSITION				
Total Assets	12,667	16,782	24,344	28,905
Total Liabilities	6,694	10,868	19,117	23,862
Total Shareholders' Equity	5,973	5,914	5,227	5,043
OPERATING RESULTS				
Total Revenue	590	1,108	370	951
Revenues from Condominium Sales	352	909	244	412
Cost of Condominium Sales	219	544	147	181
Gross Profit	133	365	97	231
Net Profit (Loss) For The Year	(276)	(193)	(542)	(434)
RATIOS				
Gross Profit Margin (%)	37.9	40.1	39.8	56.0
Book Value Per Share (Baht / Share)	0.8	0.7	0.6	0.6
Debt to Equity Ratio (Times)	1.1	1.8	3.7	4.7
Interest - Bearing Debt to Equity Ratio (Times)	0.8	1.4	2.5	3.2
Return on Equity Ratios (%)	(6.0)	(3.3)	(9.7)	(8.5)

2019 AT A GLANCE



MARCH

CGD TAKES THE FIRST STEP TOWARDS BRINGING THE FIRST TIER INTERNATIONAL SCHOOL TO BANGKOK

Rev. Dr. Matthew C. Harrison, the President of The Lutheran Church Missouri Synod (LCMS) led the Concordia International School Shanghai team, including its head of school, Dr. Mary Scott, to visit Bangkok and sign MOU to kick-start the Concordia International School Bangkok project.

JUNE

ARRIVAL OF FOUR SEASONS RESIDENCE TEAM

Four Seasons Residences Team led by the "Four Seasons Resident Expert", Scott Trent, arrived to prepare the property for the homeowners. The team's goal is to deliver the highest level of service that is also warm, welcoming and personal to ultimately create "a home" for the residents.

NOVEMBER

MEET THE DIRECTOR OF RESIDENCES AND CUSTOMER RELATIONS MANAGEMENT TEAM IN HONG KONG

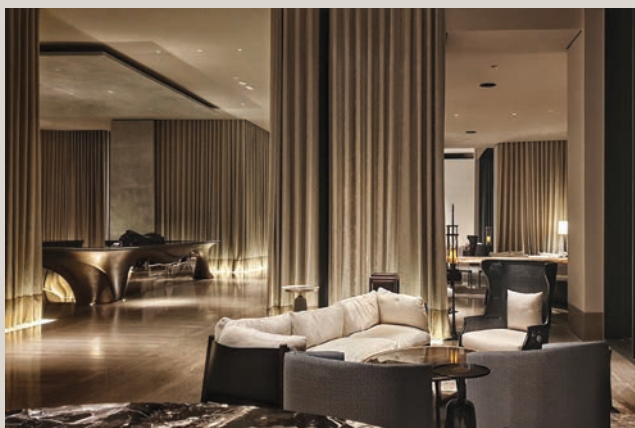
Ben Taechaubol, CEO of Country Group Development and Scott Trent, Director of Residences joined the Customer Relations Management team at Four Seasons Hong Kong to update on the latest progress of buyer's new home ensuring a smooth transfer preparation and give a glimpse of readiness of what awaits at Chao Phraya Estate.



DECEMBER

FIRST RESIDENTS OF FOUR SEASONS PRIVATE RESIDENCES MOVE IN

With the construction of the Four Seasons Private Residences nearing conclusion in December, our first lot of residents moved in. With the final touches now being made, the rest of the residents began to arrive at their new homes in sequence.



JANUARY 2020

FOUR SEASONS HOTEL & CAPELLA BANGKOK IN OPERATION

Advance booking opened for both hotels, covering both the luxurious rooms and suites and the glamorous event spaces. Four Seasons Hotel hosted several weddings in January and many events and parties are already scheduled for the upcoming months.

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
- Chief Executive Officer

**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

OUR APPROACH

Country Group Development PCL aims towards a balanced portfolio of real estate developments and investments in order to sustain stable long term growth through assets for sale and recurring income assets.

DEVELOPMENT



FOUR SEASONS
PRIVATE RESIDENCES
BANGKOK AT CHAO PHRAYA RIVER
A COUNTRY GROUP DEVELOPMENT

PROVENANCE
RAMA III

(Under Development)

ELEMENTS
SRINAKARIN

CHACHOENGSAO
(Under Development)



FOUR SEASONS
HOTEL
BANGKOK AT CHAO PHRAYA RIVER



CAPELLA
BANGKOK

Concordia
INTERNATIONAL SCHOOL BANGKOK

(Under Development)

For Sale Assets

For Income Assets

INVESTMENT

OVINGDEAN

**ANCHORAGE
POINT**

For Sale Assets

Whether a green field development or investment acquisition, these investments with a short term divestiture plan will generate higher value income and allows for quick return on capital.

For Income Assets

Flagship projects to yield based acquisitions, our portfolio of recurring income assets in select industries such as hotels and schools form an important part of our strategic balanced portfolio to help even out the local real estate cycle.

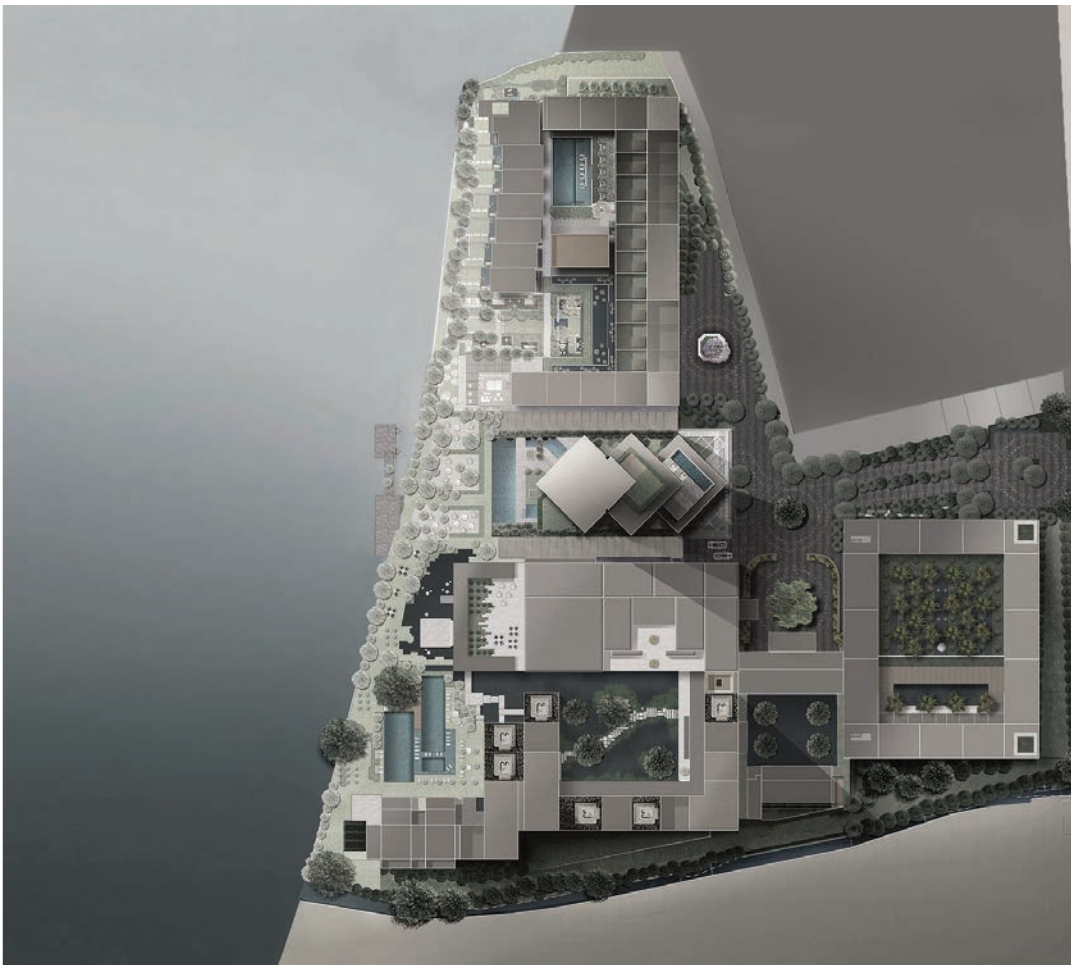


CHAO PHRAYA ESTATE

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.





FOUR SEASONS
PRIVATE RESIDENCES
BANGKOK AT CHAO PHRAYA RIVER
A COUNTRY GROUP DEVELOPMENT

For Sale Asset

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.





FOUR SEASONS
HOTEL

BANGKOK AT CHAO PHRAYA RIVER

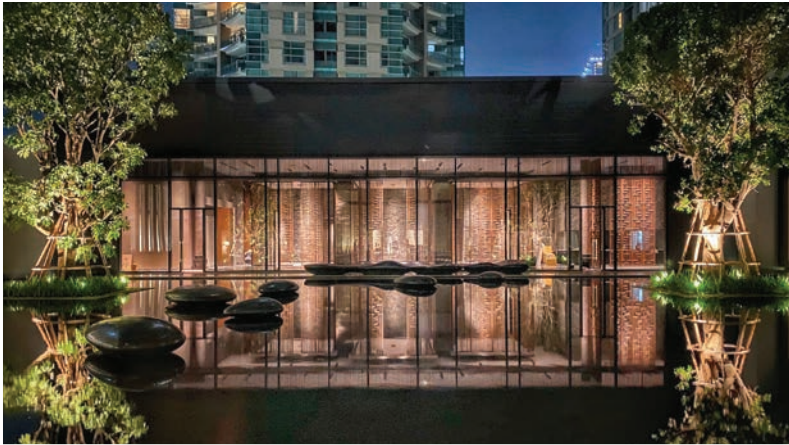
Income Asset

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.





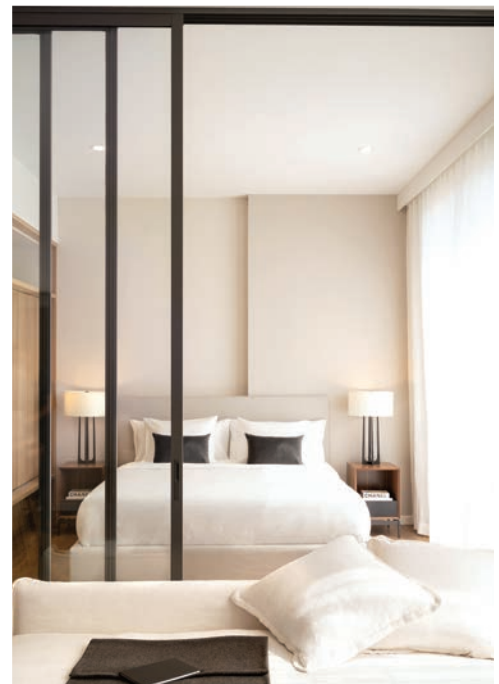
Income Asset

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 a terre.





PROVENANCE

RAMA III

For Sale Asset

Sector : Residential
Location : Bangkok, Thailand
(Under development)

Provenance is situated on 5 – 3 – 51.25 rai of land right off the Rama III Industrial Ring Road. With the expressways and existing mass transit networks conveniently accessible, Bangkok's CBD is reachable within 15 minutes' drive. This unique concept affords the rare luxury of space, security and high-end living combined with incredible views. The carefully curated amenities will set the community apart, with facilities designed to ensure the seamless integration of residents of all ages. The project is expected to be completed in 2023.





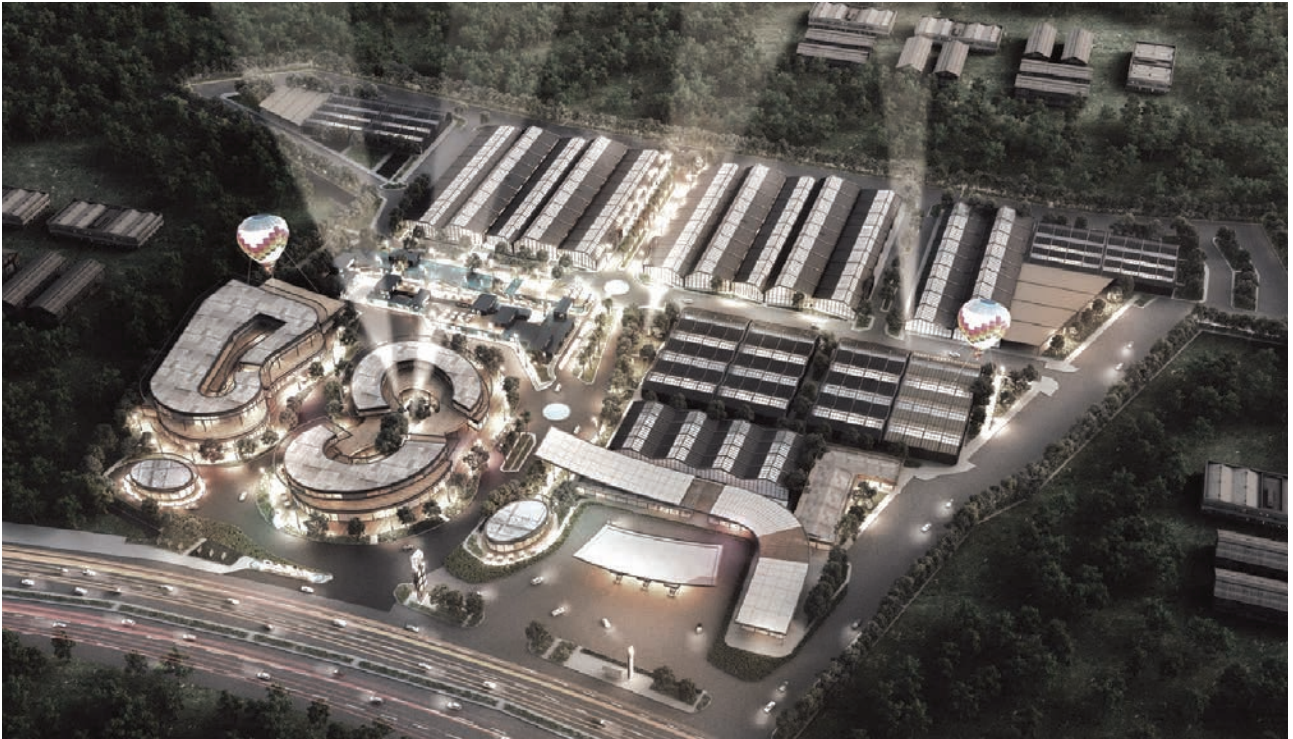
Concordia

INTERNATIONAL SCHOOL BANGKOK

Income Asset

Sector : Education
Location : Bangkok, Thailand
(Under development)

Housed in an advanced, purpose-built facility next door to the Provenance project, Concordia International School Bangkok takes up 15 – 9 – 56.25 rai of land. The school will bring world-class education to over 1,700 students. Supported by its American-style curriculum and a multicultural outlook, the school will pave the students' way to the top universities and give back to society by nurturing the leaders of tomorrow. The inaugural academic year is expected to be in 2022.



CHACHOENGSAO

For Sale Asset

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.



OVINGDEAN

For Sale Asset

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.





E L E M E N T S

S R I N A K A R I N

For Sale Asset

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 new 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.



ANCHORAGE POINT

For Sale Asset

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).



ECONOMIC ANALYSIS



MACRO ECONOMY

CHACHOENGSAO

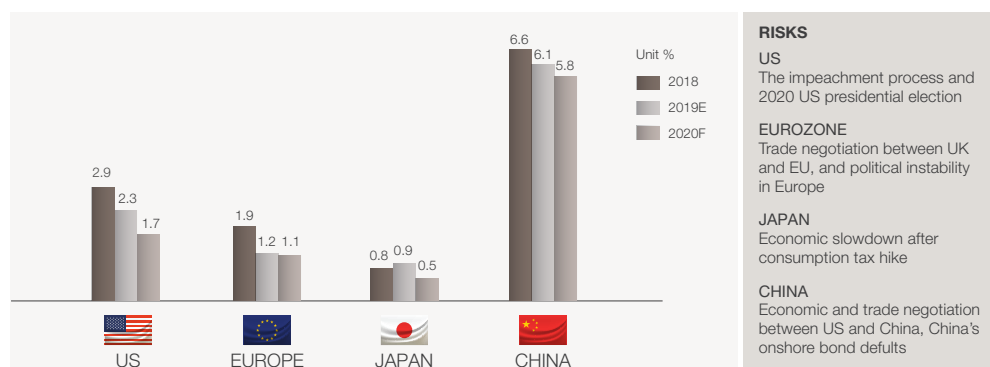
(Under Development)

GLOBAL ECONOMY

The global economy is in a synchronized slowdown but monetary easing is set to facilitate its recovery.¹ Resulting primarily from prolonged trade barriers and uncertainty due to geopolitical tensions, the subdued growth has been monitored throughout 2019 and is expected to impact the escalation of growth in 2020.² However, it has been suggested that monetary stimulus via policy rate cuts and liquidity injections may offer a solution to the recession.¹

Unfortunately, the global pandemic may prolong the recession as the infection is reaching its peak. Starting with the supply chain failure as China plunged into a full lock down mode. The indirect effect of the global quarantines, travel restrictions, restaurant and store closures also create ripple effects. The economy is beset by the demand shocks as people's incomes are limited by job loss and profit loss. There are many possibilities of the outcome predictions. The business implication of this wide range of possibilities is that companies need to be ready for a prolonged period of weak sales, while also ready to jump forward in a reviving economy.

REAL GDP GROWTH PROJECTIONS



Source: EIC analysis based on data from Global houses

GDP had grown by

2.4%

which was lower than the previous projection

THAILAND'S ECONOMY

In 2019, the prolonged trade war and rising geopolitical tensions around the world resulted in sluggish expansion globally, which consequently had a significant effect on Thailand's economic growth.

For the past year, Thailand's economy has been on a rocky ride, showing downward signs since the 2nd quarter, when the GDP dropped to 2.3%; it continued its slow pace into the 3rd quarter, sitting at 2.4%. By the end of 2019, GDP

had grown by 2.4%, which was lower than the previously projected 2.6%.³

The major impact of this decline economic growth lies in the deceleration of export expansion. During the first eight months of 2019, the value of Thai exports shrank by -3.3% YOY, especially in the products that were part of China's supply chain.¹

The tourism sector, on the other hand, has recovered slightly from the lows caused by the boat accidents in Phuket in the previous year.



In 2019, Thailand hosted 39.8 million foreign tourists, an increase of 4.24% YOY.⁴

Despite the reduction in Chinese tourist arrivals throughout the first five months, overall tourist arrivals from various key destinations increased, including India (24.85% YOY), Taiwan (14.8% YOY), Japan (9.07% YOY), Korea (5.09% YOY), China (4.36% YOY), ASEAN (4.27% YOY) and USA (4.06% YOY).⁵ Furthermore, this sector also benefited from the tensions evolving in other tourist markets, such as the protests in Hong Kong, the conflict between China and Taiwan and tensions between Japan and South Korea.¹ For these reasons, Thailand became a more favorable destination among foreign tourists.
















Over the past year, Thailand has experienced the appreciation of Thai Baht against the U.S. dollar. It continuously rocketed up to over 8% in 2019, which is the highest it has performed over the past six years.⁶ Resulting from the depreciation of the U.S. dollar due to global trade tensions, the strengthening of Thai currency has lowered Thailand's trade competitiveness, undermined export performance and decelerated tourist spending revenue⁶ – three of the main contributors to Thailand's economy. Despite the fact that negative external factors limited growth in 2019, the economic stimulus packages introduced by the government somewhat shored up private consumption and improved private investment confidence, supporting growth.¹

In 2020, Thailand's economy is likely to recover gradually in line with a slow global recovery, which is projected to expand by 2.7%-3.7%. The main contributing factors³ will be:

1. Favorable growth in domestic demand, both in private consumption and private investment.
2. A gradual recovery of exports following expected global recovery, together with the adjustment of exports to the trade measures.
3. Key government stimulus measures.
4. Continued improvement in the tourism sector.

However, Thailand still have to endure the prolong recession due to the spread of covid-19 before seeing the improvement in economy, especially in the tourism sector. The new forecast expects to see the reduction of tourist number even as high as 60% compare to the previous year. With the global economy slowdown, Thailand's export is expected to shrink 8.8% instead of 0.2% expansion as previously forecasted.⁹

THAI ECONOMY KEY FORECATS IN 2020 (%YOY)

Unit: %YOY	2019F	2020F
Private Consumption	4.2  (4.2)	2.9  (3.2)
Private Investment	2.2  (2.8)	2.9  (3.2)
Government Consumption	1.8  (2.2)	2.2  (2.0)
Government Investment	-0.5  (2.2)	5.6  (4.9)
Exports of Goods*	-3.3  (-3.3)	0.2  (0.2)
Tourist Arrivals	4.3  (5.1)	3.7  (3.8)
Imports of Goods*	-5.3  (-5.3)	-0.2  (0.3)
Headline Inflation	0.7	0.6  (0.8)

EASTERN ECONOMIC CORRIDOR (EEC)

The Eastern Economic Corridor (EEC) is a development plan aiming to revitalize trade and investment opportunities as well as economic development and sustainability in the Eastern Seaboard area. The physical potential of the Eastern Seaboard facilitates the transformation plan, making it even more tangible for the future innovative development. Through a combination of 15 major development projects⁷, the ECC will eventually become not only the powerhouse of the country's production, but also the regional hub for trade, investment, and logistics.

Regarding the previous year, the development has seen constant progress throughout 2019, with five mega-projects – a high-speed railway connecting three airports (225 billion); U-tapao aviation city (290 billion); a maintenance, repair and overhaul (MRO) center (10.6 billion); the 3rd phase of Laem Chabang seaport (114 billion); and the 3rd phase of Map Ta Phut seaport (55.4 billion)⁸ – flagged as under development. Once infrastructure development projects reach completion, we hope to see a big transformation in terms of transportation, innovative technology, vibrant business and investment opportunities, and well-designed cities in the east of Thailand. With the prolong recession ahead, the plan and the continuous progress of EEC give businesses room to improve and bounce back.

References

1. "Outlook Quarter 4/2019" SCB Economic Intelligent Center, 08 November 2019, <https://www.scbec.com/en/detail/product/6405>. Accessed on 28 January 2020.
2. "World Economy Outlook: Global Manufacturing Downturn, Rising Trade Barriers" International Monetary Fund, October 2019, <https://www.imf.org/en/Publications/WEO/Issues/2019/10/01/world-economic-outlook-october-2019>. Accessed on 28 January 2020.
3. "NESDC lowers 2020 economic growth estimate" The Nation Thailand, 17 February 2020, <https://www.nationthailand.com/news/30382262>. Accessed on 18 February 2020.
4. "Foreign tourist arrivals up 4% in 2019" Bangkok Post, 24 January 2020, <https://www.bangkokpost.com/business/1842844/foreign-tourist-arrivals-up-4-in-2019>. Accessed on 13 February 2020.
5. Ministry of Tourism and Sports, 23 January 2020, <https://www.mots.go.th/News-link.php?nid=12414>. Accessed on 13 February 2020.
6. "What Does a Rising Baht Mean for Thailand's Economy?" The Diplomat, 30 August 2019, <https://thediplomat.com/2019/08/what-does-a-rising-baht-mean-for-thailands-economy/>. Accessed on 13 February 2020.
7. "The Eastern Economic Corridor (EEC) - The next major economic zone of ASEAN" Asia Perspective, 9 December 2019, <http://asiaperspective.net/2019/12/09/eastern-economic-corridor-eeec-next-major-economic-zone-asean/>. Accessed on 14 February 2020.
8. "EEC investment set to exceed forecast" Bangkok Post, 4 February 2020, <https://www.bangkokpost.com/business/1623142/eeec-investment-set-to-exceed-forecast>. Accessed on 14 February 2020.
9. "Covid-19 Crisis" BBC Thai News, 25 March 2020, <https://www.bbc.com/thai/thailand-52035524>. Accessed on 2 April 2020.

BANGKOK CONDOMINIUM MARKET

FOUR SEASONS
PRIVATE RESIDENCES
BANGKOK AT CHAO PHRAYA RIVER
A COUNTRY GROUP DEVELOPMENT

PROVENANCE
RAMA III
(Under Development)

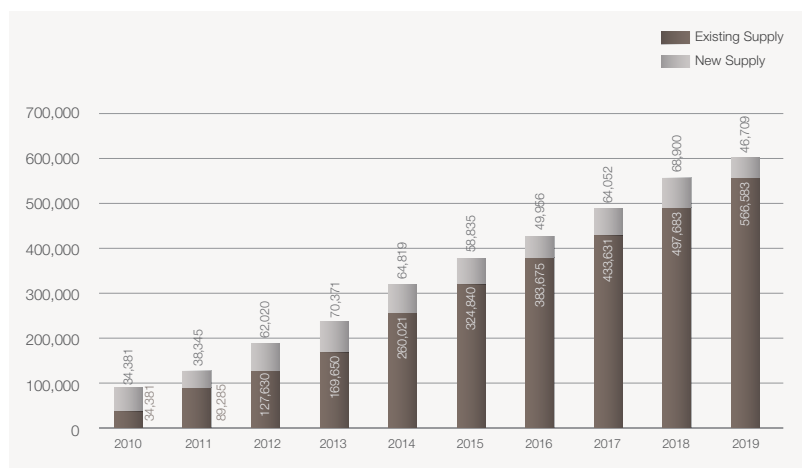
2019 was another challenging year for Bangkok's condominium market, primarily due to external factors such as the local economy, the global economic crisis and the weakening of the Chinese Yuan. On top of these issues, the new loan-to-value (LTV) measure implemented by the Bank of Thailand to prevent the oversupply of the products in the market has had an impact. Many developers have turned their focus towards selling units to first-time buyers, while collaborating with foreign agents to sell the foreign quota.¹ Almost 50% of new supply was in the mid-market sector, with prices ranging from THB 75,000-110,000 per sq.m. to attract consumers searching for more affordable properties in the outer reaches of the city. Nevertheless, average price of newly launched condominiums was between THB 114,400-231,300 per sq.m (city's center), and new supply accounted for approximately 48% of all units sold in 2019.²

Newly launched
condominiums was
between

114,400

–
231,300

per sq.m.



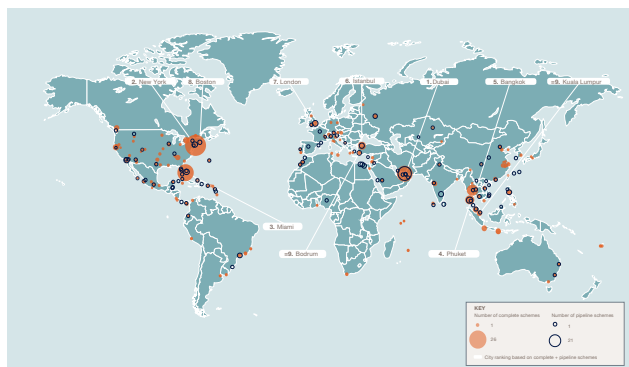
Source: Knight Frank, <https://thailand-property-news.knightfrank.co.th/2020/02/04/knight-frank-thailand-reveals-summary-of-bangkok-condominium-market-in-2019-and-outlook-for-2020/>

Another challenge faced by the real estate market has been the price war between completed local projects. With the economy and government restrictions affecting both investors and mid-tier markets, many projects have been left with unsold stocks and newly launched projects have faced slower sales rates. Many developers have had to focus on clearing current unsold stocks, using strategies like promotional sale campaigns and discounts.³ Resale and buy-to-rent condominium investors are still prominent, as they are taking advantage of the property slow down and the subsequent discounts in order to make greater profits in the future.

With the slowdown of purchasing power in 2019, real estate developers were able to take time to focus on the end consumers. Most developers postponed launching new projects in order to adjust their branding, positioning and pricing to match real demand. On top of this, during the course of the year, the Bank of Thailand agreed to ease its initial loan-to-value (LTV) regulations on mortgages in order to support potential homebuyers.⁴

Branded residences and the super-luxury sector have not been affected by the real estate trends laid out above. According to Savills Research, the branded residences sector has grown by 198% in the last decade and shows no signs of slowing down. There are now more than 430 branded schemes globally with a total of 65,000 units. In 2019, a record 65 projects opened and nearly 70 are due to launch in 2020, with Thailand being the leading country in the Asia-Pacific region in this sector.⁷





Source: Savills, Research

In Bangkok, there is still a demand for branded residences associated with a leading hotel operator – especially those that are in a desirable location with a small number of units for exclusivity.⁶ High Net-Worth Individuals (HNWI) have been minimally affected by the struggling economy and are willing to pay premium prices for the exclusivity, quality and excellent service promised by branded residences.⁶ Apart from the property's assets, emotional association with the branding plays a significant role. As the target group is so elite, the branded residences sector in Bangkok has not been affected by problems of oversupply or the economic slowdown.

The real estate market still remains attractive and mixed-use development is likely to grow continuously, as it is able to satisfy the desire of both Thai and, especially, Chinese buyers for residential property that is located near mass transit, shopping, offices, schools, and other recreational facilities.¹⁰ Most mixed-use projects are able to combine a sense of community with lifestyle amenities and environmental quality to meet every aspect of the residents' needs.

One of the key factors that buyers look for in a residential property is a desirable location, both geographically and atmospherically. Not only do consumers prefer to live somewhere with easy access to their workplace and mass transit, they also prefer to live within convenient reach of amenities in good surroundings. Hence, developers are investing more than 581.5 billion baht to develop mixed-use developments in Bangkok's CBD, some of which will be completed by 2025.⁹ Commonly, these mixed-use projects will include retail and office spaces and a hotel. By adding a residential component, hotel operators can improve income streams with loyalty fees from sales, allowing them to be more competitive.⁷ These mixed-use projects not only create a stream of income for the developers, but also a desirable environment for the future residents.

Opening Year	Project	Project Value (MB)
2018	IconSiam	50,000
2019	Whizdom 101 Singha Complex Samyan Mitrtown	30,000 4,255 (excl. Land Price) 8,500
2020	Bangkok Mall (1 st phase, 47-storey building)	20,000
2021	Dusit Central Park (Commercial & Hotel)	36,000
2022	548 Ploenchit The Forestias	3,000 90,000
2023	The Parq Bangkok Mall	20,000 -
2024	Dusit Central Park	-
2025	One Bangkok	120,000

Source: <https://thailand-property-news.knightfrank.co.th/2019/03/01/โครงการมีชัย/>

Projects that combine additional services, high-quality specifications and large communal green spaces with innovative buildings designed for multi-generational living are able to attract buyers of all ages and family sizes.⁸ In the internet age, customer trends are changing, so the onus is on developers to deliver lifestyle experiences through digital platforms in order to tap into the demands of current and new generations. The changing demands of younger generations for an easy and integrated lifestyle are fueling demand for mixed-use developments. Combined with the increasing price of land, this makes mixed-use projects more feasible than single-use developments.⁹

However, the coronavirus outbreak posed a challenge for the real estate market as potential Chinese customers are stranded in China. As a result, the transfer value is expected to be 11.1 – 16.7% less than previous year¹¹. This number is possible as the market forecast that Thai market may able to hold up due to the support policy of the government to reduce the transfer and mortgage fee to 0.01%. With the current market sentiment amid the outbreak, developers have significantly reduced their new projects and even delayed their launch as the purchasing power of the consumers is affected by the covid-19.

2020 will be the year to see agile changes in the real estate industry as developers must revisit their strategies to comply with the social distancing policy to ride out this wave. Once the outbreak subsides, it is believed that the market will again flood with foreign buyers who will look for alternative residences in other countries in the event of this type of emergencies especially in the luxury sector and those with real demand for family home domestically.

References

- Colliers Quarterly, "Bangkok Condominium Report Q4 2019", Colliers International Thailand, https://www.colliers.com/-/media/files/apac/thailand/market-reports/research_quarterly-q4%2019-condominium-eng.pdf. Accessed 10 February 2020.
- Kirk Bunyayothin, "Nexus Sums Up Bangkok's Property Market in 2019 Steady Condo Market With Good Absorption Rate Office Buildings, Shopping Malls Keep Growing", Propholic, <https://propholic.com/en/prop-now/นิกซ์ซัมส์สรุปภาพรวมตลาดอสังหาริมทรัพย์ในกรุงเทพฯ ปี 2019>. Accessed 5 February 2020.
- CBRE Research, "Bangkok Residential MarketView Q3 2019: Projects postponed as presales volume drops", 9 December 2019, <https://www.cbre.co.th/report-detail/thailand/bangkok-residential-marketview-q3-2019>. Accessed 5 February 2020.
- Banchongduang Somruedi, "Bank of Thailand prepared to ease LTV constraints", Bangkok Post, 8 January 2020, <https://www.bangkokpost.com/business/1830829/bank-of-thailand-prepared-to-ease-ltv-constraints>. Accessed 10 February 2020.
- Savills Research, "The rise and rise of branded residence", Savills News, 11 October 2019, <https://www.savills.co.th/insight-and-opinion/savills-news/178638/the-rise-and-rise-of-branded-residences>. Accessed 10 February 2020.
- CBRE, "Branded residence boom foreseen in Bangkok", Bangkok Post, 9 January 2019, <https://property.bangkokpost.com/news/1608150/hold-branded-residence-boom-foreseen-in-bangkok>. Accessed 5 February 2020.
- Savills Research, "Spotlight: Branded residence 2019", Savills Publication, 1 October 2019, https://www.savills.com/research_articles/255800/290353-0/spotlight--branded-residences---2019. Accessed 10 February 2020.
- Chapman Nora, "5 ปัจจัยช่วยตลาดคอนโดปี 2020 [Five factors to boost condominium sales year 2020]", Thanetaktaj, <https://www.cbre.co.th/propertynews/5-solutions-to-increase-volume-in-condo-market/>. Accessed 5 February 2020.
- "Developers push mixed-use projects amid changing customer lifestyle", The Nation, 18 March 2018, https://www.nationthailand.com/Real_Estate/30341200. Accessed 5 February 2020.
- Katharangsiporn Kanana, "Chinese still keen on Thai property", Bangkok Post, 29 July 2019, <https://www.bangkokpost.com/business/1720627/chinese-still-keen-on-thailand>. Accessed 5 February 2020.

BANGKOK HOTEL MARKET



Thailand hosted

39.8

million foreign tourists,
an increase of

4.24% YOY

Tourists are still the key engine driving economic growth of Thailand in 2019.¹ The latest statistics from the Tourism Authority of Thailand (TAT) report that 39.8 million foreign tourists visited Thailand in 2019, up by 4.24% year-on-year. China still accounts for the biggest portion, followed by Malaysia, India, South Korea, Laos and Japan respectively.²

In order to motivate more inbound travel in 2019, the Thai government launched tourism stimuli, including a visa-on-arrival (VOA) fee reduction scheme for Chinese and Indian tourists, marketing campaigns by official organizations³, the opening of more VAT refund shops and counters, the e-visa service and exemption of the visa-on-arrival fee, plus a 50% discount on airport landing fees for international flights and new air routes like Sendai-Bangkok.⁴

Bangkok is a perennially popular tourist attraction, with the city consistently winning tourism awards.⁵ The annual Mastercard Global Destination Cities Index has again named Bangkok the no.1 most visited city globally, marking the fourth straight year that the capital has taken the top spot in the global index.⁶

With the support of increased levels of tourism, on the supply side Bangkok's hotel industry is forecasted to continue to grow. This will continue the momentum of 2019, which saw the launch of Avani Sukhumvit Bangkok, Rosewood Bangkok and Movenpick BDMS Wellness Resort Bangkok, among others. With 205 hotels now open in Bangkok, the city has reached a total of 48,460 keys. The Sukhumvit area has remained the most popular with 48% of supply, while Silom/Sathorn is at 17%, Central Lumpini/Siam at 14% and the riverside area at 11%.⁷

For 2020, Bangkok is expected to continue to be the top tourist destination; the number of foreign tourists in Thailand is expected to reach around 40.5-40.9 million, up by 2-3%.⁸ The majority of inbound travelers are expected to come from nearby countries, with tourist spending hovering around 1.97-1.99 trillion Baht – an increase of 1.4-2.5% on 2019.⁸ Alongside rising demand, 3,829 keys at hotels rated 3-stars and above are expected to be completed in Bangkok by the end of 2020, with roughly 1,293 keys in the luxury segment.⁹ The luxury hotel market in Bangkok will likely continue to grow; in recent years, we are seeing a trending return to the Chao Phraya riverside, which has historically been a hub for luxury hotels and now sees the biggest share of top-end rooms.¹⁰

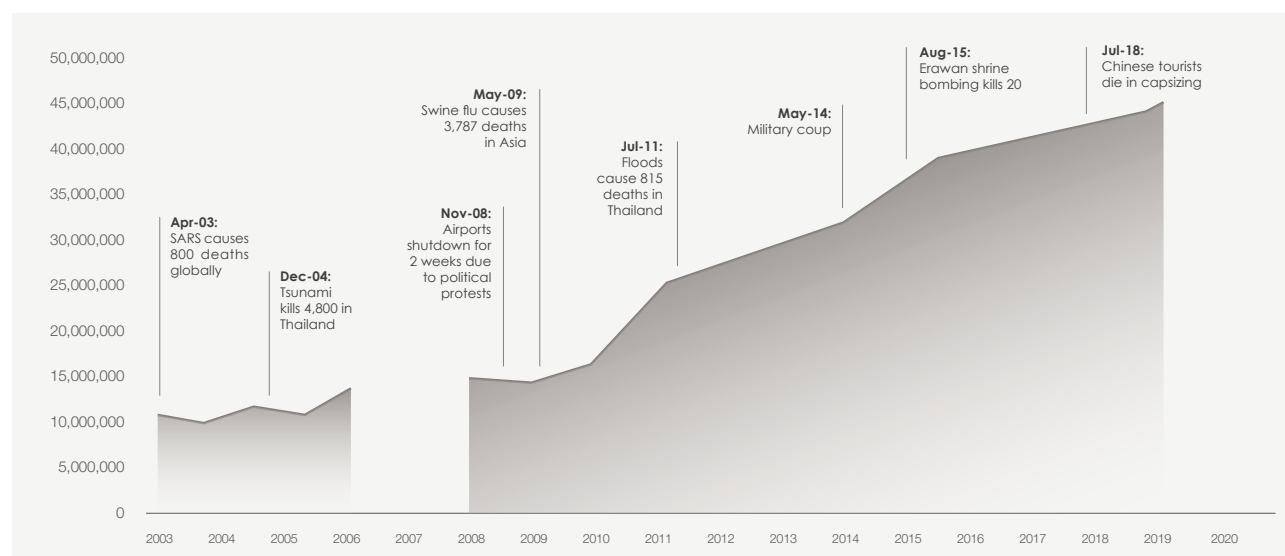
The luxury hotel market in Bangkok will also likely continue to grow along with the rise of branded residences, where high-spending buyers demand properties that meet all aspects of their elite lifestyles with excellent levels of service and high brand standards.¹¹ Luxury hotels play a crucial role in the branded residence market which is growing rapidly¹¹ – in the future, both of these elements will be concentrated in

mixed-use developments. We can already see that mixed-use properties that endorse the investment of developers are an upcoming market, with projects like Sindhorn Kempinski Hotel Bangkok and Kimpton Maa-Lai Bangkok in Sindhorn Village, Dusit Central Park, Aman Nai Lert Bangkok and the Orient Express Hotel in King Power Mahanakhon.¹¹

Instead of seeing the increase in supply as a threat, hoteliers in the market are considering this as business momentum.¹⁰ Mega commercial projects will enhance economic and tourism developments and create self-sustaining neighborhoods.¹² Also, the addition of in-demand activities and facilities such as unique observatory decks, world-class retail, wellness and the Michelin Star Guide will enhance Bangkok's appeal to visitors.¹²

With the global outbreak of the 2019 Novel Coronavirus, it is clear that hotel industry will be adversely affected at some level.¹³ Small and medium hoteliers are more affected on the outbreak as their industry has previously relied on Chinese tourists which has prompted a sharp drop after the international travel restrictions.¹⁴

Nonetheless, there have been various predications from hospitality and economic experts that Covid-19 will have a limited impact on Thailand's tourism activities in 2020. Chinese authorities, themselves, have implemented speedy and swift actions to contain the outbreak.¹⁵ The explosive rebound of Chinese travel from COVID-19 is also expected based on the travelling statistic following SARS in 2003 that the whole market rapidly recovered as a result.¹³ The research also shown that despite a number of pandemic, natural disaster and political violence, the number of tourist in Thailand has continue to increase year on year. Meanwhile, several entrepreneurs are taking this time as an advantage to re-evaluate the operations, platforms and processes and do long-term strategic planning.¹⁶ It is important for hoteliers to be proactive and prepare for the pent up demand once the travel restriction is lifted. Those who embrace this opportunities to adapt and create will bounce back even stronger.¹⁷



Source: Deutsche Bank and Thailand Immigration Bureau

References

- "Thailand Economic Update." Kasikorn Research Center, 24 December 2019, https://www.kasikornbank.com/international-business/en/Thailand/InvestmentEconomic/Pages/201912_Thailand_Economic_Update.aspx. Accessed 27 January 2020.
- "จำนวนและรายได้ของนักท่องเที่ยวต่างชาติ รวมเดือน มิ 2559-2562P [Amount and income of tourists in 2016-2019]." Ministry of Tourism and Sport, 23 January 2020, https://www.mots.go.th/more_news_new.php?cid=585. Accessed 27 January 2020.
- "Growth Seen in Chinese Tourists during the Remainder of 2019, Bringing Total Arrivals to 10.80-10.99 Million in 2019." Kasikorn Research Center, 26 September 2019, https://www.kasikornbank.com/international-business/en/Thailand/InvestmentEconomic/Pages/201912_Thailand_Economic_Update.aspx. Accessed 10 February 2020.
- Rokou, Tatiana. "TAT targets 3.18 trillion Baht in tourism revenue for Thailand in 2020." Travel Daily News International, 08 January 2020, <https://www.traveldailynews.com/post/tat-targets-318-trillion-baht-in-tourism-revenue-for-thailand-in-2020>. Accessed 27 January 2020.
- Lunkam, Puttachard. "Hotel Market." Krungsri Research, July 2019, https://www.krungsri.com/bank/getmedia/25d80eb0-c9cf-483b-82e5-b800c6eac269/IO_Hotel_190731_EN_EX.aspx. Accessed 27 January 2020.
- "Bangkok retains crown as top destination." Bangkok Post, 11 September 2019, <https://www.bangkokpost.com/business/1747264/bangkok-retains-crown-as-top-destination>. Accessed 27 January 2020.
- "Bangkok Luxury Hotel MarketView Q2 2019." CBRE Thailand, 13 September 2019, <https://www.cbre.co.th/report-detail/thailand/bangkok-luxury-hotel-marketview-q2-2019>. Accessed 28 January 2020.
- "2020 is a challenging year for inbound tourism...with international travelers expected to increase 2.0%-3.0% or 40.5-40.9 million people." Kasikorn Research Center, 3 January 2020, <https://kasikornresearch.com/en/analysis/k-econ/business/Pages/z3068.aspx>. Accessed 28 January 2020.
- "Bangkok Luxury Hotel MarketView Q3 2019." CBRE Thailand, 9 December 2019, <https://www.cbre.co.th/report-detail/thailand/bangkok-luxury-hotel-marketview-q3-2019>. Accessed 28 January 2020.
- Kasemsuk, Narumon. "A luxe rescue." Bangkok Post, 7 October 2019, <https://www.bangkokpost.com/business/1766624/a-luxe-rescue>. Accessed 13 February 2020.
- Thienwongpetch, Pawika. "The capital's embrace of luxury." Bangkok Post, 10 December 2019, <https://www.bangkokpost.com/business/1812504/the-capitals-embrace-of-luxury>. Accessed 13 February 2020.
- "Bangkok: Hotel & Hotel Residences." Horwath HTL, January 2018, <https://www.c9hotelworks.com/downloads/bangkok-hotel-hotel-residences-2018-01.pdf>. Accessed 13 February 2020.

INTERNATIONAL SCHOOL MARKET IN THAILAND

Concordia
INTERNATIONAL SCHOOL BANGKOK
(Under Development)

The market value of international schools in Thailand is currently between

60,000

–

70,000mb

and continues to grow at

7-8%

per year

The international school market has experienced growth around the world in the past decade. According to data from ISC Research, 5.6 million children aged between 3 and 18 are attending English-medium international schools around the world. Almost two decades ago, in 2000, there were just 969,000 children learning in these schools. Since then, the number of international schools has increased more than fourfold from 2,584 to 10,937.

In terms of student enrolment numbers, South East Asia alone has seen a 5.7% average growth rate in the past 4 years, from 394,100 students in 2015 to 492,300 in 2019. By 2029, it is projected that 851,000 students will attend international school in South East Asia.¹ A large number of wealthier families now aspire to send their children to international schools in order to grant them access to top universities and, ultimately, bolster their careers. Tuition fees for these types of schools can range from being affordable for the middle class to being reserved for the elite.

The market value of international schools in Thailand is currently between 60,000 to 70,000 million baht and continues to grow at 7 to 8% per year.² Since 2018, against the flow of economics, many new international schools have entered the market. With the Thai education system often perceived as lagging behind that of other countries, many affluent parents are turning to international schools as an alternative due to their employment of international curriculums. The student-focused learning approach adopted by international schools allows pupils to explore and design their subject choices and schedules to

suit their particular areas of interest. Under these circumstances, families believe that international schools will equip their children with the right tools to study abroad, as well as increasing their chances of obtaining work and settling down overseas.³

Bangkok, a major financial hub in the region, has attracted many Asian expat families from countries such as Japan, China, India and South Korea. Chinese parents, in particular, are eager to send their kids to English-speaking international schools; high tuition fees in mainland China are driving them to look to Thailand as an alternative, thanks to its comparatively low fees and proximity to home. Other factors that affect their decision in choosing a school for their children include:⁴

1. The standard of the curriculum
2. The collaboration with the alma mater
3. The amount of traffic around schools in major cities in Thailand
4. The experience and quality of the teaching staff
5. The educational technology
6. The study environment
7. The unique approaches to learning

The criteria above not only represent the needs of expat families; local families also appreciate the fact that international schools will instill local culture and tradition whilst upholding international standards.

However, it is not only Bangkok that is welcoming the expansion of international schools; cities such as Chiang Mai and Phuket



have also seen growth in this segment. In Chiang Mai, where students from China have been amassing due to the increasing trend of long-stay tourists,⁵ the international school market continues to flourish. Waiting lists tend to fill up a few years in advance, attracting even more educational investors.⁶ Now that the Eastern Economic Corridor (EEC) is under development, over the next decade we can expect to see the area's international schools develop even further to cater both to locals and to expats coming to the main cities in Thailand.

Bangkok, especially, has seen this growth more visibly than other cities. Since 2016, four new schools have already been established, including Brighton College Bangkok (2016), Rugby School Thailand (2017), Wellington College International School Bangkok (2018) and Basis International School (2019). Two further schools – King's College International School Bangkok and Verso International School – are set to commence their first academic year in 2020. Out of these six schools, only two offer an American-based curriculum. Whilst the British curriculum and the International Baccalaureate remain well-known, and therefore popular among Thai families, the trend is changing as we start to see more schools offering the Advanced Placement (AP) curriculum. There are many benefits of the AP curriculum, especially for students who are planning on receiving higher education in the United States. Successfully completing the AP exams will count towards college credits at most universities; some students may even manage to skip a whole year

of college and graduate early. AP credits can also facilitate students seeking to complete a second major in university, as they eliminate the need to take some required courses and allow students to take more elective courses. Even without passing or taking the exam, knowing that the students are in AP classes can already make them be seen as solid candidates.

According to the QS World University Ranking, 5 of 10 top universities are based in the United States, with 3 longstanding names consistently topping the list: Massachusetts Institute of Technology, Stanford University, and Harvard University.⁸ Therefore, it is no surprise that the United States remains one of the most sought after places to pursue higher education. At present, only 14 out of 175 international schools in Thailand offer the AP curriculum⁹, indicating that there is clear opportunity for schools offering this advantageous curriculum to expand further.

In the recent light of the covid-19 crisis, it also teaches us about how education needs to change to be able to prepare our children for what the future might hold. Educators across the world are experiencing new possibilities, despite the closure of schools, to do things differently and with greater flexibility resulting in potential benefits in accessibility to education for students across the world. These are new modes of instruction that have previously been largely untapped particularly in the kindergarten to Grade 12 arena. Hence, there is more room for education industry to expand even amid the crisis.

References

1. "More Parents Want an International Education for their child." ISC News, 2019. <https://www.iscresearch.com/news-and-events/isc-news/isc-news-details/-post/more-parents-want-an-international-education-for-their-child-20190822>. Accessed 30 January 2020.
2. "อุบลสมมติ "อุบล สมบูรณ์" "2.2.นานาชาติขยายตัวปีละ 7-8 %" [Usa Somboon's International School expand at 7-8% annually]. Prachachart News, 12 March 2019. <https://www.prachachat.net/education/news-300339>. Accessed 31 January 2020.
3. "International Schools in Thailand are Booming – Here's Why." Study International, 23 August 2019, <https://www.studyinternational.com/news/international-schools-thailand-booming/>. Accessed 8 February 2020.
4. "International School Enjoys 12% Average Growth with the Value of 60,500 Million Baht per Annum [โรงเรียนนานาชาติ เติบโตเฉลี่ย 12 % คิดจากมูลค่าของธุรกิจ 60,500 ล้านบาท/ปี]." Bangkok Biz News, 15 June 2019. <https://www.bangkokbiznews.com/news/detail/837945>. Accessed 8 February 2020.
5. "โรงเรียนนานาชาติในเชียงใหม่ แข่งขันดุเดือดในเวทีการแข่งขันชิงแชมป์เมืองเชียงใหม่ [International Schools in intense competition taking over big cities – Chiang Mai, Phuket, EEC]." Prachachart News, 19 October 2019, <https://www.prachachat.net/local-economy/news-382280>. Accessed 8 February 2020.
6. "Flocking of investment: International Schools in Chiang Mai [การลงทุน โรงเรียนนานาชาติในเชียงใหม่]." Chiang Mai News, 21 October 2019. <https://www.chiangmainews.co.th/page/archives/1148839>. Accessed 8 February 2020.
7. Michael Purser, "Advanced Placement Courses or International Baccalaureate? Which One is Right for You?" Expat Life in Thailand, 8 January 2019. <https://expatlifeinthailand.com/education/advanced-placement-courses-or-international-baccalaureate-which-one-is-right-for-you/>. Accessed 13 February 2020.
8. "QS World University Ranking 2019: Who Rules?" Top Universities, 2019. <https://www.topuniversities.com/university-rankings/world-university-rankings/2019>. Accessed 13 February 2020.
9. "School Curricula Guides: AP." Which School Advisor, 16 January 2017. <https://whichschooladvisor.com/thailand/school-curricula/ap>. Accessed 13 February 2020.

UK EDUCATION SECTOR

OVINGDEAN



Economics reported that independent schools contributed

£13.7_{bn}

in GDP and support

302,910 jobs

Independent schools, with their diverse programs and dedicated rigor in teaching excellence, guide students to excel academically and non-academically, whilst also contributing to the economy. A recent study by Oxford Economics reported that independent schools save tax payers £3.5bn, generate a further £4.1bn in tax revenues, contribute £13.7bn in GDP and support 302,910 jobs.¹

On the other hand, state schools in the UK have been struggling due to budget cuts made by the government. The total public school spending per pupil in England has fallen by 8% in real terms between 2009-10 and 2019-20. The bulk of these funding cuts were driven by a 57% reduction in spending per pupil on services provided by local authorities and a more than 20% cut in sixth-form funding per pupil.² The National Education Union (NEU) predict that secondary school class sizes will reach an all-time high of more than 31 pupils per class amid the pressure of budget cuts, which have resulted not only in employee cuts but also limitation of expansion.³ These super-sized classes are stretching the teachers' attention and reducing the quality of learning, especially in state-funded secondary schools, where more teachers are being assigned to subjects that they were not trained for.

Those that can afford it are turning towards independent day schools. However, these now cost an average of £15,000 a year, up from £14,562 last year. There are also additional costs that could amount up to another £3,282 per pupil per year for uniform, music lessons and sports kit.⁴ Hence, only about 6% of the UK's school population attends such schools, and the families accessing private education are highly concentrated among the affluent.⁵

Due to the declining quality of public schools and the impending increase in class sizes across the board, parents are turning to independent schools not only because they provide educational excellence but also because they open doors to top universities. The statistics also tell a story. The proportion of prominent people in every area who have been educated privately is striking. From judges (74%

privately educated) through to Members of Parliament (32%), the numbers tell us of a society where educational privilege also buys a lifetime of privileges and influence.⁵ Pupils in the independent school system significantly outperform the national and global averages academically and 54% of the Independent School Council's (ISC) pupils continue to a Russell Group University.

Russell Group universities consist of 24 world-class, research intensive universities; these include Oxford University and the University of Cambridge. They are each unique, with their own rich history and ethos, but they share commonality in teaching excellence and academic reputation, attracting the most talented students and professors from around the world.

The number of pupils in the independent school system continues to rise. There are now a record 536,109 pupils at 1,364 ISC member schools, up from 529,164 in 2018.

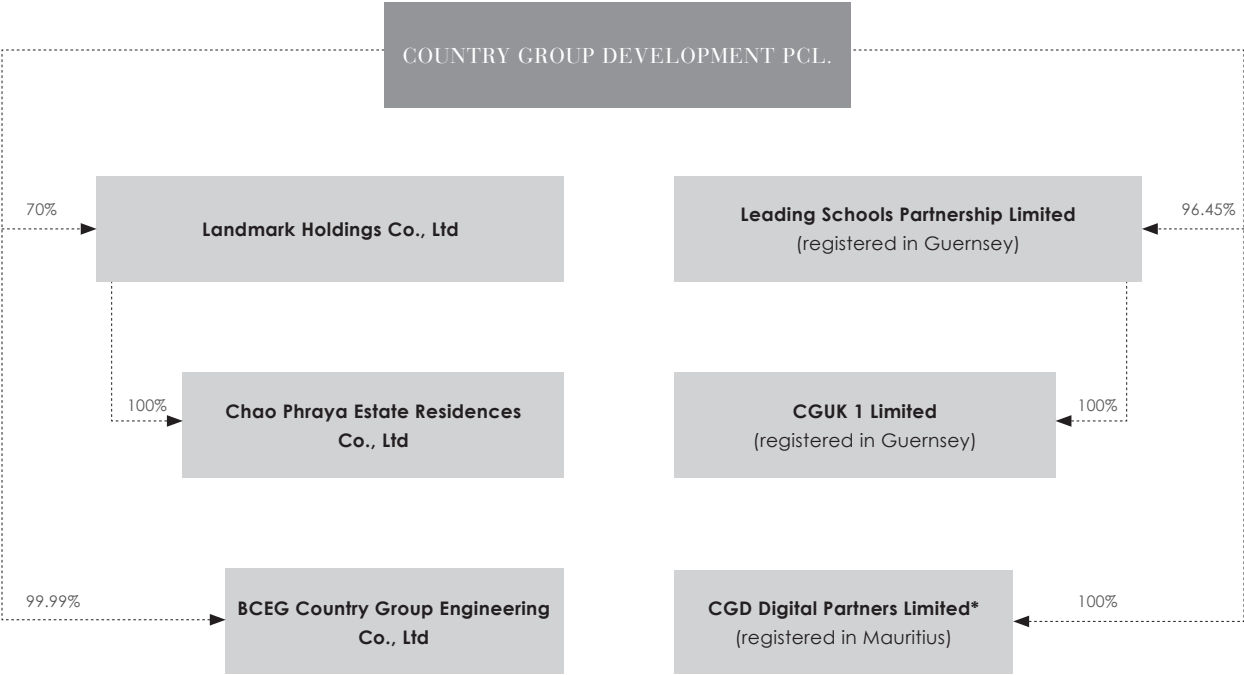
Recent trends in international migration also contribute to the growing figures. The private education sector contributes £970m annually to education exports, is respected across the world and is attractive to overseas companies that are relocating families to the UK. The government's international education strategy aims to increase the number of overseas students – ISC schools attract 55,000 non-British pupils⁶ and are a pipeline to higher education for international pupils.

References

1. ISC Research & Intelligence Team. "ISC Census and Annual Report 2019", 2019. https://www.isc.co.uk/media/5479/isc_census_2019_report.pdf. Accessed 27 February 2020.
2. Jack Britton, Christine Farquharson, and Luke Sibbald. "2019 Annual Report on Education Spending in England", Institute for Fiscal Studies, 19 September 2019. <https://www.ifs.org.uk/publications/14369>. Accessed 27 February 2020.
3. Elenor Busby. "Number of 'Super-sized' classes in secondary schools to rise leaving parents 'Enraged', Union Warns. Independent, 18 April 2019. <https://www.independent.co.uk/news/education/education-news/school-funding-cuts-class-sizes-parents-education-union-a8876401.html>. Accessed 27 February 2020.
4. Study International Staff. "How fee increases are impacting UK private schools", Study International, 22 October 2019. <https://www.studyinternational.com/news/private-schools-uk-fees/>. Accessed 27 February 2020.
5. Francis Green and David Kynaston. "Britain's private school problem: it's time to talk". The Guardian, 13 January 2019. <https://www.theguardian.com/education/2019/jan/13/public-schools-david-kynaston-francis-green-engines-of-privilege>. Accessed 27 February 2020.
6. ISC Research & Intelligence Team. "ISC Sector Information", 2020. <https://www.isc.co.uk/sector-info/>. Accessed 3 March 2020.

SHAREHOLDER STRUCTURE

The Shareholder Structure as of December 31, 2019 is as follows;



Remark : The subsidiary is in process of dissolution

GENERAL INFORMATION & OTHER IMPORTANT INFORMATION

1. GENERAL INFORMATION OF THE COMPANY

Company name	: Country Group Development Public Company Limited
Symbol	: CGD
Address	: 898 Ploenchit Tower, 13 th and 20 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Registration No.	: 0107538000177 (Bor Mor Jor 540)
Type of business	: Holding company and property development
Registered capital	: Baht 10,785,353,544 consisting of 10,785,353,544 ordinary shares with a par value of Baht 1 per share
Paid-up capital	: Baht 8,266,127,954 consisting of 8,266,127,954 ordinary shares with a par value of Baht 1 per share
Outstanding bond	: The Company has outstanding of short-term bill of exchange not over 270 days total amount of Million Baht 381 and outstanding of long-term bond total amount of Million Baht 4,184 (as at December 31, 2019)
Website	: www.cgd.co.th
Branch	: - None -
Investor Relations Section	: Tel: 0-2658-7888 ext. 132 Fax: 0-2658-7880 and E-mail: info_ir@cgd.co.th
Contact	: Tel: 0-2658-7888 Fax: 0-2658-7880

2. GENERAL INFORMATION OF THE SUBSIDIARIES

Company name	: Landmark Holdings Company Limited
Type of business	: Trading, rent and real estate operations and holding company
Head Office Address	: 898 Ploenchit Tower, 20 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Branch 1 Address	: Four Seasons Hotel Bangkok at Chao Phraya River, 300/1 Charoenkrung Road, Yannawa, Sathorn, Bangkok 10120
Branch 2 Address	: Capella Hotel Bangkok, 300/2 Charoenkrung Road, Yannawa, Sathorn, Bangkok 10120
Registered and paid-up capital	: Million Baht 210 consisting of 21,000,000 ordinary shares with a par value of Baht 10 per share
Contact	: Tel: 0-2658-7888 Fax: 0-2658-7880
% of shareholding	: 70.00% of paid-up capital

Company name	: Chao Phraya Estate Residences Company Limited
Type of business	: Real estate management of Chao Phraya Estate Project
Address	: 898 Ploenchit Tower, 20 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Registered capital	: 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
Paid-up capital	: Baht 32,805,970 (paid up Baht 2.5 per share) and Baht 1,074,280 (paid up Baht 10 per share)
Contact	: Tel: 0-2658-7888 Fax: 0-2658-7880
% of shareholding	: 67.78% 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, 20th 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 was dissolved on 5 November 2019.

Company name : CGD Digital Partners Limited*,
registered in Mauritius
Type of business : Holding company
Address : 8th 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

Company name : HYUK 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 101,000 consisting of 101,000 ordinary shares with a par value of GBP 1 per share

% of shareholding : 100% of paid-up capital

Remark : *The subsidiary was dissolved on 4 March 2019.

3. OTHER REFERENCE PERSONS

Securities Registrar : Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Din Daeng, Din Daeng,
Bangkok 10400
Tel: 0-2009-9000 Fax: 0-2009-9991

Auditor : Mr. Chavala Tienpasertkij
Certified Public Accountant Registration No. 4301
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower building, floor 23-27, 11/1 South Sathorn Road,
Yannawa, Sathorn Bangkok 10120
Tel: 0-2034-0000 Fax: 0-234-0100

SHAREHOLDING & 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 2019 between January 1st, 2019 to December 31st, 2019 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	0/10	-	-
3.	Mr. Subhakorn Bhalakula	8/10	9/9	3/3
4.	Pol. Gen. Werapong Chuenpagdee	9/10	8/9	3/3
5.	Mr. Hsu-Feng Shueh	9/10	8/9	-
6.	Mr. Gavintorn Atthakor	9/10	-	-
7.	Air Chief Marshal Permkiat Lavanamal	10/10	-	-
8.	Pol. Maj. Gen. Ittipol Ittisarnronnachai	4/10	-	-
9.	Mr. Ben Taechaubol	10/10	-	3/3
10.	Mr. Jirasak Ponghathaikul	5/10	-	-
11.	Ms. Jaelle Ang Ker Tjia	5/10	-	-
12.	Mr. Yiu Sing Tse	6/10	-	-

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 2019, there are 6 executives who are according to the definition of the office of Securities and Exchange Commission 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.	Mrs. Vatinnee Chaturongkul	Executive Director – Projects Division

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's shbh 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

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).

1) MONETARY REMUNERATION

(a) REMUNERATION OF DIRECTORS

For the year ended 31 December 2019, 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 2019 and 2018, the Company paid remuneration to the management in salary, bonus and Incentive in the amount of Baht 33,949,498 and Baht 36,758,176 respectively.

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

For the years ended 31 December 2019 and 2018, the Company made contributions worth Baht 1,218,784 and Baht 1,122,826 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 2019 are as following:

No.	Division	Number of Employees
1.	Chief Executive Officer	1
2.	Compliance	1
3.	Internal Audit	2
4.	Projects Division	17
5.	Development Division	7
6.	Investment Division	2
7.	Portfolio Management Division	3
8.	Sale Division	14
9.	Marketing Division	7
10.	Customer Relations Management Division	16
11.	Accounts & Finance Division	13
12.	Operation Division	25
Total Number of Employees		108

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 2019 and 2018, the total compensation worth Baht 115,152,949 and Baht 92,649,276 respectively provided to employees included salaries, bonuses, overtime, allowances, welfare benefits, special compensation and contributions to the Provident Fund.

Remuneration (Unit : Baht)	Year 2019	Year 2018
Salaries and Bonuses	111,091,396	87,399,043
Overtime, allowances, and welfare benefits	1,248,879	1,310,381
Incentive	37,536	1,657,086
Contributions to Provident Fund	2,775,138	2,282,766
Total	115,152,949	92,649,276

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 10 March 2020 are as the following:

No.	Name	Number of share	% of Total shares
1.	Mr. Ben Taechaubol	1,897,626,424	22.96
2.	Mr. Sadawut Taechaubol	873,180,191	10.56
3.	Country Group Holdings Public Company Limited	747,954,100	9.05
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	245,149,800	2.97
7.	LGT BANK (SINGAPORE) LTD	213,891,000	2.59
8.	Mr. Songchai Achariyahiranchai	174,440,400	2.11
9.	Padaeng Industry Public Company Limited	161,299,600	1.95
10.	Thai NVDR Company Limited	143,832,122	1.74

Source: Shareholder report dated 10 March 2020 prepared by Thailand Securities Depository Co., Ltd.

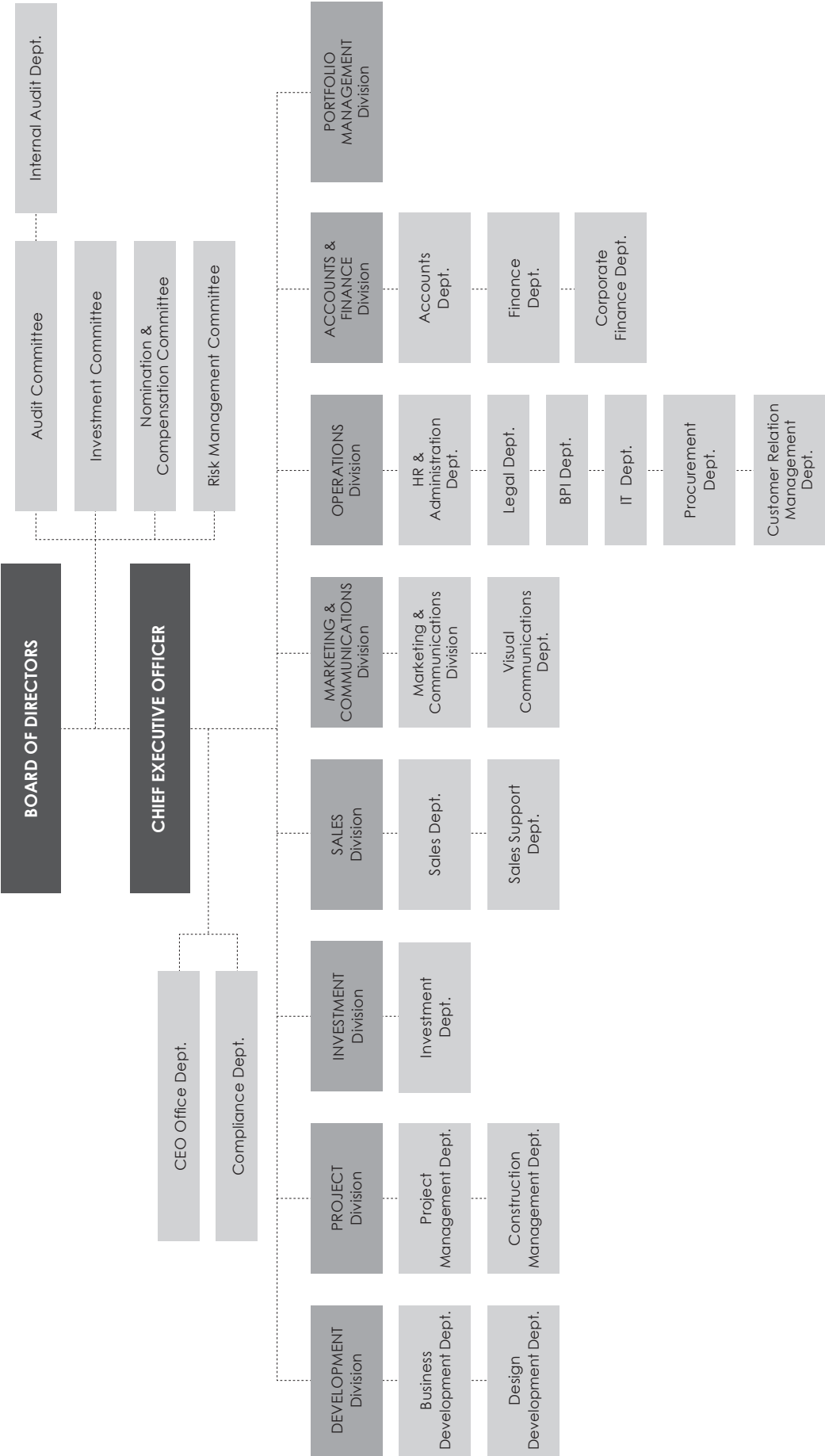
DIVIDEND POLICY

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 2019 is as follows;



BOARD OF DIRECTORS BIOGRAPHIES

MR. VIKROM KOOMPIROCHANA

CHAIRMAN OF THE BOARD OF DIRECTORS INDEPENDENT DIRECTOR

Age : 74

Education :

- 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

Training :

- 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)

% of shareholding : None

Relation : None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Chairman of the Board of Director and Independent Director 2010 - Present

MFC Asset Management Public Company Limited

- Independent Director, Member of the Audit Committee and Chairman of Risk Management Committee 2014 – Present
- Member of the Nomination and Compensation Committee 2015 - 2017

Oishi Group Public Company Limited

- Member of Corporate Governance Committee 2014 – Present
- Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee 2007 – Present

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

Age : 70

Education :

- 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

Training :

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)

% of shareholding : None

Relation : None

Work Experience for the past 5 years :

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 : 41

Education :

- 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

Training :

- Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

% of shareholding : 22.96%

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 Digital Partner Company Limited

- Director 2013 - Present

Country State Company Limited

- Director 2018 - Present

CGD Data Company Limited

- Director 2013 - 2019

MR. SUBHAKORN BHALAKULA

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

Age : 62

Education :

- Master Degree in Public Law, Ramkhamhaeng University
- Bachelor Degree in Law, Thammasat University

Training :

- 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)

% of shareholding : None

Relation : 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

Macaw Breeding and Research Center Company Limited

- Managing Director

2018 - Present

Plam & Bird Farm Company Limited

- Managing Director

2018 - Present

Assumption Association

- Director and Vice President

2000 - 2018

Krungthai Legal Services Company Limited

- Managing Director
- Independent Director

2014 - 2018

2001 - 2013

Live Incorporation Public Company Limited

- Chairman of the Board of Director, Chairman of the Audit Committee

2005 - 2015

POL. GEN. WERAPONG CHUENPAGDEE

MEMBER OF THE AUDIT COMMITTEE**MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE****INDEPENDENT DIRECTOR****Age :** 62**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	2018 - Present
• Assistant Commissioner-General	2016 - 2018
• Commissioner, Commissioner of provincial police region 9	2015 - 2016
• Commissioner, Commissioner of provincial police region 7	2014 - 2015
• Deputy Commissioner, Commissioner of provincial police region 4	2013 - 2014
• Deputy Commissioner, office of the Police Commission	2012 - 2013
• Deputy Commissioner, Commissioner of provincial police region 8	2011 - 2012

MR. HSU-FENG SHUEH

**MEMBER OF THE AUDIT COMMITTEE
INDEPENDENT DIRECTOR**

Age : 52

Education :

- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration, 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

Age : 67**Education :**

- Master Degree, National Institute of Development Administration
- Bachelor of Science Program, Royal Thai Air Force Academy

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

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
- Chief of Air Staff
- Deputy Chief of Air Staff
- Assistance Chief of Air Staff, Support Services Department

2012 - 2013

2011 - 2012

2009 - 2011

2008 - 2009

MR. GAVINTORN ATTHAKOR

INDEPENDENT DIRECTOR

Age : 45**Education :**

- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor Degree in Mechanical Engineering with Business Management (Hons), University of Sussex Brighton, United Kingdom

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

- 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

Age : 53

Education :

- Master of Public Administration, Kentucky State University, USA
- Bachelor of Public Administration, Royal Police Cadet Academy (Nor Lor Tor. 43)

Training :

- 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

% of shareholding : None

Relation : 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
- Commander of Nakhon Pathom Provincial Police
- Commander of Nakhon Nayok Provincial Police
- Commander of General Staff Division, Office of Logistics
- Deputy Commander, Investigation Division, Immigration Bureau
- Deputy Commander, Immigration Division 5, Immigration Bureau

2017 - Present

2016 - 2017

2014 - 2016

2013 - 2014

2011 - 2013

2009 - 2011

MR. JIRASAK PONGHATHAIKUL

DIRECTOR

Age : 49

Education :

- Bachelor Degree in Business Administration, Bangkok University

Training :

- Director Accreditation Program (DAP) 89/2011, Thai Institute of Directors Association (IOD)

% of shareholding : 3.25%

Relation : None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Director

2010 - Present

MS. JAELE ANG KER TJIA

DIRECTOR**Age :** 39**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
- Executive Director – Development Division
- Director – Development Division

2013 - Present

2013 - 2016

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 : 36

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**

Age : 41

Education :

- 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

Training :

- Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

% of shareholding : 22.96%

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 Digital Partner Company Limited

- Director 2013 - Present

Country State Company Limited

- Director 2018 - Present

CGD Data Company Limited

- Director 2013 - 2019

MR. CHATCHAI CHORDOKRAK

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

Age : 36

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 Digital Partner Limited

- Director

2014 - Present

CGD Data limited

- Director

2013 - 2019

Ausiris Company Limited

- Vice President of Account & Finance

2009 - 2012

MR. SUTTINATH JITTICHARUNGLAP

EXECUTIVE DIRECTOR – OPERATIONS DIVISION

Age : 44

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
- Director - Accounts & Finance Division

2017 – Present

2014 – 2017

TMB Bank Public Company Limited

- Director - Financial Planning and Analysis

2008 - 2014

MR. VARAKORN TECHAMONTRIKUL

EXECUTIVE DIRECTOR – DEVELOPMENT DIVISION**Age :** 41**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 :** 36**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 : 40

Education :

- Master in Business Administration, Texax A&M Commerce
- Bachelor of Science Degree in Architecture, King Mongkut's Institute of Technology Ladkrabang

% of shareholding : None

Relation : None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Executive Director – Project Division
- Senior Director – Project Division
- Director – Project Division

2019 - Present
2018 – 2019
2015 – 2018

Jones Lang LaSalle Advisory Ltd.

- Senior Project Manager

2007 – 2015

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 8 June 1982. The company was listed on the Market for Alternative Investment (MAI) on 25 June 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 30 September, 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 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 following:

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 majestic 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. 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 on year 2014 and is expected to be completed on year 2020.

2. RAMA III

The development is a 22-3-93.6 rai (9.1 acres) mixed use development situated right 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 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 development components are;

1. Provenance Rama III (For Sale Asset)
2. Concordia International School Bangkok (Income Asset)

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

3. CHACHOENGSAO

The development is a 79-3-63 Rai (31.2 acres) mixed-used development situated in Chachoengsao Province. The development 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 rise 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 1,059 units. The project saleable area is 45,000 sq.m. The project is located on Srinakarin Road and just opposite to Secon 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.

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 13 years as at 31 December 2019. 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 Co., Ltd. The objective was to invest in a data center building, which was located in London, United Kingdom. The investment was made through the Company's subsidiary CGD Digital Partners Co., Ltd. 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 Co., Ltd. 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 15 December 2015, the units of the REIT had been publicly traded on the Stock Exchange of Thailand since 23 December 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.

1. CAPELLA HOTEL BANGKOK

Project Description

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

2. FOUR SEASONS HOTEL BANGKOK AT CHAO PHRAYA RIVER

Project Description

Company	Landmark Holdings Company Limited
Asset type	Income Asset
Land area	22 rai (9 acres).
Type	Luxury Urban Resort Hotel
Location	Charoen Krung Road, Yannawa, Sathorn, Bangkok
No. of Units	299 rooms
Key Selling Points	<ul style="list-style-type: none"> • Urban resort design style with series of calming green courtyards. • 22 rai (9 acres) have been allocated for Four Seasons Hotel, with over 200-meters river frontage • 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. • Offering largest riverfront grand ballroom in Bangkok with the size of 1,400 square meters.
Target Customers	Local and foreign business people and tourists

3. CONCORDIA INTERNATIONAL SCHOOL BANGKOK

Project Description

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

FOR SALE ASSETS

The company positions "for sale assets" with "best in class" and "superior profitability".

1. FOUR SEASONS PRIVATE RESIDENCES AT CHAO PHRAYA RIVER

Project Description

Company	Landmark Holdings Company Limited
Asset Type	For sale asset
Type	Residential
Location	Charoen Krung Road, Yannawa, Sathorn, Bangkok
Project details	<p>A super-luxury 73-storey residential tower total 366 unit consists of</p> <ul style="list-style-type: none"> • 1 Bedrooms total 38 units • 2 Bedrooms total 235 units • 3 Bedrooms total 55 units • 4 Bedrooms total 29 units • 5 Bedroom Duplex total 3 units • Penthouse total 6 units
Key Selling Points	<ul style="list-style-type: none"> • The premier 73-storey residential tower features unobstructed panoramic river and city views across all 366 residences, as well as enhanced service from its two neighbouring world-class hotels. • Situated on Bangkok's first paved road, Charoen Krung Road, an area of historical prominence and daily conveniences. • The site is conveniently located with its close proximity to various public transportation links - whether it's a short walk or boat ride to BTS Sky Train, or a 5 minute drive to and from Chan Road expressway. • The creative and one-of-a-kind geometric design of building enables every individual residence to be a corner unit with dual panoramic river and city views. • Designed to create a lifestyle unlike any other, Four Seasons Private Residences combine legendry Four Seasons service with the best in hotel-inspired amenities.
Salable area	Approximately 64,000 square meters
Price per square meter	Approximately Baht 380,000 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 2020.

2. PROVENANCE RAMA III

Project Description

Company	Country Group Development Public Company Limited
Asset Type	For Sale Asset
Type	Residential
Location	Rama III - Industrial ring road, Chongnonsi, Bangkok
Project Detail	Details are under development
Construction	Expect to be completed in 2023.

3. ELEMENTS SRINAKARIN PROJECT

Project Description

Company	Country Group Development Public Company Limited
Asset Type	For Sale Asset
Type	Residential
Location	Soi Supparphong 1, Yak 6 Nong Born, Pragate Bangkok, Thailand
Land Area	13-0-89 rai (5.23 acres)
Salable Area	45,000 square meters
Project details	Eight-storey condominium, seven buildings offering each of 1-2 bedrooms type total 1,059 units
Key Selling Point	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.
Target Customer	Middle income buyers. Average income higher than Baht 35,000 per month
Selling price	Approximately Baht 60,000 per square meter
Project value	Approximately Baht 2,700 million
Construction	The construction was fully completed, sold out and project close in 2018.

4. OIVINGDEAN HALL

Project Description

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

5. Anchorage Point

Project Description

Company	APUK Limited
Asset Type	For Sale Asset
Type	A data center building
Location	London, the United Kingdom
Status	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 Co., Ltd. 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 15 December 2015, the units of the REIT had been publicly traded on the Stock Exchange of Thailand since 23 December 2015.

REVENUE STRUCTURE

Revenue Structure of the Company and Subsidiaries

(Unit : Baht Million)

Revenue	Operated by	2017		2018		2019	
		Amount	%	Amount	%	Amount	%
Revenues from sale of condominium	CGD	908.59	82.03	244.06	66.03	7.79	0.82
	LH	-	-	-	-	404.61	42.54
Commission income	CGD	1.06	0.10	0.47	0.13	-	-
Rental income from investment property	CGUK1	52.51	4.74	51.39	13.9	47.36	4.98
Interest income	CGD	3.15	0.28	5.22	1.41	3.56	0.37
	LH	1.90	0.17	1.53	0.50	1.33	0.14
	LURH	0.18	0.02	-	-	-	-
	LWR	0.18	0.02	-	-	-	-
	LWH	0.17	0.02	-	-	-	-
	CER	0.12	0.01	0.12	0.42	0.28	0.03
	CGUK1	0.03	-	0.08	0.02	0.18	0.02
	BCE	-	-	1.86	0.03	1.91	0.20
Dividend income	CGD	4.24	0.38	5.36	1.45	-	-
Gain on remeasuring fair value of investment property	CGUK1	4.35	0.39	-	-	-	-
Gain (loss) on foreign exchange rate	CGD	(0.19)	(0.02)	43.22	11.69	(129.45)	(13.61)
	LH	125.03	11.29	8.1	2.19	601.53	63.25
	CGDDP	-	-	(0.01)	(0.00)	0.10	0.01
	BCE	-	-	(0.14)	(0.04)	(3.47)	(0.36)
	CGUK1	-	-	-	-	(0.01)	(0.00)
	HK	0.02	-	-	-	-	-
Gain on sale of current investments	CGD	-	-	-	-	2.20	0.23
Gain on remeasuring current investments	CGD	-	-	0.50	0.14	-	-
Other income	CGD	1.98	0.18	0.77	0.21	0.66	0.07
	LH	4.32	0.39	7.11	1.92	11.22	1.18
	BCE	-	-	-	-	1.13	1.12
Total Revenues		1,107.64	100.00	369.64	100.00	951.08	100.00

Revenue Structure of the Company

(Unit : Baht Million)

Revenue	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Revenues from sale of condominium	908.59	82.03	244.06	66.03	412.40	43.36
Commission income	1.06	0.10	0.47	0.13	-	-
Rental income from investment property	52.51	4.74	51.39	13.9	47.36	4.98
Interest income	5.73	0.52	8.82	2.39	7.27	0.76
Dividend income	4.24	0.38	5.36	1.45	-	-
Gain on remeasuring fair value of investment property	4.35	0.39	-	-	-	-
Gain on foreign exchange rate	124.86	11.27	51.16	13.84	468.70	49.29
Gain on sale of current investments	-	-	-	-	2.20	0.23
Gain on remeasuring current investments	-	-	0.50	0.14	-	-
Other income	6.30	0.57	7.87	2.13	13.15	1.38
Total Revenues	1,107.64	100.00	369.64	100.00	951.08	100.00

MANAGEMENT DISCUSSION & 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. 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 13 years. This generated rental income to the group in 2017, 2018 and 2019 of Baht 52.5 million, Baht 51.4 million and Baht 47.4 million, respectively.

2019 BUSINESS OVERVIEW

Country Group Development Public Company Limited and its subsidiaries (the "Group") reported its 2019 operation results which is net loss of Baht 434.5 million, representing loss decrease of 19.9 percent, compared to 2018. Total revenue increased by 157.3 percent, compared to 2018. The main reason was

that revenue of Four Seasons Private Residences at Chao Phraya River started to be recognized since quarter 4, 2019. The Company reported its 2019 operation results which is net loss of Baht 526.7 million, representing loss increase of 127.5 percent, compared to 2018. Total revenue decreased by 62.1 percent, compared to 2018. The main reason was that Elements Srinakarin closed project in 2018.

KEY DEVELOPMENTS IN 2019

- Construction of Chao Phraya Estate Project had much progressed, and its 3 component projects are comprised of 1. Four Seasons Private Residences Bangkok at Chao Phraya River (For sale asset) started to recognized income in 4Q2019 2. Capella Hotel Bangkok (Income asset) will complete its construction and start to recognize income in 2020, and 3. Four Seasons Hotel Bangkok at Chao Phraya River (Income asset) will complete its construction and start to recognize income in 2020.
- 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 No.1/2019, 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 (excluding land cost because land is asset of the Company)

2. OPERATING RESULTS

REVENUES

Country Group Development Public Company Limited and its subsidiaries reported that revenue in 2018 and 2019 amounted to Baht 369.6 million and Baht 951.1 million respectively, representing an increase of 157.3 percent. Revenue in 2017 and 2018 amounted to Baht 1,107.6 million and Baht 369.6 million Baht respectively, decreased by 66.6 percent. The majority of revenue were from revenue from sale of condominium which accounted for 66.0 percent and 43.4 percent of total revenue, respectively in 2018 and 2019 and accounted for 82.0 percent of total revenue in 2017. Other revenues included dividend income, gain on foreign exchange rate, rental income from investment property and among others.

SUMMARY OF OPINION OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Year	Opinion of The Independent Certified Public Accountants
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
For the year ended December 31, 2019	In accordance with Thai Financial Reporting Standards

• REVENUE FROM SALE OF CONDOMINIUM

The Company started recognizing revenue from sale of condominium of Elements Srinakarin since the 4th quarter of 2013 and closed the last phase in 2018. Elements Srinakarin completed its revenue recognition in early of 2019. The Company started to recognize revenue from Four Seasons Private Residences at Chao Phraya River since the 4th Quarter 2019. For the year ended December 31, 2019, revenue from sale of condominium amounted to Baht 412.4 million, an increase of 69.0 percent compared to Baht 244.1 million of 2018. The main reason was that revenue from sale of Four Seasons Private Residences at Chao Phraya River amounted to Baht 404.6 million even though revenue from sale of Elements Srinakarin decreased by Baht 236.3 million due to project's close in 2018. For the year ended December 31, 2018, revenue from unit transfer was Baht 244.1 million, a decrease by 73.1 percent, compared to Baht 908.6 million of 2017, mainly because of Element Srinakarin's sale close in 2018.

• OTHER REVENUES

Other revenues of the Company and its subsidiaries in 2018 and 2019 amounted to Baht 125.6 million and Baht 538.7 million respectively, representing an increase of Baht 413.1 million or an increase 328.9 percent. The main reason was gain from foreign exchange rate. Gain from foreign exchange rate of the Company and its subsidiaries in 2019 amounted to Baht 468.7 million, an increase of Baht 417.5 million or an increase of 816.2 percent, compared to Baht 51.2 million of 2018. The main reason of gain from foreign exchange rate was that the baht currency was significantly appreciated and its subsidiaries increased loan in US dollar currency in relation of the much progress of Chao Phraya Estate construction in 2019. There were no significant changes in others.

Other revenues of the Company and its subsidiaries in 2017 and 2018 amounted to Baht 199.1 million and Baht 125.6 million respectively, representing a decrease of Baht 73.5 million or a decrease of 36.9 percent, compared to 2017. The main reason was an increase of gain in foreign exchange rate by Baht 73.7 million because during 2018 Thai Baht was appreciated while for 2019 Thai Baht was less appreciated when compare to 2018. 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 2019. There were no significant changes in others.

EXPENSES

Total expenses of the Company and its subsidiaries in 2018 and 2019 amounted to Baht 912.4 million and Baht 1,341.9 million, respectively, representing an increase of Baht 429.5 million or an increase of 47.1 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 30.0 percent.

Majority of expenses were attributable to cost of condominium sale which in 2017, accounted for 49.2 percent of total revenues. The rest was finance cost, distribution cost, selling and administrative expenses, directors and managements' remuneration, and loss from foreign exchange rate. Furthermore, main expenses in 2018 and 2019 were from administrative expenses, accounted for 56.6 percent and 48.8 percent, respectively. Cost of condominium accounted for 39.8 percent and 19.1 percent of total revenues, respectively in relation to the decrease of sales of Element Srinakarin.

• COST OF CONDOMINIUM SALE

For the years ended December 31, 2018 and 2019, the Company's cost of condominium sale amounted to Baht 146.9 million and Baht 181.5 million, respectively. The cost of condominium sale accounted for 60.2 percent and 44.0 percent of revenue from sale of condominium, respectively. These represented a gross profit margin of 39.8 percent and 56.0 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 59.9 percent and 60.2 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

For the years ended December 31, 2018 and 2019, 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 180.5 million and Baht 183.0 million, respectively, representing an increase of Baht 2.5 million or an increase of 1.4 percent. Most of the increase was attributable to marketing activities of Four Seasons Private Residences at Chao Phraya River

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 million baht or a decrease of 37.0 percent, according to project's close of Elements Srinakarin in 2018 and a decrease of marketing activities at Four Seasons Private Residences Bangkok at Chao Phraya River.

- **ADMINISTRATIVE EXPENSES**

For the years ended December 31, 2018 and 2019, 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 209.2 million and Baht 464.4 million, respectively, representing an increase of Baht 255.2 million or an increase of 122.0 percent. Most of the additional administrative expenses attributed from incremental in employees and directors compensation in accordance with the preparation to open Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which will open in 2nd quarter 2020.

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, 2018 and 2019, financial costs of the Company and its subsidiaries amounted to Baht 330.1 million and Baht 454.6 million, respectively, representing an increase of Baht 124.5 million or an increase of 37.7 percent. The increase was mainly due to issuance of bill of exchange, long-term debenture, and long-term loan for business expansion. As at December 31, 2019, interest coverage ratio of the Company and its subsidiaries was 0.21 time, increased from (0.54) time as at December 31, 2018. The main reason was that in 2019, Earnings before Interest Tax Depreciation and Amortization increased due to a significant increase of revenue from sale of Four Seasons Private Residences at Chao Phraya River and a significant increase of gain from foreign exchange rate.

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 the Group's business expansion. As at December 31, 2018, interest coverage ratio was (0.54) time, decreased from 0.45 time as at December 31, 2017. The main reason was a decrease of Earnings before Interest Tax Depreciation and Amortization from a significant decrease of revenue from sale of Element Srinakarin due to project's close in 2018

- **INCOME TAX REVENUE (EXPENSE)**

For the year ended December 31, 2018, income tax expense of the Company and its subsidiaries amounted to Baht 0.3 million. On the other hand, for the year ended December 31, 2019, income tax expense of the Company and its subsidiaries amounted to Baht 43.7 million. This represented an increase of income tax expense of Baht 44.0 million or an increase of 12,780.2 percent mainly due to revenue from Four Seasons Private Residences Bangkok at Chao Phraya River in 2019.

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 88.5 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, 2018 and 2019, net loss of the Company and its subsidiaries amounted to Baht 542.4 million and Baht 434.5 million, respectively, representing a decrease of Baht 107.9 million or a decrease of 19.9 percent. This was mainly due to the significant increase of revenue from sale of condominium of Four Seasons Private Residences Bangkok at Chao Phraya River and gain from foreign exchange rate. Consequently as at December 31, 2019, net loss margin of the Company and its subsidiaries was 45.68 percent, increased by 146.75 percent as at December 31, 2018.

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 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. Consequently as at December 31, 2018, net loss margin of the Company and its subsidiaries was 146.75 percent, increased by 17.46 percent as at December 31, 2017.

3. FINANCIAL POSITION

ASSETS

As at December 31, 2019, total assets of the Company and its subsidiaries amounted to Baht 28,905.1 million, compared to Baht 24,344.0 million as at December 31, 2018, representing an increase of Baht 4,561.1 million or an increase of 18.7 percent. The main reason was that the increase of from land and cost of project under construction and utility from Four Seasons Private Residences Bangkok at Chao Phraya River amounted to Baht 2,427.6 million, an increase of 41.5 percent. Property plant and equipment increased by Baht 2,598.0 million and increased 34.1 percent as a result of the progress of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River

As at December 31, 2018, total assets of the Company and its subsidiaries amounted to Baht 24,344.0 million, representing an increase of Baht 7,561.7 million or an increase of 45.1 percent when compared with the total assets as at December 31, 2017. The main reason of increase was from land and cost of project under construction and utility amounted to Baht 2,377.0 million, an increase of 68.6 percent from 2017 as a result of the increase of from land and cost of project under construction and utility from Four Seasons Private Residences Bangkok at Chao Phraya River. As at December 31, 2018, Property plant and equipment increased by Baht 3,663.1 million and increased by 92.9 percent from 2017 as a result of the progress of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which were parts of Chao Phraya Estate Project. As at December 31, 2018, cash and cash equivalents increased by Baht 1,092.9 million or increased by 257.1 percent from 2017 as a result of cash flows from long-term debenture in 2018 for working capital and business expansion.

CURRENT ASSETS

As at December 31, 2018 and 2019, current assets of the Company and its subsidiaries amounted to Baht 5,405.5 million and Baht 9,398.3 million, respectively or accounting for 32.2 percent and 38.6 percent of the total assets, respectively.

As at December 31, 2019, current assets of the Company and its subsidiaries amounted to Baht 11,247.7 million, accounting for 38.9 percent of the total assets. The related significant details were as follows:

- **TRADE AND OTHER CURRENT RECEIVABLES**

As at December 31, 2017 and 2018, trade and other current receivables of the Company and its subsidiaries amounted to Baht 1,269.3 million and Baht 1,932.8 million, respectively, which accounted for 7.6 percent and 7.9 percent of total asset, respectively, representing an increase of Baht 663.6 million when compared with those as at December 31, 2017. This was mainly due to prepaid expensed increased by Baht 86.5 million, prepaid deposit to construction for Chao Phraya Estate contractors increased by Baht 93.6 million and increased by Baht 434.2 million from reclassification from other current assets

to trade and other current payables in accordance with financial position as at December 31, 2019.

As at December 31, 2019, trade and other current receivables of the Company and its subsidiaries amounted to Baht 2,362.8 million, which accounted for 8.2 percent of the total assets, representing an increase of Baht 430.0 million when compared with those as at December 31, 2018. This was mainly due to prepaid deposit to construction for Chao Phraya Estate contractors increased by Baht 309.1 million and the Revenue Department receivable increased by Baht 169.9 million while prepaid expenses reduced by Baht 79.9 million.

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

As at December 31, 2017 and 2018, land and costs of projects under construction and utilities amounted to Baht 3,465.7 million and Baht 5,842.7 million, respectively, which accounted for 20.7 percent and 24.0 percent of the total assets, respectively, representing an increase of Baht 2,377.0 million or an increase of 68.6 percent from 2017. 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 which much progressed in 2018.

As at December 31, 2019, land and costs of projects under construction and utilities of the Company and its subsidiaries amounted to Baht 8,270.4 million, which accounted for 28.6 percent of total assets, representing an increase of Baht 2,427.6 million or an increase of 41.6 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.

- **OTHER CURRENT ASSETS**

As at December 31, 2017 and 2018, other current assets amounted to Baht 245.4 million and Baht 1.0 million, respectively, which accounted for 1.5 percent and 0.0 percent of the total assets, respectively, representing a decrease of 99.6 percent or a decrease of Baht 244.4 million from 2017. The main reason was from reclassification from other current assets to trade and other current payables in accordance with financial position as at December 31, 2019.

As at December 31, 2019, other current assets of the Company and its subsidiaries amounted to Baht 28.4 million, which accounted for 0.1 percent of total assets, representing an increase of 2,728.3 percent or an increase of Baht 27.4 million from 2018. This was mainly due to increase in material and decoration for Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which are parts of Chao Phraya Estate project,

NON-CURRENT ASSETS

• DEPOSITS AT BANK USED AS COLLATERAL

As at December 31, 2017 and 2018, deposits at bank used as collateral amounted to Baht 1,581.8 million and Baht 1,764.9 million, respectively, which accounted for 9.4 percent and 7.2 percent of total assets, respectively, representing a significant increase of 11.6 percent or an increase of Baht 183.1 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.

As at December 31, 2019, deposits at bank used as collateral of the Company and its subsidiaries amounted to Baht 1,992.7 million, which accounted for 6.9 percent of total assets, representing an increase of 12.9 percent or an increase of Baht 227.8 million from 2018. 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, 2017, 2018 and 2019, investments held as available for sale of the Company and its subsidiaries amounted to Baht 307.1 million, Baht 219.0 million and Baht 169.3 million, respectively, which accounted for 1.8 percent, 0.9 percent and 0.6 percent of total assets, respectively. The outstanding balance as at December 31, 2019 decreased by Baht 49.7 million or decreased by 22.7 percent when compared with the outstanding as at December 31, 2018. This was mainly due to decrease in market price using in revaluation of investment.

• PREPAID DEPOSITS FOR CONSTRUCTION

As at December 31, 2017, 2018 and 2019, prepaid deposits for construction of the Company and its subsidiaries amounted to Baht 895.5 million, Baht 895.5 million and 895.5 million, respectively, which accounted for 5.3 percent, 3.7 percent and 3.1 percent of total assets, respectively.

• INVESTMENT PROPERTY

As at December 31, 2017, 2018 and 2019, investment property amounted to Baht 845.7 million, Baht 789.2 million and Baht 744.0 million, respectively which accounted for 5.0 percent, 3.2 percent and 2.6 percent of total assets, respectively. As at December 31, 2019, investment property decreased by Baht 45.2 million or decreased by 5.7 percent, compared to December 31, 2018 as a result of market price using in revaluation of investment and currency forward transactions.

• PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2017, 2018 and 2019, property, plant and equipment amounted to Baht 3,945.0 million, Baht 7,608.million and Baht 10,206.1 million, respectively which accounted for 23.5 percent, 31.3 percent and 35.3 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. Property, plant and equipment as at December 31, 2019 increased by Baht 2,598.0 million and increased by 34.1 percent when compared with the outstanding as at December 31, 2018.

• LEASEHOLD

As at December 31, 2017, leasehold amounted to Baht 100.0 million, which accounted for 0.6 percent of total assets and decreased from amount as at December 31, 2018 as a result of reclassification from land and cost of projects under construction and utilities to property, plant and equipment.

• GOODWILL

As at December 31, 2017, 2018 and 2019, goodwill amounted to Baht 3,614.4 million, which accounted for 21.6 percent, 14.8 percent and 12.5 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, 2017 and 2018, other non-current assets amounted to Baht 64.2 million and Baht 10.5 million, respectively, a decreased by Baht 53.7 or decreased by 83.7 percent. The main reason was the classification from direct expenses of debentures from other non-current assets to long-term debenture. Consequently other non-current assets decreased.

As at December 31, 2019, other non-current assets of the Company and its subsidiaries amounted to Baht 13.0 million, representing an increase by Baht 2.5 million or an increase by 23.8 percent when compared with as at December 31, 2018. The main reason was that contract deposit for boat which will be used in Chao Phraya Estate project, resulting an increase of other non-current assets.

LIABILITIES

As at December 31, 2017 and 2018, total liabilities of the Company and its subsidiaries amounted to Baht 10,868.2 million and Baht 19,117.2 million, respectively, representing an increase of Baht 8,249.0 million or an increase of 75.9 percent. As at December 31, 2019, total liabilities of the Company and its subsidiaries amounted to Baht 23,861.9 million, representing an increase of Baht 4,744.8 million or an increase of 24.8 percent when compared to the outstanding as at December 31, 2018. 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, and 2018, current liabilities of the Company and its subsidiaries decreased by Baht 193.9 million or decreased by 3.7 percent from December 31, 2017. This was mainly due to the fact that in 2018, payment for long term debenture worth Baht 1,750 million that was due and payment for bill of exchange worth Baht 230.2 million that was due. Even though 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 lower than the decrease of debentures and bill of exchanges, resulting the decrease of current liabilities. As at December 31, 2018, debt service coverage ratio was (0.41) time, decreased from 0.04 time as at December 31, 2017. The main reason was that in 2018, loss before Interest Tax Depreciation and Amortization of the Company and its subsidiaries was Baht 179.5 million, compared to earnings before Interest tax depreciation and amortization of Baht 95.3 million in 2017.

As at December 31, 2019, current liabilities of the Company and its liabilities increased by Baht 17,907.6 million, or increased by 356.3 percent when compared to as at December 31, 2018. This was mainly due to the fact that long term debenture due within 1 year was classified from non-current liabilities to current liabilities and long-term loan due within 1 year was classified from non-current liabilities to current liabilities. This loan amount from Landmark Holdings Co., Ltd., a subsidiary of the Company received addition financial support for the Chao Phraya Estate Project amounted to Baht 2,791.7 million in 2019. As at December 31, 2019, debt service coverage of the Company and its subsidiaries was 0.01 time, compared to (0.41) time of December 21, 2018. The main reason was that in 2019, earnings before Interest tax depreciation and amortization of the Company and its subsidiaries was Baht 96.4 million while in 2018, loss before Interest tax depreciation and amortization of the Company and its subsidiaries was Baht 179.5 million.

NON-CURRENT LIABILITIES

As at December 31, 2018, non-current liabilities of the Company and its subsidiaries increased by Baht 8,442.8 million or increased by 149.5 percent, compared to December 31, 2017. This was mainly due to the fact that, during the year 2018 the Company also additional issued long-term debentures worth Baht 3,700 million For using as working capital for the Company operation and the group's business expansion. In 2018, 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. In 2018, long-term construction payables increased by Baht 688.9 million.

As at December 31, 2019, non-current liabilities of the Company and its subsidiaries decreased by Baht 13,162.8 million or decreased by 93.4 percent when compared to the outstanding as at December 31, 2018. This was mainly due to the fact that long-term loan due within 1 year was classified from non-current liabilities to current liabilities and long term debenture due within 1 year worth Baht 3,700 million was classified from non-current liabilities to current liabilities. Consequently non-current liabilities decreased.

As at December 31, 2019, debt to earnings before Interest tax depreciation and amortization was 233.99 time which was high because net debt of the Company increased by Baht 5,861.35 million compared to 2018 as a result of an increase of trade payables and long-term loan from financial institute.

CAPITAL STRUCTURE

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 1.84 time while the interest-bearing debt to equity ratio amounted to 1.36 time.

As at December 31, 2018, total liabilities of the Company and its subsidiaries amounted to Baht 19,117.2 million, which accounted for 78.5 percent of total assets, while shareholders' equity amounted to Baht 5,226.8 million, which accounted for 21.5 percent of total assets. The debt to equity ratio amounted to 3.66 time while the interest-bearing debt to equity ratio amounted to 2.49 time. The ratio increase from 2017 was mainly due to an increase of long-term loan for the Group's business expansion and that in 2018, Landmark Holdings Co., Ltd., a subsidiary of the Company, received addition financial support for the Chao Phraya Estate Project.

As at December 31, 2019, total liabilities of the Company and its subsidiaries amounted to Baht 23,861.9 million, which accounted for 82.6 percent of total assets, while shareholders' equity amounted to Baht 5,043.1 million, which accounted for 17.4 percent of total assets. The debt to equity ratio amounted

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

(Unit : Baht Million)

Activities	For the year ended December 31, 2017	For the year ended December 31, 2018	For the year ended December 31, 2019
Net cash provided by operating activities	1,457.8	358.3	(1,512.9)
Net cash used in investing activities	(2,698.0)	(534.1)	(735.3)
Net cash provided by financing activities	490.6	1,316.7	877.7

to 4.73 time while the interest-bearing debt to equity ratio amounted to 3.23 time. The ratio increase from 2018 was mainly due to an increase of long-term loan for the Group's business expansion and that in 2018, Landmark Holdings Co., Ltd., a subsidiary of the Company, received addition financial support for the Chao Phraya Estate Project.

LIQUIDITY

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 358.3 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 1,316.7 million. There were cash worth Baht 3,621.7 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.

As at December 31, 2019, cash and cash equivalents of the Company and its subsidiaries amounted to Baht 274.0 million, representing a decrease from 2018 of Baht 1,243.9 million. The Company and its subsidiaries have net cash provided by operating activities amounted to Baht 1,512.9 million, most of which could be attributable to land and land and cost of projects under construction and utilities worth Baht 472.8 million and trade and other current receivables worth

Baht 465.7 million. On the other hand, the Company and its subsidiaries have net cash used in investing activities of Baht 735.3 million which majority paid for purchase of fixed assets amounted to Baht 358.9 million and paid for deposits at bank used as collateral amounted to Baht 366.2 million. In addition, the Company and its subsidiaries have net cash provided by financing activities amount of Baht 877.7 million. There were cash worth Baht 500.0 million from issuance of long-term debenture, cash worth Baht 455.2 million from long-term borrowings and cash worth Baht 89.7 million from additional issuance of bill of exchange. While the Company and its subsidiaries repaid Baht 168.2 million for bills of exchange that due.

LIQUIDITY RATIO

As at December 31, 2018, liquidity ration of the Company and its subsidiaries was 1.87 time, increased from 1.04 time as at December 31, 2017. The main reason was that an increase of current assets by 73.9 percent mainly due to an increase of construction cost of Four Seasons Private Residences Bangkok at Chao Phraya River which its construction much progressed in 2018 and a significant increase of cash and cash equivalent from financing activities. Consequently as at December 31, 2018, quick ratio of the Company and its subsidiaries was 0.32 time, increased from 0.08 time as at December 31, 2017.

As at December 31, 2019, liquidity ration of the Company and its subsidiaries was 0.49 time, decreased from 1.87 time as at December 31, 2018. The main reason was that an increase of current liabilities by 356.3 percent mainly due to the classification of long-term debentures due within 1 year. And long-term loan due within 1 year from non-current liabilities to current liabilities. Consequently current liabilities significantly increased. Cash and cash equivalent of the Company and its subsidiaries from financing activities decreased. Consequently as at December 31, 2019, quick ratio of the Company and its subsidiaries was 0.01 time, increased from 0.32 time as at December 31, 2018.

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

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.

At the 2018 Annual General Meeting of Shareholders, which was held on April 27, 2018, shareholders adopted a resolution permitting the Company for allocation of 2,519,225,590 ordinary shares, with a par value of Baht 1.00 per for 1) to specific

persons under the general mandate capital increase by way of a private placement 2) to be reserved for the exercise of warrants to purchase the Company's ordinary shares to be issued and offered for sale to the directors and employees of the Company and/or its and 3) to be reserved for the exercise of warrants to purchase ordinary shares of the Company No. 4

At the 2019 Annual General Meeting of Shareholders, which was held on April 26, 2019, shareholders adopted a resolution permitting the Company for allocation of 826,000,000 ordinary shares with a par value of Baht 1.00 per for 1) to specific persons under the general mandate capital increase by way of a private placement, resulting an increase of registered capital from Baht 9,958,993,608 to Baht 10,784,993,608.

At the Extraordinary General Meeting of Shareholders No.1/2020 shareholders adopted a resolution permitting the Company to issue and offer for sale its debentures worth Baht 2,000,000,000 (two billion Baht) when combining with debentures, approved at the 2017 Annual General Meeting of Shareholders, total issuance and offering for sale its debentures worth not more than Baht 7,000,000,000 (seven billion Baht) or equivalent at other currencies in revolving basis. The issuance and offering secured callable and secured debentures of Country Group Development PCL. No. 1/2020 due 2021 to repay debenture worth 2 billion Baht due on March 21, 2020.

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 was almost completed and started to recognize income since quarter 4 2019. In addition, the Company has revenue from rental of Ovingdean Hall project before recognizing its revenue from selling the asset. The company will have revenue from income assets in 2020 from Capella hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River which their constructions will be complete and start operating in 2020.

The implementation of the above projects may have short-term impacts in terms of discontinuity of the Company's revenue recognition. However since 2020, 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 2020, 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 for consistent revenue recognition.

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.

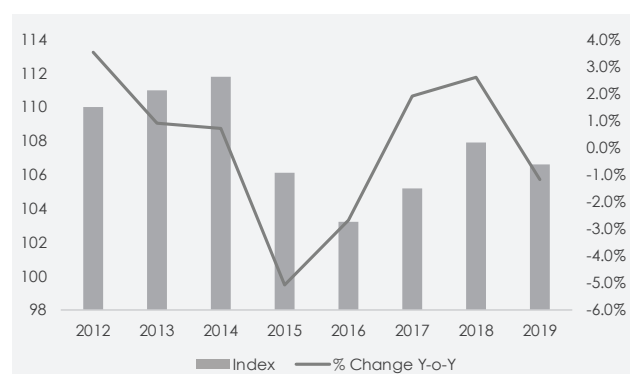
2. OPERATIONAL RISK

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. Construction cost has changed. Ministry of Commerce reported that construction cost index in 2019 was 106.6, reduced for 1.2% compared to 107.9 from 2018.

Construction Material Price Index

	2012	2013	2014	2015	2016	2017	2018	2019
Index	110.0	111.0	111.8	106.1	103.2	105.2	107.9	106.6
% Change Y-o-Y	3.5%	0.9%	0.7%	-5.1%	-2.7%	1.9%	2.6%	-1.2%



Source: Ministry of Commerce, 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.

3.4 RISK ARISING FROM FINANCIAL RATIO MAINTAINING

As at 31 December 2019, the Company did not have duty to maintain debt to equity ratio according to loan agreement and CGD's debenture specifications. However according to CGD's secured debenture No. 1/2020, the Company has a duty to maintain interest bearing debt to equity ratio to be not more than 5.5 : 1 (five point five to one) at the end of quarterly fiscal period and end of fiscal year according to yearly financial statements.

As at 31 December 2019, interest bearing debt to equity ratio of the Company in compliance with debenture specifications was 3.23 which is considered to be high. However the issuance to CGD's debenture No. 1/2020 is to repay CGD's mature debenture. This will not bring interest bearing debt to equity ratio in compliance with debenture specifications in significant amounts. In the future, the Company started residential project development at Rama III or the investment of international school. The Company will have plan to raise fund from institution loan and debenture issuance which might cause debt to equity ratio to rise and might be close to debenture specification.

The Company is confident that the Company will be able to maintain interest bearing debt to equity ratio in compliance with debenture specifications. The Company has plan to reduce debt by continuous loan repayment from the revenue from Four Seasons Private Residences Bangkok at Chao Phraya River which will transfer unit ownership within 2020 for Baht 14.4 million and is expected to close its sales in 2021.

4. RISK ARISING FROM CAPABILITY FOR DEPT REPAYMENT

As at 31 December 2019, the Company's remaining value of bills of exchange with remaining age less than 270 days amounted to Baht 395 million, maturity date between 9 June 2020 – 14 August 2020 and remaining value of none- due debenture amounted to Baht 4,213.4 million, maturity date

between 21 March 2020 – 6 September 2021. The Company has long-term borrowing from 2 financial institutions, amounted to Baht 11,732.53 million for Chao Phraya Estate project construction and the investment in Ovingdean Hall school. 2 financial institutions did not specify financial ratio maintaining. The borrowing amounted to Baht 11,374.24 million will be due on 20 September 2020. Currently the Company is on the negotiation process for refinancing the amount. The Company is expected to be approved within 1 quarter 2020. If the amount is not approved, the Company plans to use amount from unit transfer from Four Seasons Private Residences at Chao Phraya River to repay.

The Company plans to repay bills of exchange and borrowing from financial institution from (1) the sale of Four Seasons Private Residences Bangkok at Chao Phraya River which has project value amounted to Baht 21,510.78 million. The project has booking for 70% which in 2019, the Company started to recognize. As at 31 December 2019, the Company has backlog for Baht 14,399.10 million. The Company is expected to completed the transfer within 2021 and close its sale in 2022 (2) the operations of Four Seasons Hotel Bangkok and Chao Phraya River (3) the operation of Capella Hotel Bangkok.

5. RISK ARISING FROM STATE POLICIES

5.1 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.

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 & 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. 2/2020 held on 24 February 2020, 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.
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.

2. 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 31st, 2019, 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.

2.3 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 2019

The Company has expense of audit fee for Deloitte Touche Tohmatsu Jaiyos Co. Ltd which is auditor for 2019 of the Company amount of Baht 2,150,000.

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



At Country Group Development, we understand the importance of environmental impact that our developments may cause. As a contribution to improve the surrounding, especially around our flagship project – Chao Phraya Estate, Country Group Development has endeavoured to participate and engage itself in various activities with Bangkok River Partners (BRP)

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.

As our development projects are expanding, we exploring to begin other initiative that will create positive impacts for the society that does not limit to only the environmental impacts.

Project such as international school inspire us to explore activities that will have a long-lasting impact for the future such as an educative scheme for the community.

CLEAN UP THE WORLD 2019

CGD PARTICIPATED IN AN ANNUAL GREEN ACTIVITY TO FIGHT PLASTIC WASTE AND CLEAN UP THE AREA AROUND CHAO PHRAYA RIVER.

Clean up the World 2019 took place on Saturday 21 September. Now in its 26th year, the green event saw over 35 million volunteers from 130 countries come together to help the environment. More than 350 volunteers from the Embassy of Canada, the Embassy of Singapore in Thailand, colleagues

and families from CGD, Four Seasons Hotel Bangkok at Chao Phraya River, and Capella Bangkok joined hands with officials from Sathorn District and representatives from Mahidol University to clean up the area along the Chao Phraya River close to Four Seasons Private Residences Bangkok at Chao Phraya River.

This marks the 3rd year that the company has participated in this global community-based environmental program. Ben Taechaubol, Chief Executive Officer of Country Group Development PCL, said, "It has been our pleasure to take part in this activity. Chao Phraya River has always been a significant part of Thai people's lives. We are delighted that CGD can play a role in showing responsibility to our environment."

The event aims to raise awareness about plastic waste worldwide and to encourage locals to help maintain cleanliness around the Chao Phraya River. By sorting waste in public spaces such as footpaths, roads and canals, volunteers were able to clean up the area while preventing pollution of the Chao Phraya River and the Gulf of Thailand. As part of the campaign, Bangkok River Partners (BRP) collaborated with Mahidol University to help categorize 6 types of waste: plastic bags, plastic bottles, plastic cups, glass bottles, food foam, plastic pieces, and clothing-related items. The waste was then counted in order to collect data that will help form next year's benchmark. This information will help us solve environmental issues, with tangible and measurable goals.



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 March 10, 2020, held ordinary share of the Company amount of 873,180,191 shares or 10.56% 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 2019	Outstanding As at December 31, 2019	
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 March 10, 2020, held ordinary share of the Company amount of 1,897,626,424 shares or 22.96% 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 2019	Outstanding As at December 31, 2019	
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 2019	Outstanding As at December 31, 2019	
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	10,305,000	37,348,172	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 Holding Public Company Limited (the parent company of CGS) as of March 29, 2020 amount of 604,490,326 shares or 13.94% of the total paid-up shares.

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2019	Outstanding As at December 31, 2019	
1. The Company paid deposit for trading securities to CGS.	Deposit for trading securities	43	5,565	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	(2,944,850)	11,280,010	
	Debentures issuance fee	9,536,906	-	

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 29, 2020 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 2019	Outstanding As at December 31, 2019	
1. The Company purchased 153,061,800 ordinary shares of Country Group Holdings Public Company Limited	Investment in ordinary shares	-	123,980,058	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. The Company received 51,020,600 warrants (CGH-W3) from Country Group Holdings Public Company Limited.	CGH-W3	-	1,530,618	

6) MF HOLDINGS COMPANY LIMITED ("MFH")

Type of Business: Investment in other businesses

Relationship: Shareholder of CGD, and CGH is the major shareholder of MFC Asset Management Public Company Limited ("MFC"). MFH is MFC's subsidiary.

Details of the transaction	Type of the transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2019	Outstanding As at December 31, 2019	
1. The Company has issued bill of exchange to MFH.	Bill of Exchange	-	200,000,000	The Audit Committee has the opinion that such transaction was the same normal condition to the Unrelated party.
<ul style="list-style-type: none"> On August 18, 2019 at the amount of Baht 100 million with term of 270 days. The maturity date is July 14, 2020. Interest of bill of exchange is 6.0% per annum. On November 19, 2019 at the amount of Baht 100 million with term of 269 days. The maturity date is August 14, 2020. Interest of bill of exchange is 6.0% per annum. <p>The interest of bill of exchange has been paid on the issuance date by discount the value of each bill of exchange.</p>				
2. Interest expense from bill of exchange.	Prepaid Interest	5,477,871	6,658,485	
	Interest	11,490,933	-	

2. MEASURE OR PROCEDURE TO APPROVE THE CONNECTED TRANSACTION

For protecting benefits for the Company and overall shareholders, the Company has set up measurement and procedure to execute the connected 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 connected 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 connected transactions will be disclosed in the note of the financial statement, which would be audited by the auditor.

3. POLICY OR TREND ON THE CONNECTED TRANSACTION IN THE FUTURE

The Company set up the policy or trend to execute the connected transaction in the future. If there would be the connected 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 connected 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 connected 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. 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 connected transactions will be disclosed in the note of the financial statement, which would be audited by the auditor.

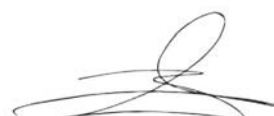
REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 2019

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 2019, the Audit Committee held 9 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 2019, 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. CONSIDERING AND GIVING OPINION THE TRANSACTIONS OF ASSETS ACQUISITION

The Audit Committee considered and gave an opinion on the transactions of assets acquisition abide by as per Stock Exchange of Thailand's requirement including the consideration on international school investment to ensure the reasonability and the company's best benefit of the transaction and price fairness. The information disclosure was correct with material information.

5. 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.

6. 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 2019 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.

7. 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.

8. REVIEWING THE AUDIT COMMITTEE CHARTER AND INTERNAL AUDIT CHARTER


The Audit Committee considered and improve the Audit Committee Charter and Internal Audit Charter in compliance with good practice and international standard.

9. CONSIDERING PROPOSAL FOR AUDITOR APPOINTMENT AND AUDIT FEE FOR 2019

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 2019, to the Board of Directors for consideration, after which the proposal would be forwarded to the Annual General Meeting of Shareholders 2019 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
17 January 2020

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, 2019, 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, 2019, 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
ดีลอยท์ ทูเช่ โทมัทสு ไชยยศ สอบบัญชี

- 2 -

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>Goodwill</p> <p>The Group recorded goodwill of Baht 3,614 million as a result of the reverse acquisition which the Company is the legal parent company and was designated as the acquiree for accounting purpose. Goodwill was considered as the key audit matter because the amount is significant to the Group's consolidated financial statements. The impairment assessment of goodwill requires the management to exercise a high degree of judgment in estimating the future cash flows and determining an appropriate discount rate and terminal growth rate, which directly affect the balance of goodwill presented at the end of reporting period.</p> <p>Detail of goodwill, accounting policies and impairment assessment of goodwill were disclosed in Notes 2.2.4, 3.13 and 3.21.2 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Obtained an understanding of the design and implementation of the key internal controls over the impairment assessment of goodwill • Performed operating effectiveness testing of key internal controls over the impairment assessment of goodwill • Performed substantive procedures as follows: <ul style="list-style-type: none"> - Examined the supporting evidence in relation to the management consideration of the impairment assessment of goodwill - Evaluated the appropriateness of key assumptions and methodology used by the management in assessing the impairment of goodwill - Reviewed presentation and related disclosures.

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.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

- 3 -

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.

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.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสู ไชยอส สอบบัญชี

- 4 -

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If 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.



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
February 24, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

UNIT : BAHT

UNIT : BATH					
	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	274,043,223	1,517,968,181	101,583,484	818,060,461
Current investments	6	-	100,502,312	-	100,502,312
Trade and other current receivables	7	2,362,812,871	1,932,820,577	445,268,419	395,704,584
Short-term loans to related companies	28.2	-	-	1,587,632,758	820,905,043
Land and cost of projects under construction and utilities	8	8,270,383,484	5,842,742,804	604,871,660	17,338,733
Cost to obtain contracts with customers	9	308,736,672	-	-	-
Current tax assets		3,359,828	3,258,601	2,893,336	3,183,550
Other current assets		28,408,722	1,004,442	-	-
Total Current Assets		11,247,744,800	9,398,296,917	2,742,249,657	2,155,694,683
NON-CURRENT ASSETS					
Deposits at bank used as collateral	10	1,992,745,610	1,764,912,934	-	-
Investments held as available for sale	11	169,310,676	218,969,946	169,310,676	218,969,946
Investments in subsidiaries	28.1	-	-	4,695,237,021	5,276,695,841
Prepaid deposits for construction		895,501,448	895,501,448	-	-
Investment property	12	743,970,530	789,158,751	-	-
Property, plant and equipment	13	10,206,087,620	7,608,076,281	1,772,735,603	2,198,616,111
Goodwill	2.2.4	3,614,375,768	3,614,375,768	-	-
Other intangible assets	14	22,291,334	5,864,249	5,584,054	3,407,148
Deferred tax assets	15	-	38,340,870	47,956,660	38,340,870
Other non-current assets		13,023,418	10,456,102	3,432,244	3,354,358
Total Non-Current Assets		17,657,306,404	14,945,656,349	6,694,256,258	7,739,384,274
TOTAL ASSETS		28,905,051,204	24,343,953,266	9,436,505,915	9,895,078,957

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

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	16	3,044,389,587	717,703,167	88,392,708	65,537,490
Payable from purchase of investment in a subsidiary from a related company	28.4	-	-	-	445,734,402
Contract deposit and advance from customers		4,442,462,544	3,863,059,642	1,401,244	3,217,199
Current portion of long-term borrowings	18	11,374,237,507	-	-	-
Current portion of long-term debentures	19	3,682,047,015	-	3,682,047,015	-
Short-term borrowings		7,998,450	8,312,624	-	-
Short-term borrowings from a related company	28.3	-	-	475,102,955	438,889,250
Bills of exchange	17	380,992,887	437,071,705	380,992,887	437,071,705
Current income tax payable		1,606,885	26,935	-	-
Total Current Liabilities		<u>22,933,734,875</u>	<u>5,026,174,073</u>	<u>4,627,936,809</u>	<u>1,390,450,046</u>
NON-CURRENT LIABILITIES					
Construction payables	18.1	-	1,485,322,090	-	-
Long-term borrowings	18	358,288,071	8,954,080,829	-	-
Long-term debentures	19	502,038,332	3,643,078,946	502,038,332	3,643,078,946
Deferred tax liabilities	15	38,232,970	-	-	-
Provisions for employee benefit	20	26,529,863	8,499,592	14,939,759	8,270,079
Other non-current liabilities		3,083,888	-	-	-
Total Non-Current Liabilities		<u>928,173,124</u>	<u>14,090,981,457</u>	<u>516,978,091</u>	<u>3,651,349,025</u>
TOTAL LIABILITIES		<u>23,861,907,999</u>	<u>19,117,155,530</u>	<u>5,144,914,900</u>	<u>5,041,799,071</u>
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital	21				
10,784,993,608 ordinary shares of Baht 1.00 each		<u>10,784,993,608</u>		<u>10,784,993,608</u>	
10,785,353,544 ordinary shares of Baht 1.00 each			<u>10,785,353,544</u>		<u>10,785,353,544</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		(1,714,846,968)	(1,358,954,122)	(1,439,108,384)	(910,546,929)
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY	24	<u>(343,992,042)</u>	<u>(422,836,205)</u>	<u>(156,473,275)</u>	<u>(123,345,859)</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		4,674,100,053	4,951,148,736	4,291,591,015	4,853,279,886
NON-CONTROLLING INTERESTS		369,043,152	275,649,000	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>5,043,143,205</u>	<u>5,226,797,736</u>	<u>4,291,591,015</u>	<u>4,853,279,886</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>28,905,051,204</u>	<u>24,343,953,266</u>	<u>9,436,505,915</u>	<u>9,895,078,957</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, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
REVENUES					
Revenue from sale of condominium		412,398,104	244,058,483	7,791,955	244,058,483
Commission income		-	474,953	-	474,953
Rental income from investment property	12	47,363,646	51,390,715	-	-
Interest income		7,271,405	8,821,330	88,732,115	77,163,927
Dividend income		-	5,357,163	-	5,357,163
Gain on foreign exchange rate		468,698,080	51,157,001	-	43,219,880
Gain on sale of current investments		2,200,388	-	2,200,388	-
Gain on remeasuring current investments		-	502,312	-	502,312
Other income		13,145,736	7,874,033	63,496,744	56,768,064
Total Revenues		<u>951,077,359</u>	<u>369,635,990</u>	<u>162,221,202</u>	<u>427,544,782</u>
EXPENSES					
Cost of condominium sale		181,486,318	146,939,094	5,316,802	146,939,094
Direct operating expenses arising from investment property	12	2,789,313	3,012,279	-	-
Distribution costs		182,983,795	180,459,038	12,011,880	22,893,014
Administrative expenses		464,418,079	209,216,400	166,377,781	155,003,260
Directors and managements' remuneration	26	39,936,288	42,701,304	39,936,288	42,701,304
Loss on dissolution of subsidiaries		-	-	162,697	-
Loss on foreign exchange rate		-	-	129,452,534	-
Loss on remeasuring fair value of investment property	12	15,636,400	-	-	-
Finance costs		454,612,865	330,076,314	336,532,891	291,945,907
Total Expenses		<u>1,341,863,058</u>	<u>912,404,429</u>	<u>689,790,873</u>	<u>659,482,579</u>
LOSS BEFORE INCOME TAX		<u>(390,785,699)</u>	<u>(542,768,439)</u>	<u>(527,569,671)</u>	<u>(231,937,797)</u>
INCOME TAX EXPENSE (REVENUE)	15	43,706,814	(344,685)	(868,792)	(371,832)
NET LOSS FOR THE YEAR		<u>(434,492,513)</u>	<u>(542,423,754)</u>	<u>(526,700,879)</u>	<u>(231,565,965)</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, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME (LOSS)	15				
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Loss on remeasuring investments held as available for sale	24.1	(33,127,416)	(68,094,625)	(33,127,416)	(68,094,625)
Exchange differences on translating financial statements of foreign operations	24.2	111,971,579	(77,055,737)	-	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasurements of defined benefit plans		(10,138,814)	322,300	(1,860,576)	322,300
OTHER COMPREHENSIVE LOSS					
FOR THE YEAR - NET OF TAX		68,705,349	(144,828,062)	(34,987,992)	(67,772,325)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(365,787,164)</u>	<u>(687,251,816)</u>	<u>(561,688,871)</u>	<u>(299,338,290)</u>
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent		(489,189,006)	(464,172,704)	(526,700,879)	(231,565,965)
Non-controlling interests		54,696,493	(78,251,050)	-	-
		<u>(434,492,513)</u>	<u>(542,423,754)</u>	<u>(526,700,879)</u>	<u>(231,565,965)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO					
Owners of the parent		(418,000,186)	(609,000,766)	(561,688,871)	(299,338,290)
Non-controlling interests		52,213,022	(78,251,050)	-	-
		<u>(365,787,164)</u>	<u>(687,251,816)</u>	<u>(561,688,871)</u>	<u>(299,338,290)</u>
BASIC LOSS PER SHARE	27				
Basic loss per share	Baht	(0.059)	(0.056)	(0.064)	(0.028)
Weighted average number of ordinary shares	Shares	8,266,127,954	8,266,127,954	8,266,127,954	8,266,127,954

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, 2019

Note	CONSOLIDATED FINANCIAL STATEMENTS										UNIT : BAHT	
	Owners of the parent										Non-controlling interests	Total shareholders' equity
	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	Other components of shareholders' equity	Loss on remeasuring investments held as available for sale	Exchange differences on translating financial statements of foreign operations	Total owners of the parent		
Beginning balance as at January 1, 2018	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(895,103,718)	(55,251,234)	(222,434,609)	(277,685,843)	5,560,149,502	353,900,050	5,914,049,552
Total comprehensive loss for the year	-	-	-	-	-	(463,850,404)	(68,094,625)	(77,055,737)	(145,150,362)	(609,000,766)	(78,251,050)	(687,251,816)
Ending balance as at December 31, 2018	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(1,358,954,122)	(123,345,859)	(299,490,346)	(422,836,205)	4,951,148,736	275,649,000	5,226,797,736
Beginning balance as at January 1, 2019	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(1,358,954,122)	(123,345,859)	(299,490,346)	(422,836,205)	4,951,148,736	275,649,000	5,226,797,736
- as previously reported												
Cumulative effects of initially applying Thai Financial Reporting Standard No. 15	-	-	-	-	-	140,951,503	-	-	-	140,951,503	40,116,850	181,068,353
Beginning balance as at January 1, 2019 - after adjusted	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(1,218,002,619)	(123,345,859)	(299,490,346)	(422,836,205)	5,092,100,239	315,765,850	5,407,866,089
Increase in paid share capital of non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,064,280	1,064,280
Total comprehensive income (loss) for the year	-	-	-	-	-	(496,844,349)	(33,127,416)	111,971,579	78,844,163	(418,000,186)	52,213,022	(365,787,164)
Ending balance as at December 31, 2019	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(1,714,846,968)	(156,473,275)	(187,518,767)	(343,992,042)	4,674,100,053	369,043,152	5,043,143,205

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	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 Loss on remeasuring investments held as available for sale	Total shareholders' equity
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)
Ending balance as at December 31, 2018	<u>8,266,127,954</u>	<u>(1,559,517,810)</u>	<u>(819,437,470)</u>	<u>(910,546,929)</u>	<u>(123,345,859)</u>	<u>4,853,279,886</u>
Beginning balance as at January 1, 2019	8,266,127,954	(1,559,517,810)	(819,437,470)	(910,546,929)	(123,345,859)	4,853,279,886
Total comprehensive loss for the year	-	-	-	(528,561,455)	(33,127,416)	(561,688,871)
Ending balance as at December 31, 2019	<u>8,266,127,954</u>	<u>(1,559,517,810)</u>	<u>(819,437,470)</u>	<u>(1,439,108,384)</u>	<u>(156,473,275)</u>	<u>4,291,591,015</u>

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, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax		(390,785,699)	(542,768,439)	(527,569,671)	(231,937,797)
Adjustment for:					
Depreciation and amortization		32,584,996	33,233,427	3,710,401	6,102,678
Gain on sale of current investments		(2,200,388)	-	(2,200,388)	-
Gain on remeasuring current investments		-	(502,312)	-	(502,312)
Loss on dissolution of subsidiaries		-	-	162,697	-
Loss on impairment of investment in subsidiaries		-	-	-	5,949,984
(Gain) loss on sale and write-off of fixed assets		(9,022)	1,669,957	(9,022)	51,424
(Gain) loss on foreign exchange rate		(604,410,585)	(8,543,359)	129,555,256	(43,215,249)
Loss on remeasuring fair value of investment property		15,636,400	-	-	-
Employee benefit expense		5,356,753	2,088,671	4,343,960	1,859,158
Interest income		(7,271,405)	(8,821,330)	(88,732,115)	(77,163,927)
Dividend income		-	(5,357,163)	-	(5,357,163)
Finance costs		454,612,865	330,076,314	336,532,891	291,945,907
Operating loss before changes in operating assets and liabilities		(496,486,085)	(198,924,234)	(144,205,991)	(52,267,297)
(Increase) decrease in operating assets					
Current investments		102,702,700	(100,000,000)	102,702,700	(100,000,000)
Trade and other current receivables		(465,748,223)	(420,368,437)	(187,301,752)	(67,698,585)
Land and cost of projects under construction and utilities		(472,801,629)	(255,205,137)	(35,585,974)	142,431,218
Cost to obtain contracts with customers		(82,401,230)	-	-	-
Other current assets		(27,404,280)	(1,004,442)	-	-
Other non-current assets		(2,567,316)	52,115,036	(77,886)	(110,958)
Increase (decrease) in operating liabilities					
Trade and other current payables		(413,543,274)	37,655,114	20,713,838	(31,898,491)
Deposit and advance from customers		581,039,230	1,418,829,685	(1,815,955)	(2,710,775)
Other non-current liabilities		1,447,560	(27,423,728)	-	-
Cash received (paid) from operations		(1,275,762,547)	505,673,857	(245,571,020)	(112,254,888)
Cash received from interest		7,271,405	9,761,999	3,563,212	5,691,146
Cash received from dividend		-	5,357,163	-	5,357,163
Cash paid for finance costs		(241,037,792)	(159,274,313)	(270,446,027)	(200,347,265)
Cash paid for income tax		(3,359,828)	(3,250,002)	(2,893,336)	(3,183,550)
Net cash provided by (used in) operating activities		(1,512,888,762)	358,268,704	(515,347,171)	(304,737,394)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for deposits at bank used as collateral		(366,188,068)	(197,245,405)	-	-
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	8,250,000	3,000,000	8,250,000	3,000,000
Cash paid for short-term loan to a related company	4.1.3	-	-	(550,858,732)	-
Cash repaid for payable from purchase of investment in a subsidiary from a related company	4.1.4	-	-	(531,358)	-
Cash paid for investment in a subsidiary		-	-	-	(672,875)
Cash received from dissolution of subsidiaries		-	-	218,564	-
Cash paid for purchase of fixed assets	4.1.1	(358,859,404)	(336,927,226)	(129,684,548)	(327,816,300)
Cash received from sale of fixed assets		9,100	57,804	9,100	57,804
Cash paid for purchase of other intangible assets	4.1.2	(18,480,341)	(3,003,380)	(2,800,298)	(2,219,817)
Net cash provided by (used in) investing activities		(735,268,713)	(534,118,207)	(675,397,272)	107,650,968

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from short-term borrowings					
from a related company	4.1.5	-	-	54,000,000	-
Cash repaid for short-term borrowings from a related company	4.1.5	-	-	(1,245,648)	-
Proceeds from bills of exchange issuance	4.2	89,692,188	145,961,634	89,692,188	145,961,634
Cash repaid for bills of exchange	4.2	(168,168,541)	(410,718,880)	(168,168,541)	(410,718,880)
Cash received from long-term borrowings	4.2	455,160,900	459,706,387	-	-
Cash received from long-term debentures issuance	4.2	499,989,467	3,621,737,127	499,989,467	3,621,737,127
Cash repaid for long-term debentures	4.2	-	(2,500,000,000)	-	(2,500,000,000)
Cash received from share subscription of a subsidiary					
from non-controlling interest		1,064,280	-	-	-
Net cash provided by financing activities		877,738,294	1,316,686,268	474,267,466	856,979,881
Net increase (decrease) in cash and cash equivalents		(1,370,419,181)	1,140,836,765	(716,476,977)	659,893,455
Foreign exchange rate differences		126,494,223	(47,978,340)	-	-
Cash and cash equivalents as at January 1,		1,517,968,181	425,109,756	818,060,461	158,167,006
Cash and cash equivalents as at December 31,	5	<u>274,043,223</u>	<u>1,517,968,181</u>	<u>101,583,484</u>	<u>818,060,461</u>

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

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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, 13th and 20th 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, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is trading, rent and real estate operations and a holding company. Landmark Holdings Company Limited has registered 2 branches to support the hotel operation business on May 30, 2019 which consists of Branch 1, located at 300/1 Charoen Krung Road, Yannawa, Sathorn, Bangkok and Branch 2, located at 300/2 Charoen Krung Road, Yannawa, Sathorn, Bangkok.

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, 20th 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, 20th 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.

Currently, CGD Data Limited has completed the dissolution (see Note 28.1).

- 2 -

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

Currently, CGD Digital Partners Limited is in the process of dissolution (see Note 28.1).

- 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.

- 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.

Currently, HYUK Limited has completed the dissolution. (see Note 28.1).

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).

- 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 December 31, 2019	As at December 31, 2018
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	-(⁽¹⁾)	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	-(⁽²⁾)	100.00
Indirect subsidiaries				
Chao Phraya Estate Residences Co., Ltd.	Thailand	Real estate management of Chao Phraya Estate Project	67.78 ⁽³⁾	70.00 ⁽³⁾
CGUK 1 Limited	Guernsey	Real estate	96.45 ⁽⁴⁾	96.45 ⁽⁴⁾

⁽¹⁾ Currently, CGD Data Limited has completed the dissolution.

⁽²⁾ Currently, HYUK Limited has completed the dissolution.

⁽³⁾ The Company holds shares indirectly through Landmark Holdings Company Limited.

⁽⁴⁾ The Company holds shares indirectly through Leading Schools Partnership Limited.

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 Company and subsidiaries' 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.

- 4 -

2.2.4 Goodwill

On May 15, 2013, the Company acquired and transferred the entire business (assets, liabilities, rights, duties and obligations) from Landmark Development Group Company Limited Group (“LDG”). After the completion of the entire business transfer, Landmark Development Group Company Limited was dissolved on the same date. Accordingly, the group of shareholders of LDG became the major shareholder of the Company by holding more than 50% of the Company’s issued and paid-up share capital and had a control over the Company. Therefore, this transaction was a reverse takeover according to TFRS No.3 “Business combination”, which the Company is the legal parent company and was designated as the acquiree for accounting purpose. The difference of the cost of business combination over the equity in net fair value has stated as goodwill of Baht 3,614,375,768 in the Group’s consolidated financial statements.

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

During the year, the Group and the Company have adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards 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 Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” (“TFRS 15”)

The core principle of TFRS 15 “Revenues from Contracts with Customers” is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects to consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

- 5 -

Under TFRS 15 “Revenues from Contracts with Customers”, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

This TFRS supersedes the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No. 11 “Construction Contracts”, Thai Accounting Standard No. 18 “Revenue”, Thai Accounting Standard Interpretation No. 31 “Revenue-Barter Transactions Involving Advertising Services”, Thai Financial Reporting Standard Interpretation No. 13 “Customer Loyalty Programmes, Thai Financial Reporting Standard Interpretation No. 15 “Agreements for the Construction of Real Estate” and Thai Financial Reporting Standard Interpretation No. 18 “Transfers of Assets from Customers”.

TFRS 15 requires retrospective method in accordance with Thai Accounting Standard No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors” or recognize the cumulative effects of initially applying this Standard as an adjustment to the opening balance of retained earnings of the reporting period.

The Group has applied TFRS 15 “Revenues from Contracts with Customers” on January 1, 2019, the date of initial application. In accordance with the transition provisions, comparative figures have not been restated. The Group recognized the cumulative effects of initially applying this Standard as an adjustment to the opening balance of retained earnings as at January 1, 2019. The effects of related transactions are as follows:

Impact on assets, liabilities and shareholders’ equity

Consolidated financial statements as at January 1, 2019				(Unit : Baht)
	As previously reported as at December 31, 2018	Reclassifications (see Note 33)	Adjustments	After adjusted as at January 1, 2019
Assets (liabilities)				
Trade and other current receivables	1,498,592,685	434,227,892	(85,242,948)	1,847,577,629
Cost to obtain contracts with customers	-	-	311,578,389	311,578,389
Deferred tax assets (liabilities)	38,340,870	-	(45,267,088)	(6,926,218)
Shareholders’ equity				
Retained earnings (loss)	(1,358,954,122)	-	140,951,503	(1,218,002,619)
Non-controlling interests	275,649,000	-	40,116,850	315,765,850

- 6 -

The amounts of adjustments affecting the consolidated statements of financial position as at December 31, 2019 and the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2019 are summarized below.

	(Unit: Baht)		
	Previous	Increase (decrease)	According to
	accounting policy		TFRS 15
Consolidated statement of financial position			
as at December 31, 2019			
Assets (liabilities)			
Trade and other current receivables	2,454,305,369	(91,492,498)	2,362,812,871
Cost to obtain contracts with customers	-	308,736,672	308,736,672
Deferred tax assets (liabilities)	5,215,865	(43,448,835)	(38,232,970)
Shareholders' equity			
Retained earnings - Unappropriated	(1,850,707,361)	135,860,393	(1,714,846,968)
Non-controlling interest	331,108,206	37,934,946	369,043,152

	(Unit: Baht)		
	Previous	Increase (decrease)	According to
	accounting policy		TFRS 15
Consolidated statement of profit and loss and other			
comprehensive income for the year ended December 31, 2019			
Distribution costs	173,892,527	9,091,268	182,983,795
Income tax expense	(45,525,068)	1,818,254	(43,706,814)
Net loss for the year	(427,219,499)	(7,273,014)	(434,492,513)
Comprehensive loss for the year	(358,514,150)	(7,273,014)	(365,787,164)
Basic loss per share	(0.058)	(0.001)	(0.059)

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation 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, 2020 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 provision of interpretations and accounting guidance to users of standards.

The Group's and the Company's management will adopt such TFRSs in the preparation of the Company's financial statements when they become effective. The Group's and the Company's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group's and the Company's in the period of initial application, except the financial reporting standards as follows:

- 7 -

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

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

These group of Standards 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 Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

The Group’s and the Company’s management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group and the Company in the period of initial application.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No.17 “Leases”, Thai Accounting Standard Interpretation No.15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No.27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No.4 “Determining whether on Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Group’s and the Company’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group’s and the Company’s in the period of initial application.

- 8 -

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 is recognized when it transfers control of a residential condominium unit to a customer. Revenue is measured based on the consideration specified in a contract with a customer.
- 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 Sales promotion specified in the contracts with customers

The Group and the Company recognize sales promotion provided to customers when they register the transfer of residential condominium units, including free of charge items or consideration paid to customers as follows:

3.2.1 Provision for premium items such as furniture and fixtures

The Group and the Company offer items to customers when the customers register the transfer of residential condominium units. The management of the Group and the Company have considered that the items are component parts of residential condominium units, which are the main performance obligations under the contracts. Therefore, the Group and the Company are to record these costs as cost of condominium sale.

3.2.2 Consideration paid to customers

The Group and the Company paid registration fee for the transfer of residential condominium units or paid common area fee to the juristic person of condominium projects on behalf of customers when the customers register the transfer of residential condominium units. The management of the Group and the Company have determined that these transactions are consideration paid to customers. Therefore, the Group and the Company record it as a reduction of revenue from sale of condominium.

- 9 -

- 3.3 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.

- 3.4 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.

- 3.5 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.

- 3.6 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.

- 3.7 Cost to obtain contracts with customers

The Group and the Company recognize cost to obtain contracts with customers such as commission fee and other similar expenses as an asset and amortize to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognized to the extent that carrying amount of an asset recognized exceeds the remaining amount of consideration to be received less direct costs.

- 3.8 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.

- 10 -

3.9 Investments

- 3.9.1 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.
- 3.9.2 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.
- 3.9.3 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.

3.10 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.

- 11 -

3.11 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
Leasehold 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.

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.

3.12 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	Years
------------------	---	-------

- 12 -

3.13 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.

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.

3.14 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.

- 13 -

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.

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.

3.15 Employee benefits

3.15.1 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.

3.15.2 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.

- 14 -

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, assumption of future salary increases and mortality rate. 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.

3.16 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.

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

3.17.1 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.

3.17.2 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.

- 15 -

- The differences 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.

3.18 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.

3.19 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.

3.20 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.

- 16 -

3.21 Use of management's judgments and key sources of estimation uncertainty

3.21.1 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.

(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 20.

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.

- 17 -

3.21.2 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 32.4

(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.

- 18 -

4. SUPPLEMENTARY DISCLOSURES 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	
	2019	2018	2019	2018
Fixed asset payables - brought forward as at January 1,	860,206	37,450	767,330	37,450
<u>Add</u> Purchase of fixed assets	3,181,266,351	3,628,888,302	129,205,837	348,546,180
<u>Less</u> Other non-cash items	(52,305)	-	(52,305)	-
<u>Less</u> Purchase of fixed assets by long-term borrowings	(2,822,185,548)	(3,271,138,320)	-	-
<u>Less</u> Deposits for purchase of fixed assets	-	(20,000,000)	-	(20,000,000)
<u>Less</u> Cash paid for purchase of fixed assets	(358,859,404)	(336,927,226)	(129,684,548)	(327,816,300)
Fixed asset payables - carried forward as at December 31,	<u>1,029,300</u>	<u>860,206</u>	<u>236,314</u>	<u>767,330</u>

4.1.2 Other intangible asset payables

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Other intangible asset payables - brought forward as at January 1,	1,511,589	163,710	-	163,710
<u>Add</u> Purchase of other intangible assets	17,756,405	4,351,259	2,800,298	2,056,107
<u>Less</u> Cash paid for purchase of other intangible assets	(18,480,341)	(3,003,380)	(2,800,298)	(2,219,817)
Other intangible asset payables - carried forward as at December 31,	<u>787,653</u>	<u>1,511,589</u>	<u>-</u>	<u>-</u>

4.1.3 Short-term loans to related companies

	SEPARATE	
	FINANCIAL STATEMENTS	
	2019	2018
Short-term loans to related companies - brought forward as at January 1,	820,905,043	839,943,371
<u>Add</u> Cash paid for short-term loan to a related company	550,858,732	-
<u>Add</u> Increase in short-term loan by offsetting with advance to a related company	224,141,268	-
<u>Less</u> Cash paid for increased share capital in a subsidiary	-	(3,128,111)
<u>Less</u> Loss on foreign exchange rate	(8,272,285)	(15,910,217)
Short-term loans to related companies - carried forward as at December 31,	<u>1,587,632,758</u>	<u>820,905,043</u>

- 19 -

4.1.4 Payable from purchase of investment in a subsidiary from a related company

	(Unit : Baht)	
	SEPARATE	
	FINANCIAL STATEMENTS	
	2019	2018
Payable from purchase of investment in a subsidiary from a related company - brought forward as at January 1,	445,734,402	477,204,099
<u>Less</u> Cash paid for payable from purchase of investment in a subsidiary from a related company	(531,358)	-
<u>Less</u> Settled with the partial repayment of ordinary share capital from a related company	(581,077,559)	-
<u>Add</u> Realized loss on foreign exchange rate	135,874,515	-
<u>Less</u> Unrealized gain on foreign exchange rate	-	(31,469,697)
Payable from purchase of investment in a subsidiary from a related company - carried forward as at December 31,	-	445,734,402

4.1.5 Short-term borrowings from a related company

	(Unit : Baht)	
	SEPARATE	
	FINANCIAL STATEMENTS	
	2019	2018
Short-term borrowings from a related company - brought forward as at January 1,	438,889,250	469,875,624
<u>Add</u> Cash received for short-term borrowings from a related company	54,000,000	-
<u>Less</u> Cash repaid for short-term borrowings from a related company	(1,245,648)	-
<u>Less</u> Realized gain on foreign exchange rate	(16,540,647)	(30,986,374)
Short-term borrowings from a related company - carried forward as at December 31,	475,102,955	438,889,250

4.1.6 Construction payables and long-term borrowings

For the years ended December 31, 2019 and 2018, a subsidiary's non-cash items related to construction payables increased by Baht 607.99 million and Baht 688.91 million, respectively, and long-term borrowings which arose from payment terms and conditions under a construction contract increased by Baht 2,791.77 million and Baht 4,914.97 million, respectively (see Note 18). 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) and building under construction (see Note 13).

- 20 -

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

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS							
	Beginning	Financing cash flows		Non-cash changes			Ending	
	balance	Cash	Cash	Increase in	Unrealized gain	Amortized	Others	balance
	as at	received	paid	long-term	on foreign	prepaid		as at
	January 1,			borrowings	exchange rate	interest		December 31,
	2019							2019
Short-term borrowings	8,312,624	-	-	-	-	-	(314,174)	7,998,450
Bills of exchange	437,071,705	89,692,188	(168,168,541)	-	-	20,660,788	1,736,747	380,992,887
Long-term borrowings	8,954,080,829	455,160,900	-	3,069,920,864	(733,311,084)	-	(13,325,931)	11,732,525,578
Long-term debentures	3,643,078,946	499,989,467	-	-	-	-	41,016,934	4,184,085,347

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS							Ending balance as at December 31, 2018
	Beginning balance as at January 1, 2018	Financing cash flows		Non-cash changes				
		Cash	Cash	Increase in	Unrealized gain	Amortized	Others	
		received	paid	long-term	on foreign	prepaid		
					borrowings	exchange rate	interest	
Short-term borrowings	8,899,511	-	-	-	-	-	(586,887)	8,312,624
Bills of exchange	667,275,353	145,961,634	(410,718,880)	-	-	33,137,012	1,416,586	437,071,705
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	2,489,552,990	3,621,737,127	(2,500,000,000)	-	-	-	31,788,829	3,643,078,946

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS						
	Beginning	Financing cash flows		Non-cash changes			Ending
	balance	Cash	Cash	Unrealized gain	Amortized	Others	balance
	as at	received	paid	on foreign	prepaid		as at
	January 1,			exchange rate	interest		December 31,
	2019						2019
Short-term borrowings from a related company	438,889,250	54,000,000	(1,245,648)	(16,540,647)	-	-	475,102,955
Bills of exchange	437,071,705	89,692,188	(168,168,541)	-	20,660,788	1,736,747	380,992,887
Long-term debentures	3,643,078,946	499,989,467	-	-	-	41,016,934	4,184,085,347

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS						Ending balance as at December 31, 2018
	Beginning balance as at January 1, 2018	Financing cash flows		Non-cash changes			
		Cash	Cash	Unrealized gain	Amortized	Others	
		received	paid	on foreign	prepaid		
				exchange rate	interest		
Short-term borrowings from a related company	469,875,624	-	-	(30,986,374)	-	-	438,889,250
Bills of exchange	667,275,353	145,961,634	(410,718,880)	-	33,137,012	1,416,586	437,071,705
Long-term debentures	2,489,552,990	3,621,737,127	(2,500,000,000)	-	-	31,788,829	3,643,078,946

- 21 -

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Cash	380,000	57,023	40,000	44,302
Savings account	269,852,122	1,512,735,884	98,510,263	815,454,821
Current account	3,811,101	5,175,274	3,033,221	2,561,338
Total cash and cash equivalents	<u>274,043,223</u>	<u>1,517,968,181</u>	<u>101,583,484</u>	<u>818,060,461</u>

6. CURRENT INVESTMENTS

Current investments consist of:

	(Unit : Baht)			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		As at December 31, 2018	
	As at December 31, 2019		As at December 31, 2018	
	Cost/	Fair value/	Cost/	Fair value/
	Carrying value	Amortized cost	Carrying value	Amortized cost
Trading securities				
Mutual fund				
Debt securities	-	-	100,000,000	100,502,312
Add Unrealized gain on remeasurement	-	-	502,312	-
Total current investments	<u>-</u>	<u>-</u>	<u>100,502,312</u>	<u>100,502,312</u>

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

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2019	2018
Carrying value as at January 1,	100,502,312	-
Amount of purchasing held-for-trading securities	100,000,000	100,000,000
Amount of disposal held-for-trading securities	(202,702,700)	-
Amount of purchasing held-to-maturity debt securities	30,000,000	-
Amount of redemption held-to-maturity debt securities	(30,000,000)	-
Gain from disposal held-for-trading securities	2,200,388	-
Changes in fair value of current investments	-	502,312
Carrying value as at December 31,	<u>-</u>	<u>100,502,312</u>

- 22 -

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Trade receivables				
Trade receivables - domestic	9,638,738	3,310,358	-	-
Installment due receivables	383,082,047	288,572,890	-	-
Income due under contract	(383,082,047)	(288,572,890)	-	-
Total trade receivables	9,638,738	3,310,358	-	-
Other current receivables				
Prepaid expenses	16,080,882	96,020,412	2,544,198	1,947,882
Advance	27,358,457	491,434	51,000	20,000
Prepaid deposits	420,369,396	106,340,923	-	-
Prepaid deposits for construction	1,224,187,306	1,241,802,226	6,294,703	23,909,623
Other receivables - related companies (see Note 28.4)	-	-	22,463,240	52,159,703
Other receivables - other companies	7,682,022	43,121,756	-	-
Accrued interest income - related companies (see Note 28.4)	-	-	372,310,576	289,090,775
The Revenue Department receivable	523,055,747	353,160,061	-	-
Undue input value-added tax	90,244,461	59,964,150	32,407	-
Refundable withholding tax	30,780,466	27,521,865	30,672,769	27,489,219
Deposits for purchase of assets	6,957,330	625,689	6,957,330	625,689
Others	6,458,066	461,703	3,942,196	461,693
Total trade and other current receivables	2,362,812,871	1,932,820,577	445,268,419	395,704,584

8. LAND AND COST OF PROJECTS UNDER CONSTRUCTION AND UTILITIES

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Land	553,771,242	2,435,297	553,771,242	2,435,297
Construction and others	6,900,995,123	5,405,419,600	51,017,183	14,765,624
Borrowings	815,617,119	434,887,907	83,235	137,812
Total land and cost of projects under construction and utilities	8,270,383,484	5,842,742,804	604,871,660	17,338,733
Land and cost of projects under construction and utilities recognized as an expense in cost of sale				
- Cost of condominium sale	181,486,318	146,939,094	5,316,802	146,939,094

- 23 -

The Group and the Company mortgaged project land and buildings thereon as collateral for credit facilities and issuance of long-term debentures (see Note 18.1 and Note 19.1) which have net book values as follows:

	CONSOLIDATED		(Unit : Million Baht)	
	FINANCIAL STATEMENTS		SEPARATE	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Net book values	8,258	5,825	593	-

9. COST TO OBTAIN CONTRACTS WITH CUSTOMERS

Cost to obtain contracts with customers consists of:

	(Unit : Baht)
	CONSOLIDATED FINANCIAL STATEMENTS 2019
Beginning balance as at January 1, (see Note 2.3)	311,578,389
Increase during the year	39,118,593
Decrease during the year	(41,960,310)
Ending balance as at December 31,	<u>308,736,672</u>

10. DEPOSITS AT BANK USED AS COLLATERAL

Deposits at bank used as collateral consist of:

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2019	2018
Deposits at bank used as collateral for payment service	205,803	205,803
Deposits at bank used as loan collateral (see Note 18.2)	68,536,233	-
Deposits at bank used as Escrow Account		
under a construction contract (see Note 18.1)	<u>1,924,003,574</u>	<u>1,764,707,131</u>
Total deposits at bank used as collateral	<u>1,992,745,610</u>	<u>1,764,912,934</u>

- 24 -

11. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale consist of:

	(Unit : Baht)			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2019		As at December 31, 2018	
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Marketable equity securities				
Ordinary shares	234,402,269	123,980,058	234,402,269	146,939,328
Warrants to purchase ordinary shares	-	1,530,618	-	1,530,618
Unit trust	130,500,000	43,800,000	138,750,000	70,500,000
<u>Less</u> Unrealized loss on remeasurement	<u>(195,591,593)</u>	<u>-</u>	<u>(154,182,323)</u>	<u>-</u>
Total investments held as available for sale	<u>169,310,676</u>	<u>169,310,676</u>	<u>218,969,946</u>	<u>218,969,946</u>

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

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2019	2018
Carrying value as at January 1,	218,969,946	307,088,227
Cash received from the capital reduction of trust unit value of investments held as available for sale	(8,250,000)	(3,000,000)
Changing in fair value of investments held as available for sale	<u>(41,409,270)</u>	<u>(85,118,281)</u>
Carrying value as at December 31,	<u>169,310,676</u>	<u>218,969,946</u>

As at December 31, 2019 and 2018, the Company has pledged some portions of investment in ordinary shares and all of investment in unit trust which have the total carrying values of Baht 161.25 million and Baht 209.70 million, respectively, as collateral for issuance of the Company's long-term debentures (see Notes 19.1 and 19.2).

- 25 -

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 will be maturity in the year 2032.

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

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2019	2018
Carrying value as at January 1,	789,158,751	845,666,309
<u>Add</u> Loss on remeasuring fair value of investment property	(15,636,400)	-
<u>Less</u> Exchange differences from translation	(29,551,821)	(56,507,558)
Carrying value as at December 31,	<u>743,970,530</u>	<u>789,158,751</u>

As at December 31, 2019 and 2018, CGUK 1 Limited has mortgaged land and buildings as a collateral for long-term borrowing from a foreign financial institution (see Note 18.2).

On December 20, 2019 and 2018, investment property was revalued by independent professional appraisers. The new appraised value of investment property was GBP 19.03 million and 19.43 million, respectively (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	
	2019	2018
Rental income from investment property	47,363,646	51,390,715
Direct operating expenses arising from investment property that generated rental income for the year	2,789,313	3,012,279

- 26 -

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

As at December 31, 2019

Type of assets	CONSOLIDATED FINANCIAL STATEMENTS				(Unit : Baht)
	Balance as at December 31, 2018	Additions	Disposals/ write off	Transfer in (out)	Balance as at December 31, 2019
Cost					
Land	2,187,694,530	-	-	(551,946,953)	1,635,747,577
Land improvement	508,250	-	-	(508,250)	-
Leasehold improvement	17,485,913	-	-	(52,305)	17,433,608
Furniture and fixtures	128,922,192	7,717,835	(801,160)	-	135,838,867
Office equipment and tools	19,401,433	16,891,883	(97,061)	-	36,196,255
Other equipment	298,556	140,960	-	-	439,516
Vehicle	490,000	-	-	-	490,000
Total	<u>2,354,800,874</u>	<u>24,750,678</u>	<u>(898,221)</u>	<u>(552,507,508)</u>	<u>1,826,145,823</u>
Accumulated depreciation					
Leasehold improvement	(9,861,256)	(1,161,247)	-	-	(11,022,503)
Furniture and fixtures	(97,528,778)	(25,367,001)	801,109	-	(122,094,670)
Office equipment and tools	(12,776,749)	(4,555,372)	97,034	-	(17,235,087)
Other equipment	(37,900)	(77,345)	-	-	(115,245)
Vehicle	(385,557)	(94,711)	-	-	(480,268)
Total	<u>(120,590,240)</u>	<u>(31,255,676)</u>	<u>898,143</u>	<u>-</u>	<u>(150,947,773)</u>
Buildings under construction	<u>5,373,865,647</u>	<u>3,156,515,673</u>	<u>-</u>	<u>508,250</u>	<u>8,530,889,570</u>
Total property, plant and equipment	<u>7,608,076,281</u>				<u>10,206,087,620</u>

- 27 -

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)	-	-
Leasehold 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	<u>2,012,340,183</u>	<u>349,522,031</u>	<u>(7,061,340)</u>	<u>-</u>	<u>2,354,800,874</u>
Accumulated depreciation					
Building - sales office	(3,477,050)	(211,757)	3,688,807	-	-
Leasehold 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)	(3,067,312)	-	-	(12,776,749)
Other equipment	(448,265)	(620,355)	1,030,720	-	(37,900)
Vehicle	(287,557)	(98,000)	-	-	(385,557)
Total	<u>(92,744,361)</u>	<u>(32,618,711)</u>	<u>4,772,832</u>	<u>-</u>	<u>(120,590,240)</u>
Buildings under construction	<u>2,025,366,702</u>	<u>3,348,498,945</u>	<u>-</u>	<u>-</u>	<u>5,373,865,647</u>
Total property, plant and equipment	<u>3,944,962,524</u>				<u>7,608,076,281</u>

For the years ended December 31,
2019 2018

Depreciation	<u>31,255,676</u>	<u>32,618,711</u>
--------------	-------------------	-------------------

As at December 31, 2019

(Unit : Baht)

Type of assets	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2019
	Balance as at December 31, 2018	Additions	Disposals/ write off	Transfer in (out)	
Cost					
Land	2,187,694,530	-	-	(551,946,953)	1,635,747,577
Land improvement	508,250	-	-	(508,250)	-
Leasehold improvement	17,485,913	-	-	(52,305)	17,433,608
Furniture and fixtures	2,631,224	7,574,175	(801,160)	-	9,404,239
Office equipment and tools	13,836,616	1,423,519	(97,061)	-	15,163,074
Vehicle	250,000	-	-	-	250,000
Total	<u>2,222,406,533</u>	<u>8,997,694</u>	<u>(898,221)</u>	<u>(552,507,508)</u>	<u>1,677,998,498</u>
Accumulated depreciation					
Leasehold improvement	(9,861,256)	(1,161,247)	-	-	(11,022,503)
Furniture and fixtures	(4,469,284)	(274,762)	801,109	-	(3,942,937)
Office equipment and tools	(9,256,594)	(1,604,289)	97,034	-	(10,763,849)
Vehicle	(203,288)	(46,711)	-	-	(249,999)
Total	<u>(23,790,422)</u>	<u>(3,087,009)</u>	<u>898,143</u>	<u>-</u>	<u>(25,979,288)</u>
Buildings under construction	<u>-</u>	<u>120,208,143</u>	<u>-</u>	<u>508,250</u>	<u>120,716,393</u>
Total property, plant and equipment	<u>2,198,616,111</u>				<u>1,772,735,603</u>

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS					
Type of assets	Balance as at December 31, 2017	Additions	Disposals/ write off	Transfer in (out)	Balance as at December 31, 2018
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)	-	-
Leasehold improvement	11,622,438	5,863,475	-	-	17,485,913
Furniture and fixtures	2,471,278	222,479	(62,533)	-	2,631,224
Office equipment and tools	10,332,640	3,503,976	-	-	13,836,616
Vehicle	250,000	-	-	-	250,000
Total	<u>1,877,711,693</u>	<u>348,546,180</u>	<u>(3,851,340)</u>	<u>-</u>	<u>2,222,406,533</u>
Accumulated depreciation					
Building - sales office	(3,477,050)	(211,757)	3,688,807	-	-
Leasehold improvement	(9,205,200)	(656,056)	-	-	(9,861,256)
Furniture and fixtures	(1,857,083)	(2,665,506)	53,305	-	(4,469,284)
Office equipment and tools	(7,236,187)	(2,020,407)	-	-	(9,256,594)
Vehicle	(153,288)	(50,000)	-	-	(203,288)
Total	<u>(21,928,808)</u>	<u>(5,603,726)</u>	<u>3,742,112</u>	<u>-</u>	<u>(23,790,422)</u>
Total property, plant and equipment	<u>1,855,782,885</u>				<u>2,198,616,111</u>
For the years ended December 31,					
	2019	2018			
Depreciation	3,087,009	5,603,726			

During the year ended December 31, 2019, the Company has transferred a plot of land which has book value amount of Baht 551.95 million to be Land and cost of projects under construction and utilities.

As at December 31, 2019 and 2018, the Company has pledged land which has book value amount of Baht 1,635.49 million and Baht 2,187.70 million, respectively, including component parts and buildings in the future as a collateral for issuance of long-term debentures (see Note 19.1 and Note 19.2).

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, 2019 and 2018 are Baht 22.43 million and Baht 22.44 million, respectively.

- 29 -

14. OTHER INTANGIBLE ASSETS

Other intangible assets consist of:

As at December 31, 2019

(Unit : Baht)

CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2018	Additions	Disposals/ write off
			Balance as at December 31, 2019
Cost			
Computer program	7,060,531	4,481,944	-
Total	7,060,531	4,481,944	-
Accumulated amortization			
Computer program	(4,744,069)	(1,329,320)	-
Total	(4,744,069)	(1,329,320)	-
Computer program under installation	3,547,787	13,274,461	-
Total other intangible assets	5,864,249		22,291,334

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
Cost			
Computer program	5,908,924	1,151,607	-
Total	5,908,924	1,151,607	-
Accumulated amortization			
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

For the years ended December 31,

	2019	2018
Amortization	1,329,320	614,716

As at December 31, 2019

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2018	Additions	Disposals/ write off
			Balance as at December 31, 2019
Cost			
Computer program	5,462,076	1,270,920	-
Total	5,462,076	1,270,920	-
Accumulated amortization			
Computer program	(4,410,164)	(623,392)	-
Total	(4,410,164)	(623,392)	-
Computer program under installation	2,355,236	1,529,378	-
Total other intangible assets	3,407,148		5,584,054

- 30 -

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
Cost				
Computer program	5,413,070	49,006	-	5,462,076
Total	5,413,070	49,006	-	5,462,076
Accumulated amortization				
Computer program	(3,911,212)	(498,952)	-	(4,410,164)
Total	(3,911,212)	(498,952)	-	(4,410,164)
Computer program under installation	348,135	2,007,101	-	2,355,236
Total other intangible assets	1,849,993			3,407,148
				For the years ended December 31,
				2019 2018
Amortization				623,392 498,952

15. DEFERRED TAX ASSETS (LIABILITIES)/ CORPORATE INCOME TAX

The movements of deferred tax assets and liabilities during the years ended December 31, 2019 and 2018 are as follows:

					(Unit : Baht)
CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at December 31, 2018	Cumulative effects of initially applying IFRS 15 (see Note 2.3)	Items as recognized in profit or loss	Items recognized in other comprehensive income	Balance as at December 31, 2019
Deferred tax assets (liabilities)					
Allowance for doubtful debts	5,850,390	-	-	-	5,850,390
Loss on remeasuring investments held as available for sale	30,836,464	-	-	8,281,854	39,118,318
Cost to obtain contracts	-	(45,267,088)	1,818,253	-	(43,448,835)
Gain from sale of condominium under financial lease agreement	-	-	(45,058,816)	-	(45,058,816)
Provisions for employee benefit	1,654,016	-	1,117,253	2,534,704	5,305,973
Deferred tax assets (liabilities)	38,340,870	(45,267,088)	(42,123,310)	10,816,558	(38,232,970)

- 31 -

(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
Deferred tax assets				
Allowance for doubtful debts	5,850,390	-	-	5,850,390
Loss on remeasuring investments held as available for sale	13,812,808	-	17,023,656	30,836,464
Provisions for employee benefit	1,362,759	371,832	(80,575)	1,654,016
Deferred tax assets	<u>21,025,957</u>	<u>371,832</u>	<u>16,943,081</u>	<u>38,340,870</u>

(Unit : Baht)

SEPARATE FINANCIAL STATEMENTS

	Balance as at December 31, 2018	Items as recognized in profit or loss	Items recognized in other comprehensive income	Balance as at December 31, 2019
Deferred tax assets				
Allowance for doubtful debts	5,850,390	-	-	5,850,390
Loss on remeasuring investments held as available for sale	30,836,464	-	8,281,854	39,118,318
Provisions for employee benefit	1,654,016	868,792	465,144	2,987,952
Deferred tax assets	<u>38,340,870</u>	<u>868,792</u>	<u>8,746,998</u>	<u>47,956,660</u>

(Unit : Baht)

SEPARATE 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
Deferred tax assets				
Allowance for doubtful debts	5,850,390	-	-	5,850,390
Loss on remeasuring investments held as available for sale	13,812,808	-	17,023,656	30,836,464
Provisions for employee benefit	1,362,759	371,832	(80,575)	1,654,016
Deferred tax assets	<u>21,025,957</u>	<u>371,832</u>	<u>16,943,081</u>	<u>38,340,870</u>

- 32 -

As at December 31, 2019 and 2018, the Group and the Company have unused tax losses as following details:

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018
Unused tax losses	1,102,464,747	1,594,738,404	959,878,172	571,210,095

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	
	2019	2018	2019	2018
Current income tax for the year	1,583,504	27,147	-	-
Deferred income tax related to temporary differences	42,123,310	(371,832)	(868,792)	(371,832)
Income tax expense (revenue) per statements of profit or loss and other comprehensive income	43,706,814	(344,685)	(868,792)	(371,832)

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

	(Unit : Baht)					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	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	41,409,270	(8,281,854)	33,127,416	85,118,281	(17,023,656)	68,094,625
Exchange differences on translating financial statements of foreign operations	(111,971,579)	-	(111,971,579)	77,055,737	-	77,055,737
Gains on remeasurements of defined benefit plans	12,673,518	(2,534,704)	10,138,814	(402,875)	80,575	(322,300)
Total	(57,888,791)	(10,816,558)	(68,705,349)	161,771,143	(16,943,081)	144,828,062

	(Unit : Baht)					
	SEPARATE FINANCIAL STATEMENTS					
	2019			2018		
	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	41,409,270	(8,281,854)	33,127,416	85,118,281	(17,023,656)	68,094,625
Gains on remeasurements of defined benefit plans	2,325,720	(465,144)	1,860,576	(402,875)	80,575	(322,300)
Total	43,734,990	(8,746,998)	34,987,992	84,715,406	(16,943,081)	67,772,325

- 33 -

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				
	2019		2018	
	Amount Baht	Tax rate %	Amount Baht	Tax rate %
Loss before income tax	<u>(390,785,699)</u>		<u>(542,768,439)</u>	
Income tax revenue using applicable tax rate at reporting date	(78,157,140)	20.00	(108,553,688)	20.00
Income tax of foreign subsidiary calculated by using revenue base	1,583,504		27,147	
Tax effect of non-deductible expenses	642,420		847,528	
Tax effect of tax exempted income and additional deductible expenses	(501,708)		(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	78,016,428		109,469,476	
Deferred income tax related to temporary differences	<u>42,123,310</u>		<u>(371,832)</u>	
Income tax expense (revenue) per statements of profit or loss and other comprehensive income	<u>43,706,814</u>	0.11	<u>(344,685)</u>	(0.06)

SEPARATE FINANCIAL STATEMENTS				
	2019		2018	
	Amount Baht	Tax rate %	Amount Baht	Tax rate %
Loss before income tax	<u>(527,569,671)</u>		<u>(231,937,797)</u>	
Income tax revenue expense using applicable tax rate at reporting date	(105,513,934)	20.00	(46,387,559)	20.00
Tax effect of non-deductible expenses	401,501		661,424	
Tax effect of tax exempted income and additional deductible expenses	(86,322)		(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	105,198,755		47,009,865	
Deferred income tax related to temporary differences	<u>(868,792)</u>		<u>(371,832)</u>	
Income tax revenue per statements of profit or loss and other comprehensive income	<u>(868,792)</u>	(0.16)	<u>(371,832)</u>	(0.16)

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, 2019 and 2018.

- 34 -

16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Trade payables				
Construction payables (see Note 18.1)	2,093,315,073	-	-	-
Trade payables - domestic	30,020,881	12,438,355	3,678,070	735,036
Trade payables - overseas	20,657,525	23,932,871	1,733,400	2,241,047
Total trade payables	2,143,993,479	36,371,226	5,411,470	2,976,083
Other current payables				
Other payables - a related company (see Note 28.4)	-	-	136,431	607,063
Other payables - other companies	10,908,478	9,443,809	6,121,686	4,955,785
Payable - Condominium Juristic person	308,052	308,356	308,052	308,356
The Revenue Department payable	5,709,103	3,846,782	5,335,948	1,280,375
Withholding tax payable	35,784,208	41,185,177	10,205,563	8,374,356
Accrued project cost	29,293,985	-	-	-
Accrued expenses	123,620,361	77,984,153	31,573,674	20,989,631
Accrued interest expense	265,167,089	121,626,152	18,502,080	15,850,684
Accrued interest expense - related company (see Note 28.4)	-	-	21,000	-
Retention	417,772,110	398,271,613	7,220,197	6,224,913
Others	11,832,722	28,665,899	3,556,607	3,970,244
Total trade and other current payables	3,044,389,587	717,703,167	88,392,708	65,537,490

17. BILLS OF EXCHANGE

Bills of exchange consist of:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2019	2018
Bills of exchange	395,000,000	444,000,000
<u>Less</u> Deferred direct cost of issuing bills of exchange	(1,236,667)	(23,414)
<u>Less</u> Prepaid interest expenses	(12,770,446)	(6,904,881)
Total bills of exchange	380,992,887	437,071,705

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.

- 35 -

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, 2019 and 2018, 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, 2019				
Date of issuance of bills of exchange	Remaining value (Baht)	Interest rate per annum (%)	Remaining age (days)	Maturity date
September 13, 2019 - November 19, 2019	395,000,000	6.00 - 8.00	161 - 227	June 9, 2020 - August 14, 2020

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

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.

18. LONG-TERM BORROWINGS

Long-term borrowings consist of:

		(Unit : Baht)	
		CONSOLIDATED	
		FINANCIAL STATEMENTS	
		As at	As at
		December 31,	December 31,
		2019	2018
Long-term borrowings (see Note 18.1)		11,374,237,507	8,582,466,827
<u>Less</u> Current portion of long-term borrowings		<u>(11,374,237,507)</u>	<u>-</u>
Long-term borrowings		-	8,582,466,827
Long-term borrowings from a foreign financial institution (see Note 18.2)		358,288,071	371,614,002
Total long-term borrowings		<u>358,288,071</u>	<u>8,954,080,829</u>

- 36 -

18.1 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)

As at December 31, 2019 and 2018, the subsidiary has outstanding balance of construction payables in the amount of Baht 2,093.32 million (see Note 16) and Baht 1,485.32 million, respectively, and long-term borrowings under the construction contract in the amount of Baht 11,374.24 million and Baht 8,582.47 million, respectively, with interest rate as agreed.

18.2 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, 2019 and 2018 of Baht 743.97 million and Baht 789.16 million, respectively, for collateral of such borrowing (see Note 12).

Subsequently, on August 28, 2019, the subsidiary has enter into the supplementary facility agreement with the foreign financial institution by agreed to pledge the deposit at bank in the amount of GBP 1.75 million as loan collateral which has been inclusively presented as deposits at bank used as collateral in the consolidated statement of financial position as at December 31, 2019, in the amount of Baht 68.54 million (see Note 10).

As at December 31, 2019 and 2018, the subsidiary has outstanding balances of the borrowing in the amount of Baht 358.29 million and Baht 371.61 million, respectively.

- 37 -

19. LONG-TERM DEBENTURES

Long-term debentures consist of:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2019	As at December 31, 2018
Debentures	4,213,400,000	3,700,000,000
<u>Less</u> Deferred direct cost of issuing debentures	<u>(29,314,653)</u>	<u>(56,921,054)</u>
Total debentures	4,184,085,347	3,643,078,946
<u>Less</u> Current portion of long-term debentures	<u>(3,682,047,015)</u>	<u>-</u>
Long-term debentures	<u>502,038,332</u>	<u>3,643,078,946</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:

- 19.1 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, 2019 and 2018 of Baht 1,984.32 million including component parts and building in the future as a collateral (see Notes 8 and 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, 2019 and 2018 of Baht 108.60 million and Baht 147.30 million, respectively (see Note 11).
- 19.2 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 June 25, 2020. The Company has mortgaged some areas of land which has book value as at December 31, 2019 and 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, 2019 and 2018 of Baht 52.65 million and Baht 62.40 million (see Note 11).

- 38 -

19.3 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.

19.4 On September 6, 2019, the Company issued and offered two-year debentures of Baht 513.40 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 December 6, 2019 and the debentures will be due on September 6, 2021.

20. 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 profit or loss in respect of the defined benefit plans for the years ended December 31, are as follows:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Current service cost	3,302,578	1,902,635	2,318,869	1,673,122
Interest cost	303,958	186,036	295,818	186,036
Past service cost	1,750,217	-	1,729,273	-
Total	<u>5,356,753</u>	<u>2,088,671</u>	<u>4,343,960</u>	<u>1,859,158</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,
	2019	2018	2019	2018
Beginning balance of provisions for employee benefit	8,499,592	6,813,796	8,270,079	6,813,796
Current service cost	3,302,578	1,902,635	2,318,869	1,673,122
Interest cost	303,958	186,036	295,818	186,036
Past service cost	1,750,217	-	1,729,273	-
	<u>13,856,345</u>	<u>8,902,467</u>	<u>12,614,039</u>	<u>8,672,954</u>
(Gain) loss on remeasurements of defined benefit plans recognized in other comprehensive income				
- From financial assumptions changes	2,954,788	(246,604)	2,809,134	(246,604)
- From demographic assumptions changes	8,902	-	8,902	-
- From experience adjustments	9,709,828	(156,271)	(492,316)	(156,271)
Ending balance of provisions for employee benefit	<u>26,529,863</u>	<u>8,499,592</u>	<u>14,939,759</u>	<u>8,270,079</u>

- 39 -

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,
	2019	2018	2019	2018
	% per annum	% per annum	% per annum	% per annum
Financial assumptions				
Discount rate	1.98 - 2.04	3.24 - 3.29	1.98	3.29
Expected rate of salary increase	5.00 - 6.00	5.00 - 6.00	6.00	6.00
Demographic assumption				
Turnover rate	1.91 - 34.38*	1.91 - 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,
	2019	2018	2019	2018
Discount rate - increase by 1%	(3,715,795)	(1,116,535)	(2,183,857)	(1,082,819)
Discount rate - decrease by 1%	4,535,055	1,360,046	2,672,594	1,319,289
Expected rate of salary increase - increase by 1%	4,295,544	1,294,857	2,509,763	1,255,264
Expected rate of salary increase - decrease by 1%	(3,611,604)	(1,088,867)	(2,106,078)	(1,055,376)
Turnover rate - increase by 20%	(3,504,045)	(1,207,327)	(2,372,292)	(1,183,205)
Turnover rate - decrease by 20%	4,350,796	1,517,421	2,990,969	1,489,315
Mortality rate - increase by 20%	(391,689)	(110,217)	(217,608)	(106,712)
Mortality rate - decrease by 20%	398,550	112,175	221,578	108,612

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.

- 40 -

Maturity analysis of the undiscounted benefit payments of the provisions for post-employment benefits as at December 31, 2019 and 2018, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Within 1 year	1,481,000	1,344,038	1,481,000	1,344,038
Over 1 but not over 5 years	678,780	279,572	-	279,572
Over 5 years	355,548,843	103,089,635	111,186,312	78,783,962
Total	<u>357,708,623</u>	<u>104,713,245</u>	<u>112,667,312</u>	<u>80,407,572</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which is effective after 30 days from the date announced in Royal Gazette. This 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 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Group and the Company has reflected 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.

21. SHARE CAPITAL

On April 26, 2019, the Annual General Meeting of Shareholders passed the significant resolutions as follows:

- 21.1 Approved the reduction of the Company's registered share capital from Baht 10,785,353,544 to Baht 9,958,993,608, by cancelling 826,000,000 unsold ordinary shares with a par value of Baht 1.00 per share and the outstanding ordinary share from allocation of warrants to purchase ordinary shares No. 4 ("CGD-W4") amount of 359,936 shares with a par value of Baht 1.00 per share and approved 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, 2019.
- 21.2 Approved 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 and the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the increasing of the registered capital. 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, 2019.
- 21.3 Approved 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.

- 41 -

22. WARRANTS

22.1 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, 2019 and 2018, all of warrants have not been exercised.

22.2 On February 25, 2019, the Company has issued and offered of the Warrants ("CGD-WC") to the directors, executives and employees of the Company and/or its subsidiaries. The exercise ratio is 1 unit per 1 ordinary share and the details of the use of right are detailed below:

Warrant	Issued date	Issued units (Million units)	Exercise price Baht/unit	Exercise period	
				Start	End
CGD-WC	February 25, 2019	40	1.56	February 28, 2020	February 19, 2024

23. 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.

- 42 -

24. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity consist of:

24.1 Gain (loss) on remeasuring investments held as available for sale

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2019	2018
Beginning balance	(123,345,859)	(55,251,234)
Loss on remeasuring investments held as available for sale	(41,409,270)	(85,118,281)
Income tax related to loss on remeasuring investments held as available for sale	8,281,854	17,023,656
Ending balance	<u>(156,473,275)</u>	<u>(123,345,859)</u>

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.

24.2 Exchange differences on translating financial statements of foreign operations

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	As at	As at
	December 31,	December 31,
	2019	2018
Beginning balance	(299,490,346)	(222,434,609)
Increase (decrease) during the year	111,971,579	(77,055,737)
Ending balance	<u>(187,518,767)</u>	<u>(299,490,346)</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.

- 43 -

25. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, 2019 and 2018, that occurred from important expenses are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Changing in land and cost of projects under construction	(1,338,147,350)	(2,327,016,222)	(35,585,974)	142,431,218
Payment for construction works	1,519,633,668	2,473,955,316	40,902,776	4,507,876
Employee expenses	439,790,157	149,767,313	124,237,039	103,437,583
Depreciation and amortization	32,584,996	33,233,427	3,710,401	6,102,678
Consulting and professional fees	14,167,962	10,453,046	3,254,807	3,622,700
Rental, service fee and utilities expenses	35,907,570	25,405,872	16,063,684	17,377,169
Commission expenses	3,596,062	51,490,915	-	8,432,413
Advertisement and public relation expenses	29,184,660	40,334,247	4,716,630	1,280,679
Promotion expenses	28,616,820	41,205,791	2,284,773	6,983,324
Maintenance expenses	1,493,703	887,457	1,375,638	653,681
Specific business tax	271,458	7,596,734	265,522	7,596,734
Tax and other fees	3,540,535	8,113,773	1,213,514	7,087,825
Directors and managements' remuneration	39,936,288	42,701,304	39,936,288	42,701,304

26. DIRECTORS AND MANAGEMENTS' REMUNERATION

26.1 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.

26.2 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 2018) "Related Party Disclosures".

Directors and managements' remuneration for the years ended December 31, are as follows:

	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	2019	2018
Directors' remuneration	4,560,000	5,280,000
Managements' remuneration		
Short-term employee benefit	33,949,498	36,758,176
Post-employment benefit	1,426,790	663,128
Total	<u>39,936,288</u>	<u>42,701,304</u>

- 44 -

27. LOSS PER SHARE

Basic loss per share

Basic loss per share are calculated by dividing the net 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,			
	2019	2018	2019	2018
Net loss of owners of the parent (Baht)	(489,189,006)	(464,172,704)	(526,700,879)	(231,565,965)
Weighted average number of ordinary shares (shares)	<u>8,266,127,954</u>	<u>8,266,127,954</u>	<u>8,266,127,954</u>	<u>8,266,127,954</u>
Basic loss per share (Baht)	(0.059)	(0.056)	(0.064)	(0.028)

Diluted earnings (loss) per share

Diluted earnings (loss) per share for the years ended December 31, 2019 and 2018 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, 2019 and 2018 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.

28. 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.

- 45 -

28.1 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, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
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	3,928,994,366	3,928,994,366	-	-
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	-	100.00	-	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	-	100.00	-	4,271,320	-	-
							4,695,237,021	5,282,645,825	-	-
Less Allowance for impairment of investments in subsidiaries							-	(5,949,984)	-	-
Total investment in subsidiaries							4,695,237,021	5,276,695,841	-	-

The Company made a reclassification of leasehold in the separate statement of financial position as at December 31, 2018 to conform to the classification used in the separate statement of financial position as at December 31, 2019, which was previously presented as leasehold in the amount of Baht 3,781,994,396 to be included in investment in a subsidiary (Landmark Holdings Company Limited) in accordance with the Joint Venture Agreement with BCEG Thai International Co., Ltd. (see Note 30.2).

On July 19, 2017, the Board of Director's meeting had a resolution to approve the dissolution of CGD Digital Partners Limited which is a subsidiary because the subsidiary has ceased their business operations. Currently, CGD Digital Partners Limited is in the process of dissolution.

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. Subsequently, HYUK Limited has completed the dissolution on March 4, 2019, and CGD Data Limited has completed the dissolution on November 5, 2019. As at December 31, 2018, the Company had allowance for impairment of investments in subsidiaries in the amount of Baht 5.95 million (As at December 31, 2019: Nil).

- 46 -

28.2 Short-term loans to related companies

(Unit : Baht)

		SEPARATE FINANCIAL STATEMENTS				
	Nature of relationship	Balance as at December 31, 2018	Increase	Decrease	Balance as at December 31, 2019	Cost of intercompany loans policy
Subsidiaries						
Landmark Holdings Co., Ltd.	Shareholder and common director	600,000,000	775,000,000	-	1,375,000,000	9.25% p.a.
Leading Schools Partnership Limited	Shareholder and common director	220,905,043	-	(8,272,285)	212,632,758	7.00% p.a.
Total		<u>820,905,043</u>	<u>775,000,000</u>	<u>(8,272,285)</u>	<u>1,587,632,758</u>	

(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
Subsidiaries						
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>	

- (1) 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.

Subsequently, on September 16, 2019, the Company entered into an additional loan agreement with Landmark Holdings Co., Ltd. (the “subsidiary”) in the amount of Baht 500 million. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 3 months. The subsidiary can request to extend the period for repayment of principal and interest, but it depends on the decision of the Company.

Subsequently, on November 13, 2019, the Company entered into an additional loan agreement with Landmark Holdings Co., Ltd. (the “subsidiary”) in the limit amount of Baht 500 million, duration of the drawdown loan within November 12, 2020. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 3 months. The subsidiary can request to extend the period for repayment of principal and interest, but it depends on the decision of the Company. As at December 31, 2019, the subsidiary has drawdown in the amount of Baht 225 million. Accordingly, there is available loan limited only Baht 275 million.

- 47 -

- (2) 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.
- (3) 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 September 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.

28.3 Short-term borrowings from a related company

(Unit : Baht)						
	Nature of relationship	Balance as at December 31, 2018	SEPARATE FINANCIAL STATEMENTS		Balance as at December 31, 2019	Cost of intercompany loans policy
			Increase	Decrease		
Subsidiary						
BCEG Country Group Engineering Co., Ltd.	Shareholder and common director	-	54,000,000	-	54,000,000	7.00 % p.a.
CGD Digital Partners Limited	Shareholder and common director	438,889,250	-	(17,786,295)	421,102,955	-
Total		438,889,250	54,000,000	(17,786,295)	475,102,955	

(Unit : Baht)						
	Nature of relationship	Balance as at December 31, 2017	SEPARATE FINANCIAL STATEMENTS		Balance as at December 31, 2018	Cost of intercompany loans policy
			Increase	Decrease		
Subsidiary						
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	

- (1) On December 30, 2019, the Company entered into borrowing agreement with BCEG Country Group Engineering Co., Ltd. (the “subsidiary”) in the limit amount of Baht 54 million, duration of the drawdown borrowing within December 26, 2020. The borrowing is unsecured and has interest rate at 7% per annum and repayable within 3 months. The Company can request to extend the period for repayment of principal and interest, but it depends on the decision of the subsidiary. As at December 31, 2019, the Company has drawdown all amount.
- (2) 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.

- 48 -

Subsequently, 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.

28.4 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:

Transaction	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:

	Nature of relationship	(Unit : Baht)			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
Outstanding balances					
Subsidiaries					
Landmark Holdings Co., Ltd.	Shareholder and common director				
Other receivables (see Note 7)		-	-	1,063,240	43,599,703
Accrued interest income (see Note 7)		-	-	308,581,654	238,345,890
Other payables (see Note 16)		-	-	136,431	607,063
BCEG Country Group	Shareholder and common director				
Engineering Co., Ltd.		-	-	21,400,000	8,560,000
Other receivables (see Note 7)		-	-	21,000	-
Accrued interest expense (see Note 16)					
CGD Data Limited	Shareholder and common director				
Payable from purchase of investment in a subsidiary		-	-	-	445,734,402
CGUK I Limited	Shareholder and common director				
Accrued interest income (see Note 7)		-	-	14,693,558	15,265,198
Leading Schools Partnership Limited	Shareholder and common director				
Accrued interest income (see Note 7)		-	-	49,035,364	35,479,687
Related companies					
Country Group Securities PCL.	Common director				
Deposit at financial institution		5,565	5,522	5,565	5,522
Prepaid debentures issuance fee		11,280,010	14,224,860	11,280,010	14,224,860

- 49 -

Nature of relationship	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2019	As at December 31, 2018	As at December 31, 2019	As at December 31, 2018

Related companies (Continued)

Country Group Holdings PCL.	Shareholder and common major shareholder				
Investment in ordinary shares		123,980,058	146,939,328	123,980,058	146,939,328
Warrants CGH-W3		1,530,618	1,530,618	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		6,658,485	1,180,614	6,658,485	1,180,614

Related persons

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		22,722,268	11,000,000	-	-
Ms. Orawan Taechaubol	Related person				
Advance received		37,348,172	27,043,172	-	-

Nature of relationship	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the years ended December 31, 2019	For the years ended December 31, 2018	For the years ended December 31, 2019	For the years ended December 31, 2018

Revenues and expenses**Subsidiaries**

Landmark Holdings Co., Ltd.	Shareholder and common director				
Interest income		-	-	70,235,764	55,500,000
Other service income		-	-	42,000,000	42,000,000
Land sublease income		-	-	8,840,000	3,000,000
BCEG Country Group Engineering Co., Ltd.	Shareholder and common director				
Other service income		-	-	12,000,000	11,000,000
Interest expense		-	-	21,000	-
Leading Schools Partnership Limited	Shareholder and common director				
Interest income		-	-	14,933,139	16,249,026
HYUK Limited	Shareholder and common director				
Interest income		-	-	-	194,089

- 50 -

		(Unit : Baht)			
Nature of relationship		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended		For the years ended	
		December 31,		December 31,	
		2019	2018	2019	2018
Related companies					
Country Group Securities PCL.	Common director				
Interest income		44	44	44	44
Debentures issuance fee		9,536,906	2,788,139	9,536,906	2,788,139
Country Group Holdings PCL.					
Dividend income	Shareholder				
	and common major shareholder	-	5,357,163	-	5,357,163
MF Holdings Co., Ltd.	Common director				
Interest expense		11,490,933	11,459,375	11,490,933	11,459,375

29. FINANCIAL INFORMATION BY SEGMENT

The Group's operations involve various business segments, which are a holding company, and real estate business.

The financial information by segment for the years ended December 31, 2019 and 2018, are as follows:

(Unit : Baht)				
CONSOLIDATED FINANCIAL STATEMENTS				
For the year ended December 31, 2019				
	Real estate business		Elimination	Total
	Real estate development	Investment property		
	Domestic	Foreign		
Revenues				
Revenue from external customers				
Major revenues				
Revenue recognition at a point of time				
Revenue from sale of condominium	412,398,104	-	-	412,398,104
Revenue recognition overtime				
Rental income from investment property	-	47,363,646	-	47,363,646
Other income	491,042,993	272,616	-	491,315,609
Total revenue from external customers	903,441,097	47,636,262	-	951,077,359
Inter - segment revenues	14,933,139	-	(14,933,139)	-
	918,374,236	47,636,262	(14,933,139)	951,077,359
Expenses				
Cost of condominium sale	181,486,318	-	-	181,486,318
Direct operating expenses arising from investment property	-	2,789,313	-	2,789,313
Distribution costs	182,983,795	-	-	182,983,795
Administrative expenses	457,830,750	6,587,329	-	464,418,079
Directors and managements' remuneration	39,936,288	-	-	39,936,288
Loss on fair value adjustment of investment property	-	15,636,400	-	15,636,400
Finance costs	439,826,126	30,064,378	(15,277,639)	454,612,865
Total expenses	1,302,063,277	55,077,420	(15,277,639)	1,341,863,058
Profit (loss) before income tax	(383,689,041)	(7,441,158)	344,500	(390,785,699)
Income tax expense	(42,123,310)	(1,583,504)	-	(43,706,814)
Net profit (loss) for the year	(425,812,351)	(9,024,662)	344,500	(434,492,513)

- 51 -

As at December 31, 2019, revenues from a customer in real estate development in domestic segment in the amount Baht 346.58 million which is 36.44% of the Group's total revenues.

CONSOLIDATED FINANCIAL STATEMENTS				
For the year ended December 31, 2018				
	Real estate business		Elimination	Total
	Real estate development	Investment property		
	Domestic	Foreign		
Revenues				
Revenue from external customers				
Major revenues				
Revenue recognition at a point of time				
Revenue from sale of condominium	244,058,483	-	-	244,058,483
Revenue recognition overtime				
Rental income from investment property	-	51,390,715	-	51,390,715
Other income	74,117,928	68,864	-	74,186,792
Total revenue from external customers	318,176,411	51,459,579	-	369,635,990
Inter - segment revenues	16,443,115	-	(16,443,115)	-
	334,619,526	51,459,579	(16,443,115)	369,635,990
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	889,545,248	39,616,034	(16,756,853)	912,404,429
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	(554,553,890)	11,816,398	313,738	(542,423,754)

As at December 31, 2018, the Group does not have revenues from transactions with a single external customer at 10% or more of total revenues.

CONSOLIDATED FINANCIAL STATEMENTS				
	Real estate business		Elimination	Total
	Real estate Development	Investment property		
	Domestic	Foreign		
Total assets				
As at December 31, 2019	29,087,998,480	1,270,681,819	(1,453,629,095)	28,905,051,204
As at December 31, 2018	25,080,309,362	1,747,235,569	(2,483,591,665)	24,343,953,266
Total liabilities				
As at December 31, 2019	23,898,903,828	666,557,939	(703,553,768)	23,861,907,999
As at December 31, 2018	19,604,127,064	675,387,643	(1,162,359,177)	19,117,155,530

- 52 -

30. SIGNIFICANT AGREEMENTS

- 30.1 On May 8, 2013, the Company (“the 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. When the lease period is matured on the first 25th year, the lessor agrees to allow the lessee to propose for the extension of lease period for another 25 years. 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 on the second 25th year, 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.

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.

- 30.2 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.
- 30.3 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.
- 30.4 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.

- 53 -

31. COMMITMENTS AND CONTINGENT LIABILITIES

- 31.1 As at December 31, 2019 and 2018, the Company had a letter of guarantee for guarantee payment of a subsidiary.
- 31.2 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 18.1). As at December 31, 2019, there is no remaining value of commitment under the contract (as at December 31, 2018 : Baht 2,821.52 million).
- 31.3 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,
	2019	2018
Within 1 year	24,436,079	16,752,566
Over 1 year but not over 5 years	66,446,680	40,991,870
Over 5 years	283,514,353	295,022,065

Lease and service payments recorded as expenses in the statements of profit or loss and other comprehensive income for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE	
	FINANCIAL STATEMENTS	
	2019	2018
For the years ended December 31,	21,036,903	12,583,901

32. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS**32.1 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. In addition, the group rent the investment property to only one tenant.

As at December 31, 2019 and 2018, 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, if any.

- 54 -

32.2 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.

32.3 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, 2019 and 2018, the Group and the Company have significant balances of financial assets and liabilities in foreign currencies as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Financial assets	20.21	21.72	17.61	27.99
Financial liabilities	9.57	9.58	10.54	21.31

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018
Financial assets	64.18	56.43	-	-
Financial liabilities	381.74	266.66	0.06	0.07

32.4 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 natures 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, investment in mutual fund debt securities, trade and other current receivables, short-term loans to related companies, deposits at bank used as collateral, trade and other current payables, payables from purchase of investment in subsidiaries from related companies, contract deposit and advance from customers, short-term borrowings, bills of exchange and current portion of long-term debentures 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.

- 55 -

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, 2019	Fair value (Baht) As at December 31, 2018	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	125,510,676	148,469,946	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	43,800,000	70,500,000	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	743,970,530	789,158,751	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

SEPARATE FINANCIAL STATEMENTS					
Assets	Fair value (Baht) As at December 31, 2019	Fair value (Baht) As at December 31, 2018	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	125,510,676	148,469,946	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	43,800,000	70,500,000	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A

- 56 -

33. RECLASSIFICATIONS

Certain reclassifications have been made to the consolidated and separate statements of financial position as at December 31, 2018 to conform to the classifications used in the consolidated and separate statements of financial position as at December 31, 2019. Such reclassifications have no effect to previously reported net profit and shareholders' equity. The reclassifications are as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

Account	Amount (Baht)	Previous presentation	Current presentation	Amount (Baht)
Refundable withholding tax	30,780,466	Other current assets	Trade and other current receivables Current tax assets	27,521,865 3,258,601
The Revenue Department receivable	353,160,061	Other current assets	Trade and other current receivables	353,160,061
Prepaid deposits for construction	(7,505,575)	Other current assets	Trade and other current receivables	(7,505,575)
Undue input value-added tax	59,964,150	Other current assets	Trade and other current receivables	59,964,150
Deferred direct cost of issuing debentures	38,984,440	Other current assets	Net with debentures	38,984,440
Prepaid deposits for purchase of assets	625,689	Other current assets	Trade and other current receivables	625,689
Other current assets - Others	461,703	Other current assets	Trade and other current receivables	461,703
Deferred direct cost of issuing bills of exchange	23,414	Other current assets	Net with bills of exchange	23,414
Deferred direct cost of issuing debentures	17,936,614	Other non-current assets	Net with long-term debentures	17,936,614
Leasehold	99,973,099	Leasehold	Land and cost of project under construction and utilities Property, plant and equipment	49,986,550 49,986,549
Payable - Condominium Juristic person	308,356	Other current liabilities	Trade and other current payables	308,356
Accrued interest expense	121,626,152	Other current liabilities	Trade and other current payables	121,626,152
Withholding tax payable	41,185,177	Other current liabilities	Trade and other current payables	41,185,177
Corporate income tax payable	26,935	Other current liabilities	Current income tax payable	26,935
The Revenue Department payable	3,846,782	Other current liabilities	Trade and other current payables	3,846,782
Other current liabilities - Others	28,665,899	Other current liabilities	Trade and other current payables	28,665,899

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

Account	Amount (Baht)	Previous presentation	Current presentation	Amount (Baht)
Accrued interest income - related companies	289,090,775	Other current assets	Trade and other current receivables	289,090,775
Refundable withholding tax	30,672,769	Other current assets	Trade and other current receivables Current tax assets	27,489,219 3,183,550
Deferred direct cost of issuing debentures	38,984,440	Other current assets	Net with debentures	38,984,440
Prepaid deposits for purchase of assets	625,689	Other current assets	Trade and other current receivables	625,689
Other current assets - Others	461,693	Other current assets	Trade and other current receivables	461,693
Deferred direct cost of issuing bills of exchange	23,414	Other current assets	Net with bills of exchange	23,414
Deferred direct cost of issuing debentures	17,936,614	Other non-current assets	Net with long-term debentures	17,936,614
Payable - Condominium Juristic person	308,356	Other current liabilities	Trade and other current payables	308,356
Accrued interest expense	15,850,684	Other current liabilities	Trade and other current payables	15,850,684

- 57 -

Account	Amount (Baht)	Previous presentation	Current presentation	Amount (Baht)
Withholding tax payable	8,374,356	Other current liabilities	Trade and other current payables	8,374,356
The Revenue Department payable	1,280,375	Other current liabilities	Trade and other current payables	1,280,375
Other current liabilities - Others	3,970,244	Other current liabilities	Trade and other current payables	3,970,244

The reclassifications made to the consolidated and separate statements of financial position as at December 31, 2018 results in changes in amounts of certain items in the consolidated and separate statements of cash flows for the year ended December 31, 2018, in order to conform to the presentations used in the consolidated and separate statements of cash flows for the year ended December 31, 2019 as follows:

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

Item	Previous presentation amount (Baht)	Current presentation amount (Baht)
Cash flows from operating activities		
(Increase) decrease in operating assets		
Trade and other current receivables	(230,243,240)	(420,368,437)
Other current assets	(266,999,583)	(1,004,442)
Other non-current assets	35,835,481	52,115,036
Increase in operating liabilities		
Trade and other current payables	8,629,545	37,655,114
Other current liabilities	41,472,195	-
Cash flows from financing activities		
Cash received from bills of exchange issuance	147,401,634	145,961,634
Cash received from long-term debentures issuance	3,700,000,000	3,621,737,127

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

Item	Previous presentation amount (Baht)	Current presentation amount (Baht)
Cash flows from operating activities		
Increase in operating assets		
Trade and other current receivables	(67,713,135)	(67,698,585)
Other current assets	(75,855,394)	-
Other non-current assets	(16,390,513)	(110,958)
Decrease in operating liabilities		
Trade and other current payables	(16,942,728)	(31,898,491)
Other current liabilities	(2,509,137)	-
Cash flows from financing activities		
Cash received from bills of exchange issuance	147,401,634	145,961,634
Cash received from long-term debentures issuance	3,700,000,000	3,621,737,127

- 58 -

34. EVENTS AFTER THE REPORTING PERIOD

On February 24, 2020, the Board of Director's Meeting of the Company No. 2/2020 passes the significant resolutions as follows:

- 34.1 To propose the Annual General Meeting of Shareholders to consider and approve the reduction of the Company's registered share capital from Baht 10,784,993,608 to Baht 9,958,993,608 by cancelling 826,000,000 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 Company's registered capital.
- 34.2 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.
- 34.3 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, to offer to private placement, as per the Announcement of the Capital Market Supervisory Board No. Tor. Jor. 72/2558.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved for issuance by the authorized directors of the Company on February 24, 2020.

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED

20th Floor, Pleonchit Tower, 898 Pleonchit Road,
Lumpini, Pathumwan, Bangkok 10330 Thailand

T +66 2 658 7888 F +66 2 658 7880

www.cgd.co.th