

# บริษัท วีรีเทล จำกัด (มหาชน)

We Retail Public Company Limited



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## Message from Chairman

In year 2018, The Community mall on Kanlapaphruek road namely “Metro West Town” was officially opened in February 2016. This project get positive response from our customers but there are still not enough well-known tenants in this project. And Department of Rural Roads is working on the Kalapapruek Road expansion project in front of the Metro West Town, As a result, traffic on the Kalapapruek Road is jammed and affect the customer’s convenient. The road expansion will be finish in 2019 and expected to result in more convenient for customers. However, the Metro West Town still have marketing activities continuously to make more interesting in this project to well-known tenants and expected that the situation will be better. In addition, the company is studying and considering the possibility to purchase the leasehold of an office building that has been completed on a potential location to replace the building management business of One Pacific Place Building and Two Pacific Place Building on Sukhumvit Road Which will be expired on January 31, 2019

The joint ventures company which run the discount store business under the name "All-D" is continue to open new store. And have planning to produce consumer products under their own trademarks for sale in general stores and are confident that they will make profit for the company in the future.

I, as the Chairman of Board of Directors, would like to ensure all shareholders that the Board of Directors and employees of the Company will fully cooperate in doing the Company’s business, a real estate development, to be stable and sustainable in order to bring the Company’s share back to resume trading in the Stock Exchange of Thailand as a return for all shareholders who always give trust and support to the Company.

Finally, I, on behalf of the Board of Directors, would like to convey my sincere appreciation to all the Company’s shareholders, suppliers, customers, financial institutions and employees for trust and support which led the success to the Company in the past and future. Please be assured that the Board of Directors will utilize our knowledge, capability and experience to make the Company succeed in accordance with the Company’s ambitions.

(Mr. Chainid Adhyanasakul)

Chairman

## Audit Committee Report

Audit Committee of We Retail Public Company Limited consists of;

- |    |                            |                             |
|----|----------------------------|-----------------------------|
| 1. | Mr. Chirdsak Kukiattinun   | Chairman of Audit Committee |
| 2. | Mr. Chaiyakorn Boonlapapat | Director of Audit Committee |
| 3. | Mr. Prasong Vara-ratanakul | Director of Audit Committee |

In 2018, the Audit Committee has focused and strictly conducted the audit of investment and appropriately controlled the Company's expense. The Committee has monitored the audited results in every quarters, as well as provided recommendation and improvement of the Company's internal operation to ensure that it is correct and appropriate to increase efficiency in the operation. The Committee has also encouraged the employees to participate in training in area of real estate business, internal operation, and laws and regulations relating to business operation in order to have better knowledge and expertise.

Furthermore, the Committee has emphasized on compliance with the laws, accounting standards, and the Company's code of conduct, including correctly and completely presenting related party transaction between the Company, parent company and subsidiary

The Committee has considered and is of the opinion that the Company's internal control system is sufficient and suitable for the business according to the principles of good corporate governance. The Company's financial statements were prepared in conformity with generally accepted accounting principles and the information disclosure is complete and sufficient.

For the Company's auditors in 2019, the Audit Committee has considered and agreed to appoint Pricewaterhousecoopers ABAS Company Limited by Mr. Chanchai Chaiprasit, Certified Public Accountant No. 3760, and/or Mr. Pisit Thangtanagul, Certified Public Accountant No. 4095, and/or Miss Nopanuch Apichatsatien, Certified Public Accountant No. 5266, as the Auditors of the Company, which any one of them shall audit and comment on the financial statement of the Company.

(Mr. Chirdsak Kukiattinun)

Chairman of Audit Committee

## Business Policy and Overview

### Visions, Objectives, Goals

The Company set sight to be a leader in the real estate development business in shopping centers, office buildings and commercial spaces. With the main objective of developing the shopping center to be known. And able to consistently provide profit returns to shareholders. With the strategy of developing regional shopping centers and community malls in locations with high potential that can meet the needs of customers. Conduct business by taking into account social and environmental responsibilities.

### Company Background

We Retail Public Company Limited ("WR") was originally known as Daidomon Group Public Company Limited (DAIDO). Established on 9 October 1990 as well known Japanese restaurant such as grilling, sukiyaki, and shabu under 4 brands: Daidomon, Yasuki, Umami and Mitake, each of which had different styles of Japanese restaurants. In addition, another famous product of Daidomon Group is BBQ sauce that is sold both retail and wholesale. It was registered as a public limited company using the name Daidomon Group Public Company Limited on 27 April 2001.

The Extraordinary General Meeting of Shareholders No. 1/2011 held on 18 October 2011, approved the sale of all assets related to the restaurant business which is the main business of the Company. Including the Daidomon trademark for Hot Pot Public Company Limited. The Company completed the sale of the assets on 15 December 2011, causing the company to non-operate any business and is a company with only cash (Cash Company). Later, on 16 December 2011, the Company purchased 100% of the ordinary shares of Center Point Shopping Mall Company Limited ("Center Point ") Which operates a business of real estate development in the type of shopping center office building And commercial spaces to replace the existing business that has been sold and changed the company name from Daidomon Group Public Company Limited to We Retail Public Company Limited on 29 November 2011 to reflect the new core business of the company.

### Major events in past 4 years:

In 2015, Metro West Town has opened all 4 buildings on 14 September 2015. And the Company allocated 1,223,049,370 shares (newly issued ordinary shares of the Company) to the existing shareholders of the Company in proportion to their shareholding (Rights Offering), at a par value of Baht 1.05 per share. Subscription and payment period were 28-Sep-2015 to 02-Oct-2015 and has been registered to MOC on 14 October 2015. The Registered and Paid-up Capital of the Company is

Registered Capital: 4,761,824,999.40 Baht; divided into 4,535,071,428 ordinary shares at par value of 1.05 Baht

Paid-up Capital: 2,615,114,338.20 Baht; divided into 2,490,585,084 ordinary shares at par value of 1.05 Baht

In 2016, Metro West Town is officially open. In February 2016, And "All Discount Co., Ltd." a joint venture company was set up to operate a discount store in March, 2016, with registered capital 100,000,000 Baht. The

Company holds 500,000 shares or 50% of the total shares. The first two branches were launched in November 2016.

In 2017, The Board of Directors' meeting No.5/2017 had resolved to approve for the submission to the Shareholders' meeting for consideration and approval of the termination of the said land lease agreement of Metro East Town Project between Estate Perfect Co., LTD. ("Lessor") and We Retail PCL. ("Lessee").

In 2018, The Extraordinary shareholder's meeting No.1/2018 had pass the resolutions to terminate of the land lease agreement of Metro East Town Project between Estate Perfect Co., LTD. ("Lessor") and We Retail PCL. ("Lessee"), The Company will receive the consideration for termination of the said land lease agreement in the total amount of 120,000,000.- Baht.

### The Shareholder's Structure

As of December 31, 2018, The investment structure in subsidiary and joint venture company as follows:



### Center Point Shopping Mall Co., Ltd. (subsidiary)

Center Point Shopping Mall Co., Ltd. located at 100/1 Vorasombat Building, 17th Floor, Rama 9 Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok. With a registered capital of 500 million baht, the company holds 100% of the shares. It operates the business of real estate development in the type of shopping center for rent and commercial office building for rent.

Director of the Center Point Shopping Mall Co., Ltd, as of December 31, 2018, has 5 persons as follows:

- |                                 |          |
|---------------------------------|----------|
| 1. Mr. Chainid Adhyanasakul     | Director |
| 2. Mr. Pramote Rermyindee       | Director |
| 3. Mr. Wongsakorn Prasitvipat   | Director |
| 4. Mr. Pornswat Katechulasriroj | Director |
| 5. Ms. Wilawun Leongnarktongdee | Director |

### All Discount Co., Ltd. (joint venture company)

All Discount Co., Ltd. Located at 593-593/1 Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok. With a registered capital of 100 million baht, the company holds 50.00 percent of the shares, with a joint venture with the Villa Market's executives to operate a discount store business and already operate 19 stores named "All-D"

Director of the All Discount Co., Ltd., as of December 31, 2018, has 4 persons as follows:

1. Mr. Chainid Adhyanasakul Director
2. Mr. Pornswat Katechulasriroj Director
3. Mr. Pisit Poosanakhom Director
4. Ms. Sopit Poosanakhom Director

### Relationship to Major Shareholder's Business

The Major Shareholder of the company is Property Perfect Public Company Limited ("PF") which holds 94.97% of the shares. Although the company is a part of the business group of the major shareholder, and in property development business, but the company's business is different and does not compete with PF or other companies in the business group. Because PF or other companies in the business group operate real estate business in term of housing, condominiums and hotel. While the company operates real estate business in term of shopping centers and office buildings.

### Nature of Business



#### Revenue Structure

	2018		2017 (Restated)		2016	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from rental and services	26,311	22.8	28,645	40.2	32,688	41.4
Revenue from building management services	30,177	26.2	33,191	46.6	42,189	53.4
Other revenue						
Interest income	21,279	18.4	9,236	13.0	2,349	3.0
Gains on sale of investments classified as assets held for sale	37,376	32.4	-	-	-	-
Other income	205	0.2	197	0.2	1,752	2.2
Total	115,348	100	71,269	100	78,978	100

According to the Company's statement of comprehensive income for the year 2018, 2017 and 2016, the Company still has share of loss from investment in joint venture in the amount of 94.57 million baht, 62.92 million baht, 15.44 million baht respectively which is listed next to "Finance costs"

### Products and services

Currently, Metro West Town had been operated in September 2015, located on Kalapaprak Road and the Company is developing a project named "Bangkok Midtown" (Phase 1) developed by Centerpoint Shopping Mall Company Limited (the Company's subsidiary) and located on Ratchadaphisek Road, outbound (west side), in the area that was the old Jusco Department Store. This will be developed into a large shopping center with the total construction area of more than 150,000 square meters, and total saleable area of more than 59,000 square meters. Currently, this shopping center is under negotiation with those interested in investing. With details of each project as follows

	Metro West Town	Bangkok Midtown (Phase 1)
Project's Owner	We Retail Public Company Limited	Centerpoint Shopping Mall Company Limited
Project Type	Community Mall	Shopping Mall
Location	Kalapaprak Road, Phasi Charoen District, Bangkok	Ratchadaphisek Road, West Side, Huakwang Sub-district, Huakwang District, Bangkok
Project's Characteristics	Consists of 4 connected buildings (Building A, B, C, and D), divided into supermarket, restaurant and plaza.	One building with 8 floors, and 2 underground floors, which consists of various segments such as clothing store, restaurant and variety of stores.
Land's Area	11-1-34.5 Rai	13-3-9.2 Rai
Construction Area	20,599 square meters	152,878 square meters
Leasable Area	9,052 square meters	59,145 square meters
Parking Space	300 vehicles	1,500 vehicles
Investment	692 million Baht	4,650 million Baht
Project's Features	Located on the main road and in front of Metro Park Sathorn project that has a large population.	Located on the main road and near MRT, Cultural Centre Station, and is a high population density area.
Target Customer Group	Medium Group, teenager, working group, and new generation of family live nearby, including residents of Metro Park Sathorn project.	Teenager and working group, and MRT users, including residents of Din Daeng, Ratchadaphisek, Suthisarn, Huakwang, and Ladphrao.
Construction	- Done -	2.5 years
Operation Launch	Launched on 14 September 2015	Approximately Q1/2021
		

In addition, the company has operated a discount store business, which is a joint venture company, All Discount Company Limited. Currently, the company has opened 19 branches under the name "All-D" in Suburb near the community and plans to produce consumer products for sale in general stores, in addition to being sell in "All-D" stores.



## Market and Competition

After the Company sold out all assets of food and beverage business. And invested in common shares from Centerpoint Shopping Mall Company Limited (“Centerpoint”), Company and subsidiary have target to property development business in shopping centers and office buildings.

Retail market in 2018, Approximately 567,100 sq.m. of retail space was supplied and pushing total retail supply in Bangkok and Surrounding Area up to 8,535,426 sq.m. Many large-scale shopping malls are opened in4Q 2018 along the Chao Phraya River. More than 111,500 sq.m. is scheduled to be complete in 2019. Although the economic situation of the country is still not growing, but project developers still believe that the country's economy is likely to improve in the future.

Community Mall has grown steadily over the past 2-3 years, with the second largest share of all retail space. However, the leading well-known shopping centers in the country have plans to increase, especially in the major cities of the region.

The average occupancy rate of retail space has increased over the past 2-3 years, with low increasing rate. The large shopping center will have occupancy rate of up to 97 percent, some rental space are occupied by the owner of the shopping center itself while the smaller shopping centers will have occupancy rate of less than 90 percent.

Rental rates were still similar to the previous year. Rental rates in large shopping centers in the city center can be adjusted to increase rental rates. Because the demand for rental space in those shopping centers is still high, especially with shopping centers that can connect directly to the Metro or Sky train system. But the average rental rate in the community mall which is not located on the main road still cannot increase the rental rate and still has an average rental rate of 500 baht per square meter per month. But some community malls ask for rents starting at just 300 baht per square meter per month.

The Colliers International Thailand Research Department stated that after the launch of a large shopping center project along the Chao Phraya River in late 2018, resulting in the stimulation of the retail space project developers to focus on location along the Chao Phraya River and anticipating that the demand for retail space in Bangkok and its vicinity still exists. Shopping centers that have been in service for a long time will begin to be modernized to be suitable for the modern lifestyle of the people. Rental rates will not change much. The large shopping center in the BCD is still of interest to retailers. And the retail space rental rate will rise by about 3 percent to 5 percent in 2019

## **Risk Factors**

### **Risk from the business competition**

It is a risk from the competitors in the same business of the Company, who would compete with the Company in customers and tenants' attraction. The Company also faces risk of lower number of customers which are tenants' customers if there are other new shopping centers opened in nearby areas. This will affect the businesses of tenants, which in turn has an effect on the occupancy rates and rental and service fees of the Company.

However, the Company will have planned to develop projects in the most outstanding location area such as nearby the subway line or community area and in order to reduce the effect of such competition, the Company has also prepared marketing promotion and campaign to attract more tenants and customers to the shopping centers.

### **Risk of operating new business**

The company has just step into retail business. Therefore, the company may have uncertainty from doing business in various matters such as sales and marketing. The Company has hired the experienced and expert personnel to operate the project. Although the major shareholder (Property Perfect Plc.), who even has no direct experience toward the developing the shopping center project. But PF has the long experience in property development business. Therefore, PF can have the expert and experience in choosing the right location which will allow the company to perform successful business and receive the expected return on investment.

### **Risk of the delay from receiving the rental and service fee of project**

Rental and service fee is the Company's main income. If the tenants are inability to pay the rent on time, it will affect the operating performance of the Company. However, there are groups of long-term lease contracts especially anchors which the Company receive a lump sum of advance rental and service. These anchors have not much burden to pay the rest rental and service fee. Therefore, it can mitigate the risk of not pay the rental and service fee from the anchors. Besides, the Company always looks after the rental and service fee payment from both anchors and co-tenants, the 6-12 months rental and service fee deposits in order to mitigate risk of delay receiving the rental and service fee.

## General Information of the Company

We Retail Public Company Limited was originally known as Daidomon Group Public Company Limited registered as a legal entity according to the Civil and Commercial Code with registration number 12084/25331 on October 9, 1990, and registered as a public company on April 27, 2001.

Company Name	WR
Registration Number	0107544000019
Location	100/1 Vorasombat Building, 17th Floor, Rama 9 Rd., Huaykwang, Bangkok 10310
Type of Business	Property Development: shopping mall, office building and commercial area.
Telephone Number	(0)2645-0128 to 31
Fax Number	(0)2645-0024
No. of Paid-up Shares	2,490,585,084 ordinary shares
Par Value	1.05 Baht per share
Paid-up Capital	2,615,114,338.20 Baht

### -Subsidiary

Company Name	Centerpoint Shopping Mall Company Limited
Location	100/1 Vorasombat Building, 17th Floor, Rama 9 Rd., Huaykwang, Bangkok 10310
Type of Business	Property Development: shopping mall and commercial area.
No. of Paid-up Shares	5,000,000 ordinary shares
Par Value	100 Baht per share
Paid-up Capital	500,000,000 Baht
Percentage of Investment	100%

### - Joint Venture

Company Name	All Discount Company Limited
Location	593-593/1 Sukhumvit Road, Klong-tan Nue, Wattana Bangkok
Type of Business	Develop and operate innovative low-cost retail business
Telephone Number	(0) 2258-2515
Fax Number	(0) 2258-0512
No. of Paid-up Shares	1,000,000 ordinary shares
Par Value	100 Baht per share
Paid-up Capital	100,000,000 Baht
Percentage of Investment	50.00%

**Other Information**

Accounting period	1 January – 31 December
Auditor	Mr. Chanchai Chaiprasit, Certified Public Accountant No. 3760 Pricewaterhousecoopers ABAS Company Limited 179/74-80 Bangkok City Tower, 15 Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Tel: (0) 2844-1100, Fax: (0) 2286-5050
Securities Registrar	The Thailand Securities Depository Co., Ltd. (TSD) 93, 14 Floor, Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: (0) 2009-9999 (Call Center)
Legal Counsel	Bunchong and Vidhya Law Office Limited. 33/35, 33/39-40 Wall Street Tower, 9 Floor, Surawong Road, Suriyawong, Bang Rak, Bangkok 10500 Tel: (0) 2236-2334 , (0)2233-1666 Fax: (0) 2236-3916

## Securities and Shareholders

### Registered Capital and Paid-up Capital

As of 31 December 2018, the Company's registered capital stood at Baht 4,761,824,999.40, with Baht 2,615,114,338.20 being paid-up (2,490,585,084 shares at Baht 1.05 par value)

### Major Shareholders (as at 30 March 2018):

List of Shareholders	No. of Shares (shares)	%
1. Property Perfect Public Company Limited	2,365,334,314	94.97
2. Mr. Kampol Tatiyakavee	51,181,818	2.06
3. Mr. Komkorn Piyajesdakul	17,844,328	0.72
4. Sirawanichkarn Group	12,000,000	0.48
Mrs. Aree Sirawanichkarn	10,000,000	
Mr. Kriengkrai Sirawanichkarn	1,000,000	
Mr. Chaianan Sirawanichkarn	800,000	
Ms. Piyathida Sirawanichkarn	200,000	
5. Capital Link Credit Foncier Limited	7,500,000	0.30
6. Thongtang Group	6,139,829	0.25
Ms. Wiorn Thongtang	3,879,754	
Mr. Praveen Shivapalabul	2,064,105	
Mr. Amnart Wongsuwan	190,000	
Mr. Itti Thongtang	5,670	
Mr. Thanubul Thongtang	300	
7. Ms. Sawittree Kongkwao	5,400,000	0.22
8. Krungthai Bank Public Company Limited	3,689,600	0.15
9. Thanachart Bank Public Company Limited	2,247,200	0.09
10. Mr. Rewat Wirojtrakulchai	1,550,000	0.06
Total	2,472,980,931	99.29

Source: Thailand Securities Depository Co., Ltd.

### Other Securities

- None -

### Dividend Policy of the Company

The Company has set the dividend payout ratio not over 50% of after-tax profits and after deducting legal reserves. The Company must allocate at least five percent of the annual net profit to the reserve fund until the reserve fund equals at least ten percent of the registered capital.

And due to the Company is under the development of various projects. Therefore, the Board of Directors of the Company hereby determined the non-payment of dividends for the Company's performance results of the year 2018 to the Shareholders.

### Management Structure

Board of Directors: (as of December 31, 2018)

Director	Position	Number of meetings attended		
		Board of Directors (5 Times)	Audit Committee (5 Times)	Nomination and Remuneration Committee (2 Times)
Mr. Chainid Adhyanasakul <sup>3</sup>	Chairman and Nomination and Remuneration Committee	5	-	2
Mr. Pramote Rermtindee	Director and Chairman of Nomination and Remuneration Committee	4	-	2
Mr. Kampol Tatiyakavee	Director and Nomination and Remuneration Committee	5	-	2
Mr. Pornswat Katechulasriroj <sup>1</sup>	Director and Chief Executive Officer	-	-	-
Mr. Krittapas Pongpakawat <sup>2</sup>	Director	-	-	-
Mr. Chirdsak Kukiattinun	Independent Director and Chairman of Audit committee	5	5	-
Mr. Chaiyakorn Boonlapapat	Independent Director and Audit committee	5	5	-
Mr. Prasong Vara-ratanakul	Independent Director and Audit committee	5	5	-
<i>Dr. Tawatchai Nakhata<sup>1</sup></i>	<i>Chairman</i>	4	-	-
<i>Mr. Virayuk Puntupetch<sup>2</sup></i>	<i>Independent Director</i>	4	-	-

1. Dr. Thawatchai Nakhata passed away on October 31, 2018. The Board of Directors Meeting No. 5/2018 resolved to appoint Mr. Pornswat Katechulasriroj as a new director to replace the vacant position. And has a resolution for the appointment of Mr. Pornswat Katechulasriroj to be the Chief Executive Officer

2. Mr. Virayuk Puntupetch passed away on November 5, 2018. The Board of Directors Meeting No. 5/2018 resolved to appoint Mr. Krittapas Pongpakawat as a new director to replace the vacant position.

3. The Board of Directors' Meeting No. 5/2018 resolved to appoint Mr. Chainid Adhyanasakul to be the Chairman of the Board on 5 November 2018.

The Board of Directors is authorized to make decisions and ensure that the company's operations follow the objectives, regulations, shareholders' resolutions and legal conditions. Its authority does not cover the decisions which must be approved by shareholders as prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, there are the following duties.

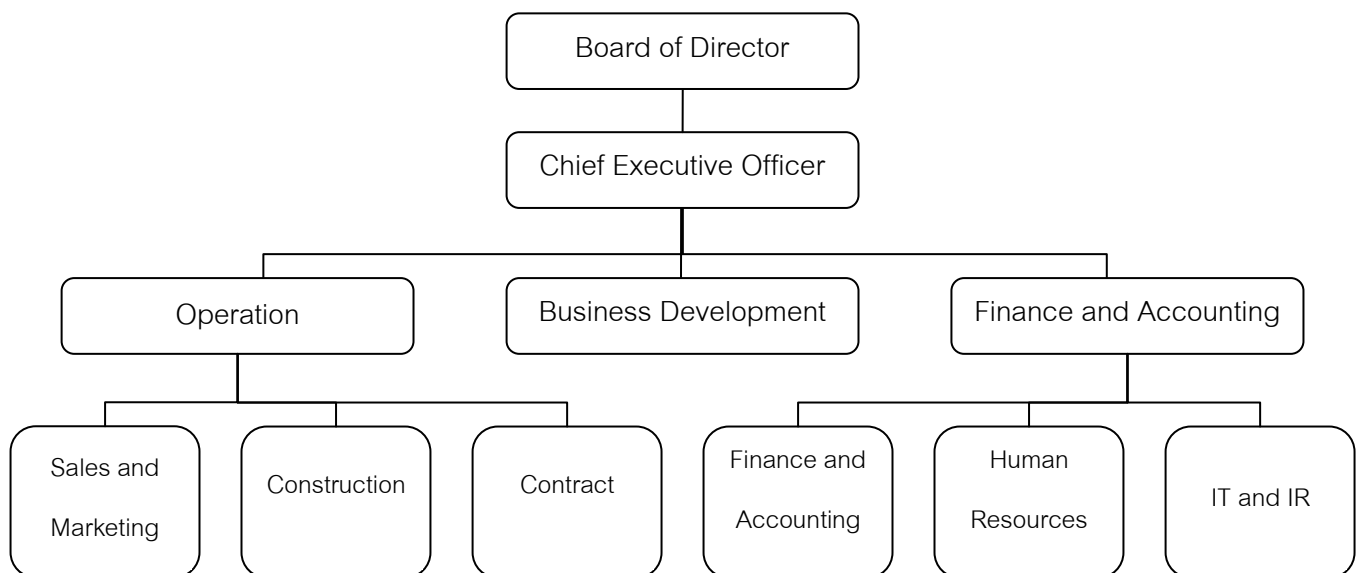
1. Consider the appointment and remuneration of auditors
2. Consider and approve loans / accounts opening with financial institutes
3. Consider the investment for the benefit of the company and shareholders.

Authorized signatory directors are Mr. Chainid Adhyanasakul, Mr. Pramote Rermtindee, Mr. Kampol Tatiyakavee, Mr. Pornswat Katechulasriroj and Mr. Krittapas Pongpakawat are authorised signatory directors. It requires the signatures of two from the five directors to affix the Company's seal.

**Executives :** (as of December 31, 2018)

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| 1. Mr. Pornswat Katechulasriroj | Chief Executive Officer           |
| 2. Mr. Krittapas Pongpakawat    | Chief Financial Officer           |
| 3. Ms. Pornphan Amornrojworawut | Assistant Chief Financial Officer |
| 4. Ms. Wanphenlux Manjaisiri    | Sales and Marketing Director      |

**Organization Chart :**



**Company Secretary and The person supervising accounting**

As of December 31, 2018, the Board of Directors has not yet appointed an official company secretary. The person assigned to take direct responsibility for supervising accounting operations is Ms. Pornphan Amornrojworawut

## Management and Authorized Person of the Company

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Timing	Designation	Company / Business Type
Mr. Chainid Adhyanasakul Chairman Nominating and Remuneration Committee Authorized Signatory Director Appointed on 16 Dec 2011	64	Bachelor of Laws, Chulalongkorn University Thai Barrister -at -Law, Thai Bar Association Director Accreditation Program (DAP) 114/2015 Thai Institute of Directors (IOD)	-	-	2011–Present 2016–Present 2007–Present 2007–Present 1985–Present 2007-2015 2002–2014 1999-2015	Chairman / Vice Nominating and Remuneration Committee Director Director Director Chief Executive Officer/ Chief Executive Director Director Director	We Retail Plc./Property Development All Discount Co., Ltd./Retail Grande Asset Hotels and Property Plc. Centrepont Shopping Mall Co., Ltd. / Property Development Property Perfect Plc. / Property Development Bright Development Bangkok Co., Ltd. / Property Development Krungthep Land Plc. / Property Development Estate Perfect Co., Ltd. / Property Development
Mr. Pramote Remyindee Director Chairman of Nominating and Remuneration Committee Authorized Signatory Director Appointed on 16 Dec 2011	64	Bachelor of Laws, Chulalongkorn University Thai Barrister -at -Law, Thai Bar Association Graduate Diploma in Business Law, Thammasat University Director Certification Program (DCP) 69/2006 Director Accreditation Program (DAP) 43/2005 Finance for Non-Finance Director Thai Institute of Directors (IOD)	-	-	2011–Present 2015–Present 2007–Present 1998–Present 1992–Present	Director / Chairman of Nominating and Remuneration Committee Director Director Company Secretary Partner Manager	We Retail Plc./Property Development Thai Property Plc./ Property Development Centrepont Shopping Mall Co., Ltd. / Property Development Property Perfect Plc. / Property Development Ordinary Partnership, Thammathit Law Office /Law
Mr. Kampol Tatiyakavee Director Nominating and Remuneration Committee Authorized Signatory Director Appointed on 1 May 2010	59	M.A. Engineering, University of Texas B.A. Engineering, Chulalongkorn University Director Certification Program (DCP) 74/2006 Director Accreditation Program (DAP) 55/2006 Thai Institute of Directors (IOD)	2.05%	-	2010–Present 2017–Present 2017–Present 2017–Present 2016–Present 2012–Present 2013–2017 2012–2014	Director / Nominating and Remuneration Committee Chief Executive Director Director Director Director Independent Director/ Audit Committee Director Director / Executive Director	We Retail Plc./Property Development Blisstel Plc. /IT and Communication Thai Pipeline Network Co., Ltd. Big Gas Technology Co., Ltd. Power Solution Technology Plc. /Natural Resource Muangthai Leasing Plc. /Leasing Amata VN Plc./ Property Development Three Sixty Five Plc./Media



## Management and Authorized Person of the Company

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Timing	Designation	Company / Business Type
Mr. Pornswat Katechulasriroj Director Authorized Signatory Director Chief Executive Officer Appointed on 5 Nov 2018	52	Bachelor of Engineer, King Mongkut's Institute of Technology Ladkrabang Director Certification Program (DCP) 129/2016 Thai Institute of Directors (IOD)	0.0006%	-	2018–Present 2016–Present 2015–Present 2015–Present 2014–Present  2014–Present  2009–Present  2007–Present	Director/ Chief Executive Officer Director Director Director Executive Director / Chief Operating Officer 2 Managing Director / Chief Operating Officer 2 Director / Chief Operating Officer 2 Director	We Retail Plc./Property Development All Discount Co., Ltd./Retail Property Perfect Plc. / Property Development Thai Property Plc./ Property Development Property Perfect Plc. / Property Development  Bright Development Bangkok Co., Ltd. / Property Development Estate Perfect Co., Ltd. / Property Development  Centrepont Shopping Mall Co., Ltd. / Property
Mr. Krittapas Pongpakawat Director Authorized Signatory Director The person taking the highest responsibility in finance and accounting Appointed on 5 Nov 2018	60	Master of Finance, Ramkhamhaeng University Bachelor of Business Administration (Accounting), Ramkhamhaeng University	-	-	2018–Present  2018–Present 2017–Present 2017–Present 2013–Present 2010–Present 2004–2017	Director / The person taking the highest responsibility in finance and accounting Director Deputy Chief Support Officer Director Director Director Budget Bureau Director	We Retail Plc./Property Development  Residence No.9 Co., Ltd. / Property Development Property Perfect Plc. / Property Development Bright Development Bangkok Co., Ltd. / Property Dev. Estate Perfect Co., Ltd. / Property Development Perfect Sport Club Co., Ltd. /Service Property Perfect Plc. / Property Development
Mr. Chirdsak Kukiattinun Independent Director Chairman of Audit Committee Appointed on 25 Dec 2011	65	M.Sc. (Systems Analysis) Aston University (1976) B.Sc. (Economics) Major in Accounting and Finance, London School of Economics political Science, University of London (1975) Director Certification Program 172/2013, Thai Institute of Directors (IOD)	-	-	2011–Present  2018–Present 2016–2018  2011–Present 2006–Present 2014–2015	Independent Director/ Chairman of Audit Committee  Director / Chief Executive Director / M.D. Director /Executive Director/Chief Operation Officer Risk Management Committee Director Chief Executive Officer	We Retail Plc./Property Development  NPPG Plc. /Industry Goods Thai Food Group Plc. /Agriculture and Food Industry  Property Perfect Plc. / Property Development Capital Management Co., Ltd. CTH Plc. / Satellite Communication Network

## Management and Authorized Person of the Company

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Timing	Designation	Company / Business Type
Mr. Chaikorn Boonlapapat Independent Director Audit Committee Appointed on 25 Dec 2011	72	Bachelor of Law, Thammasat University Advance Personal Management (ISO 9000,14000) Financial for Executive	-	-	2011-Present 2010-Present	Independent Director / Audit Committee Advisor of Chairman of Phayathai Hospital	We Retail Plc./Property Development Prasit Pattana Plc./Medical Service
Mr. Prasong Vara-ratanakul Independent Director Audit Committee Appointed on 25 Feb 2015	71	Master of Public Administraion, Chulalongkorn University. Bachelor of Commerce, Chulalongkorn University. Bachelor of Laws, Ramkhamhaeng University. Director Accreditation Program (DAP) 51/2006 Director Certification Program (DCP) 72/2006 Audit Committed Program (ACP) 12/2006 Advanced Audit Committee Program(AACP) 16/2014 Thai Institute of Directors (IOD) Ethical Leadership Program (ELP) 2/2015	-	-	2015-Present 2017-Present 2015-Present 1999-Present 2003-2014	Independent Director / Audit Committee Independent Director/ Chairman of Audit Committee Independent Director/ Chairman of Audit Committee Independent Director/ Chairman of Audit Committee Independent Director/ Chairman of Audit Committee	We Retail Plc./Property Development Hot Pot Plc. /Agriculture and Food Industry Thai Property Plc./ Property Development Thai Factory Development Plc./ Property Development Krungthep Land Plc. / Property Development
Ms. Pornphan Amornrojworawut Asst. Chief Financial Officer The person supervising accounting Appointed on 14 May 2018	54	MBA., Ramkhamhaeng University Bachelor of Accountancy, Ramkhamhaeng University	-	-	2018-Present 1992-2018	Assistant Chief Financial Officer / The person supervising accounting Assistant Chief Financial Officer	We Retail Plc./Property Development Property Perfect Plc. / Property Development
Ms. Wanphenlux Munjaisiri Sales and Marketing Director	58	Bachelor of Political Science, Ramkhamhaeng University	-	-	2015-Present 2011-2014	Sales and Marketing Director Sales and Marketing Director	We Retail Plc./Property Development Thai Property Plc./ Property Development

## DETAIL OF DIRECTORS, EXECUTIVE DIRECTORS AND AUTHORIZED PERSON DIRECTOR OF WE RETAIL PLC., SUBSIDIARY AFFILIATES AND RELATED COMPANY AS OF 31 DECEMBER 2018

DIRECTORS, EXECUTIVES	Company	Subsidiary, Affiliates and Related Company								
	WR	CPS	All-D	PF	TProp	Grand	BD	EP	PSC	R9
Mr. Chainid Adhyanasakul	X	/	/	/, ///, XXX		/				
Mr. Pramote Rermyindee	/	/		@	/					
Mr. Kampol Tatiyakavee	/									
Mr. Pornswat Katechulasriroj	/, ///	/	/	/, //, ///	/		/	/		
Mr. Krittapas Pongpakawat	/, ///			///			/	/	/	/
Mr. Chirdsak Kukiattinun	*									
Mr. Chaikorn Boonlapapat	*									
Mr. Prasong Vara-ratanakul	*				*					
Ms. Pornphan Amornrojworawut	///									
Ms. Wanphenlux Munjaisiri	///									

## หมายเหตุ

WR	= We Retail Public Company Limited
CPS	= Centrepont Shopping Mall Company Limited
All-D	= All Discount Company Limited
PF	= Property Perfect Public Company Limited
TProp	= Thai Property Public Company Limited
Grand	= Grande Asset Hotel and Property Public Company Limited
BD	= Bright Development Bangkok Company Limited
EP	= Estate Perfect Company Limited
PSC	= Perfect Sport Club Company Limited
R9	= Residence Number Nine Company Limited

X	= Chairman
XX	= Deputy Chairman
XXX	= Chief Executive Officer
/	= Director
//	= Executive Director
///	= Executive
@	= Company Secretary

### Directors' remuneration

Directors' remuneration Consists of meeting allowance. This is paid according to the number of meetings.

The details are as follows

Name	Title	Directors' remuneration (Baht)			
		Board of Directors	Audit Committee	Nominating and Remuneration Committee	Total
Dr. Tawatchai Nakhata <sup>1</sup>	Chairman	400,000	-	-	400,000
Mr. Chainid Adhyanasakul <sup>3</sup>	Chairman / Nominating and Remuneration Committee	350,000	-	40,000	390,000
Mr. Pramote Rermyindee	Director / Chairman of Nominating and Remuneration Committee	80,000	-	60,000	140,000
Mr. Kampol Tatiyakavee	Director / Nominating and Remuneration Committee	100,000	-	40,000	140,000
Mr. Virayuk Puntupetch <sup>2</sup>	Independent Director	80,000	-	-	80,000
Mr. Chirdsak Kukiattinun	Independent Director / Chairman of Audit Committee	100,000	250,000	-	350,000
Mr. Chaikorn Boonlapapat	Independent Director / Audit Committee	100,000	100,000	-	200,000
Mr. Prasong Vara-ratanakul	Independent Director / Audit Committee	100,000	100,000	-	200,000
Total		1,310,000	450,000	140,000	1,900,000

1. Dr. Thawatchai Nakhata passed away on October 31, 2018.

2. Mr. Virayuk Puntupetch passed away on November 5, 2018.

3. The Board of Directors' Meeting No. 5/2018 resolved to appoint Mr. Chainid Adhyanasakul to be the Chairman of the Board on 5 November 2018.

### Executives' remuneration

The Company paid executives' remuneration In the year 2018 in the form of salary and bonus for all 2 executives for the whole year, totaling 4.1 million baht.

### Other Remuneration

The Company did not pay any other remuneration other than meeting allowance to directors.

### Human Resources

The company has a number of employees and rewards for employees, including salaries, overtime payments and social security payments. Including welfare in 2016 to 2018 with the following details

		2018	2017	2016
Number of employees	Person (s)	19	16	18
Total remuneration for all employees	(Thousand Baht)	14,083	12,779	12,856

The Company is concerned about personnel development. By providing training to employees in the course related to the job characteristics to develop the potential and increase the work efficiency of employees. Reduce errors that will occur. The company also monitors and evaluates the work efficiency of employees continuously.

## Corporate Governance

### Governance Policy

The Board of Directors (BOD) is well aware of good Corporate Governance and concerns to Stakeholders and overall society. The Board of Directors thereby set out the Corporate Governance guideline to comply of SEC's Corporate Governance Code for Thai Listed companies. Factors in considering are as follows.

#### Section 1: Shareholders' rights

The Board of Directors recognizes and gives important to its shareholders' rights by informing to shareholders of its operation progress and significant events which may impact to shareholders' rights. By both direct reporting to its shareholders or through and Security Exchange of Thailand, the Company commit practical basis to send meeting invitation together with data supporting various agenda to shareholders at least 7 days prior to the meeting and maintain meeting minutes that are complete precise so that shareholders can review them later. Therefore, the Company holds regularly the general shareholders meeting annually within 4 months since end of accounting period. In case there is necessity to propose special agenda for subject which has impact to shareholders' interest of which must get approve consideration from shareholders, the Company will hold extraordinary shareholders' meeting.

In shareholders' meeting, the company has conducted the meeting in accordance to relevant law and regulations.

In every meeting the Company had appointed at least one Independent Director as attorney for those shareholders who were inconvenient to attend meeting and already stated in the meeting invitation. BOD has mutual opinions that all Directors, especially the chairman of BOD and the chairman of Sub-Committee should attend meeting to answer in every shareholders' meeting. And the company has allocate times for shareholders to express opinions, suggestions or inquiry in each agenda independently before the resolution of any agenda. Therefore in the shareholders' meeting, Directors and executives will attend meeting to answer including note down significant enquiries and opinions meeting minutes for shareholders review later.

#### Section 2: Equitable Treatment to Shareholders

The Company recognizes rights of its shareholders and commits to protect each person benefit. It has a power to treat each shareholder equally to attend shareholders' meeting to vote, to know data and information of operation result. In the shareholders' meeting, shareholder has right for one share one vote and to held meeting according to company's regulations sequentially meeting agenda. To propose details of each agenda completely including not add in any agenda not prior inform to shareholders in advance. For shareholders unable to attend meeting, they can empower an independent Director appointed by the Company or other person as proxy by using a proxy form which the company has sent together with meeting invitation. To

arrange voting card for each agenda and execute the voting transparently and sequentially defined agenda. To provide shareholders to cast their votes for individual directors, to consider director's remuneration including appoint of auditor and approve audit fee.

### **Section 3: Role of Stakeholders**

The Company is aware of importance of all its stakeholders either internal stakeholders such as shareholders, employees or external stakeholders such as customers, competitors, creditors (suppliers or contractors), government sectors and the relevant authorities including society and environment. The Company tries to execute policy fairly and equitable to its all stakeholder as follows:

#### **Shareholders**

The Company recognizes transparency of significant data disclosed to all shareholders correctly and completely. Notification is made through the Stock Exchange of Thailand's information dissemination, written postal mails.

#### **Employee**

The Company was appointed nomination and compensation committee to determine proper remuneration to employees. Rank promotion is systematic considered to be fair to all and to prepare manuals to all employees to know clearly of granting remuneration policy. Besides, the Company also set up provident fund scheme for its employees.

#### **Customer**

The Company recognizes critical importance of ethic practice to its customer. Taking care and be responsible to customers including mutual problem solving with customers to create highest satisfaction and benefits to all parties.

#### **Competitors**

The Company operates its policies with respect for fair and free competition. Not using dishonest method for the Company's business advantages and not destruct competitor's reputation by accusation without facts.

#### **Creditors/ Suppliers**

The Company notifies billing cycle and defines clear credit periods of products & services to its business partners.

#### **Contractors**

The Company maintains contractual selection basis to get qualify and efficient contractors. The Company treats fairly and equal construction biddings and has a skillful construction consultant be a member to

consider reference price. Besides, equal contractual agreement is clearly defined to cover work periods, fair basis of portion of work progress, work inspection, Billing receipt including bill settlements per company's regulation to ensure contractors' trust and together growth.

#### **Section 4: Disclosure and Transparency**

BOD places importance to ensure that accurate and reliable information are disclosed. The Company has disclosed adequate material information in financial reports. The disclosure is conducted per determined basis and public through the information dissemination channel of the Stock Exchange of Thailand. The mentioned financial reports is audited/reviewed and been given clean opinions from certified auditor and get consent from audit committee before release to shareholder.

#### **Section 5: Board of Director's Responsibility**

##### **Part 5 Responsibilities of the Boards**

All Directors have good understanding of responsibilities of BOD and Company's business. To make independent personal opinions, be integrity and be careful. To ensure the highest benefits of the Company, fair to all shareholders. Besides, all Directors have devoted adequate times to perform full responsible duties' and join every BOD's meeting except having urgent necessity.

The Company set up at least one third of BOD members but not less than three persons as independent Directors and defines qualification to meet at least minimum definition of Independent Directors as announced by the office of the Stock Exchange Committee (SEC) and the stock Exchange of Thailand. At present, The Company has eight Directors of which three persons are independent directors and set their responsibilities of BOD as follows:

1. Perform duties to comply with law, company's objective and regulations and shareholders' meeting resolution. Be integrity and careful for Company's benefits.
2. Set up policy and operational directions of the Company. To monitor, control and oversee the management to perform efficiently in compliance to define policies.
3. Be responsible to shareholder to protect their benefits. Disclosed correct and complete information nomination & remuneration committee.
4. Appoint audit committee, nomination and compensation committee.
5. Be responsible for approval of audited/preliminary financial reports prepared by auditor and prior review from audit committee. BOD sets up quarterly meeting or call up necessary special meeting with clear advanced agenda to review results and follow up operations in each quarter. BOD Chairman and president have jointly considered significant topics rise in agenda. Besides, each director is freely to propose any meeting agenda.



### BOD's Meeting

In each boards meeting, the chairman has allocate adequate and enough times to review meeting agenda. To note down written minutes and file those already been certified by BOD and be ready for any audit by BOD and relevant parties.

### Sub-Committee

Company's Board structure consists of wholly 3 Sub-Committees as BOD, audit committee and nomination& compensation committee. Details as follows:

### Audit Committee

Per company's regulations, Directors is authorized to make decision and oversee company's operations. By committee structure, there is adequate check and balance power arrangement by setting up audit committee which is sub-committee to do audit function segregating from the Management executives. As at December 31, B.E 2561, audit committee is composed of:

- |    |                            |  |
|----|----------------------------|--|
| 1. | Mr. Chirdsak Kukiattinun   | Independent Director and Chairman of Audit Committee |
| 2. | Mr. Chaiyakorn Boonlapapat | Independent Director and Audit Committee             |
| 3. | Mr. Prasong Vara-ratanakul | Independent Director and Audit Committee             |

### Duties and Responsibilities of Audit Committee

1. Recommend the appointment of external auditors, including the appropriate fee.
2. Liaison with auditors relating to audit objective, audit plan audit and findings material audit issues.
3. Provide consultation and review audit findings and recommendations from both auditors and inspectors including follow up of BOD management actions for submission to the BOD.
4. Oversee the compliance to law and company's supervisory agencies instructions.
5. Oversee material risk management.
6. Review to ensure the Company maintains accurate and adequate financial report.
7. Consider accurate and complete information disclosure in case there is related transaction or transaction which may have conflict interest.
8. Prepare audit committee's corporate governance reports by disclosing in the annual report. Such report must sign by the chairman of audit committee.
9. Perform as assigned by BOD with consent from audit committee.

**Nomination and compensation committee** as at December 31, B.E 2561 is composed of:

1. Mr. Pramote Rermtindee      Chairman of Nomination and Remuneration Committee
2. Mr. Chainid Adhyanasakul      Vice Chairman of Nomination and Remuneration Committee
3. Mr. Kampol Tatiyakavee      Nomination and Remuneration Committee

Duties and Responsibilities of Nomination and Compensation Committee

1. Determine basis and method to select Directors or Senior Executives.
2. Determine remuneration policy given to Directors or Senior Executive.
3. Select and nominate names of qualified candidates to BOD.
4. Determine directions of executive performance assessment and disclose process result of the committee in company's annual report.
5. Perform others as assigned per consent resolution from BOD.

**Nomination and Appointment Directors and Senior Executives.**

1. Independent Directors

Qualifications are align to those announced by the Stock Exchange Committee (SEC) # Tor Jor 28/2008 subject requisition for permission to offer and sell new issued shared and be compliance to qualification of audit committee directors per regulation of the Stock Exchange of Thailand.

2. Recruitment of Directors and Senior Executives

According to company's regulations, BOD has at least 5 directors and more than half of number of total directors must be Thai residences.

Nomination and compensation committee share select and recruit person with proper qualifications as Directors and Senior Executives. The committee will select, screen and nominate those with proper and no prohibitions to BOD for further submission to appointment by shareholders' resolution selection in shareholders' meeting will be compliance basis and method as follows:

1. Shareholder has one voting score per one share.

2. Each shareholder exercise vote under one to elect either one or several directors but cannot allot votes less or more number to any nominee.

3. Person with highest scores is sequential ranking down be appointed as Directors per number to be selected in such election. Casting vote done by the chairman of meeting in case there is number of person with equal voting scores exceed number that should have or to be appointed as directors.

In every annual general meeting, One-third of directors must resign. If the number cannot fully divide by three, the number of resignation should be mostly closed to one-third.

Prohibit Directors to do business, not to be unlimited liability partners or to be Director in other juristic persons with same business nature and be competed with the company's business, except declaration in advance before appointing by shareholders' meeting resolution.

Directors must notify to the company ASAP without delay if bear any interests in any contract made by the company, or hold more or less ordinary shares or debenture shares of the company or its subsidiary companies.

#### **Corporate Governance of Subsidiary Companies and Joint Companies**

The company has a policy to send its representatives per portion of holding shares to be Directors in subsidiary companies and joint companies. In order to control and define policies for operating business of subsidiary and joint companies, the companies realized and place importance in good corporate governance by emphasis on transparent governance. Besides, the company defines rules for nominating representative to oversee that subsidiary companies has regulations to record correctly and completely of relating transactions, acquisition and disclose of assets or other significant transactions and also deploy relating basis of Center Points for accounting records and information disclosure so that the Company can check and prepare consolidate financial report in time.

#### **Control of Internal information**

The Company has policy and code of conduct for management in using insider information for self -benefits including securities as follows.

1. Give knowledge to management of various departments relating to management's duty to report any shares holding of the Company and penalty per the provision of the Security and Exchange Act B.E 2535 and per the Stock of Exchange Thailand's regulation.
2. The Company will issue circular letter to let management know that management who acknowledge material insider information, which may impact to its share price is prohibited to trade its share within one month before the financial report of that insider information disclosed to the public and also prohibit to disclose that material information to external parties.

### Auditor's Remuneration

The Company and its subsidiaries set and disclose the audit fee for the year 2016-2018 as follows:

Fiscal Year	Auditor	CPA No.	Company	Audit Fee
2018	Mr. Chanchai Chaiprasit	3760	Pricewaterhousecoopers ABAS Company Limited	1,450,000
2017	Mr. Supachai Phanyawattano	3930	EY Office Limited	1,380,000
2016	Mr. Supachai Phanyawattano	3930	EY Office Limited	1,080,000

\* There is no other fee (non-audit fee)

### Corporate Social Responsibilities

#### Overall Policy

#### Corporate Governance Practices

We Retail Public Company Limited is a real estate developer who rent out space in shopping center and office. It places great importance to comply good corporate governance; concerning stakeholders- consumers, shareholders, employee and business partners and including community, social and environment governance compliance cover both information disclosure & transparency and BOD's responsibility principles. The Company operates business and place great importance over prevention process of any impact to community and environment surrounding project. Therefore, the Company has intention to develop and promote corporate governance parallel with its business targets.

#### Role of BOD

BOD has role to improve its operational directions and practices to comply good governance and corporate social and environment responsibility. Add in corporate ethics and good CSR practice and be compliance to good practice in business society and in same direction of CSR practice of registered companies in real estate & construction sector set by the Stock Exchange of Thailand.

#### Corporate Business Vision

Corporate business vision is to be a leading shopping center in Bangkok and provincial area with strategic format of developed regional shopping center and community shopping center in prime location which serve customers' need. Create happiness and satisfaction to customer, community, partners, shareholders and employers with conscious responsibility to society and environment.

#### Mission

1. Create develop modern product & service in potential location. Response to new ideas of speed and convenient life style.

2. Build up and develop strong financial status to support sustainable development of both corporate and the stakeholders.
3. Build and develop excellent management with continuing standard operational system professional staff team.
4. Build and develop reputation and pride through responsive working with ethics and concerning benefits- impact to all relevant parts in society.

#### **Policy and Actions to Stakeholders**

The Company realizes importance of all groups of stakeholders both internal stakeholders such as shareholders employees and external stakeholders such as customers, competitors, creditors (suppliers or constructor), government entities and relevant units including society and environment. The company tries caring our policies fairly and properly to the stakeholders as follows:

##### **Shareholders**

The Company is concerned on transparency in disclosure of significant information to the shareholders correctly and completely through the Stock Exchange of Thailand's information dissemination and written posted mails.

##### **Employees**

The Company has appointed nomination and compensation committee to review proper remuneration to employees, to review promotion system to be fair to the departments and to prepare manual to all employees to let known clearly of employee's benefits. Also the company has established employee provident fund scheme.

##### **Customers**

The Company places great importance of ethics in dealing with customers. Taking care, be responsible and dissolve problem together with customers to obtain most satisfaction and benefits to all parties.

##### **Competitors**

The Company operate compliance to rules of good competition, avoidance of dishonest method to destroy competitors.

##### **Creditor/ Suppliers**

The Company informs period of billing receipt and clear credit term to trade partners.

### **Contractor**

The Company maintains an efficient and fair nomination basis to ensure qualified contractor is awarded construction tasks. Provide equal opportunity for bidding quotation and has a skilful advisor to review and determine middle price. Besides, contractual agreement defines clearly of work periods, fair construction payment per ratio of work progress, work inspection, billing receipt including bills settlement per Company's rules. This will result in contractor's confidence to grow with the Company.

### **Business Operations impact to Environment and Society**

The Company does not operate any impact to society and environment, also, never been accused for making any negative impact to society and environment.

### **Activities benefit to Society and Environment**

The Company operates for good and sustainable results to shareholders. However both BOD and employees realize to act to reward back to society and protect environment with aims for sustainable living with society. The Company organizes activities to support society in all aspect as able as it can, such as:

- Raise fund for charity foundation by having joint contributions from faithful donators in marketing activities.
- Organize selling of agricultural goods impact from lower market price by trouble farmers. The selling is sponsored by the Company and free of charges.

### **Anti-Corruption Guidelines**

The Company hires contractor by bidding quotation method. Open equally to all contractors to do bidding. Having Committee including few department observers and skilled consultant jointly consider to determine the reference price, then report to BOD for approval. External auditor will review and audit to ensure bidding steps are adequate. Therefore the Company has defined work regulations for all employees to conduct themselves with honesty. The Company has rights to terminate employee in case of duty corrupt or intentionally do criminal offense and cause damages to the Company.

The company issues announcement for work transparency such as announcement relating to control of working staffs in dealing with contractors. Heavy penalty will be executed in case detect any misconducting.

### Internal Control and Risk Management

BOD which consists of directors, independent directors and audit directors assess and give opinion that the Company maintains proper and adequate internal control system which include following up of supervisory control of subsidiary companies to comply steps and rules correctly as follows:

For good internal control, the Boards and Management Team have defined operational guidelines which adhere to Integrity and Business Ethics. Set up rational and measurable rigid targets, set up Vision, Strategies and Budget to ensure that operations can achieve the targets.

The Company defines clearly authority and signatory amount of Management in case there are transactions with relating companies or persons which may lead to conflict of interest, prior approval from authorized management who be responsible and relevant to that subject will justify to ensure that such deal is logical and same as norm business and concerns both Company and Shareholders' benefit same as deal with external parties. The deal is compliance to the Law. BOD has already authorized Management to consider approval of business deal with relating parties by referring to rules and regulations such as norm business to ensure full transparency. While other matters will be judged from type of business and size of transactions and comply with ruling set by the Stock Exchange of Thailand.

The Company reviews Risk Management to ensure control and reduce risk impact from both internal and external factors which may impact to achievement of business target. The Company realizes importance to make decision based on proper, accurate and real time information, by analyzed pro and con to see impact and to follow up if operational results meet its target or not. Regular BOD's meetings are hold to monitor all projects 'progress and assess how much for target achievement. To lay down potential problem solving method and revise action plan to match changing situations.

### Connected Transactions

The Company set up measurement rules or approval step for relating transactions to comply with method and disclosure basis as set by the Stock Exchange of Thailand for registered companies.

Please refer to point 25 for details of relating transactions stated in the Notes to Consolidated Financial Report for year ended December 31, 2018.

## Financial Information

Statement of Financial Position and results of operations for the year 2016 to 2018

Statement of Financial Position

Consolidated financial statements Unit: Thousand Baht	As at 31 December 2018					
	2018	%	2017 (Restated)	%	2016	%
<b>Asset</b>						
<b>Current assets</b>						
Cash and cash equivalents	17,916	0.7	23,952	0.9	52,408	2.0
Trade and other receivables, net	24,212	0.9	19,321	0.7	13,123	0.5
Short-term loans to related party	-	-	-	-	60,000	2.2
Other current assets	17,982	0.7	15,433	0.6	15,234	0.6
Non-current assets held for sale	-	-	94,583	3.5	-	-
<b>Total current assets</b>	<b>60,110</b>	<b>2.3</b>	<b>153,289</b>	<b>5.7</b>	<b>140,765</b>	<b>5.3</b>
<b>Non-current assets</b>						
Loan to related party, net	282,076	10.6	159,143	5.9	-	-
Investment properties, net	1,449,280	54.7	1,476,585	55.0	1,536,023	57.8
Leasehold rights, net	818,067	30.8	850,981	31.7	939,083	35.3
Building improvement and equipment, net	934	0.0	769	0.0	695	0.0
Deferred tax assets, net	40,399	1.5	41,619	1.6	38,218	1.5
Other non-current assets, net	1,570	0.1	2,584	0.1	3,856	0.1
<b>Total non-current assets</b>	<b>2,592,326</b>	<b>97.7</b>	<b>2,531,681</b>	<b>94.3</b>	<b>2,517,875</b>	<b>94.7</b>
<b>Total assets</b>	<b>2,652,436</b>	<b>100.0</b>	<b>2,684,970</b>	<b>100.0</b>	<b>2,658,640</b>	<b>100.0</b>
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Trade and other payables	52,659	2.0	33,773	1.2	27,674	1.0
Creditors as per rehabilitation plan	6,812	0.3	6,812	0.3	6,812	0.3
Deposits and cash received in advance	11,209	0.4	13,301	0.5	14,420	0.5
Income tax payable	2,009	0.1	1,878	0.1	3,465	0.1
Liabilities included with assets classified as held for sale	-	-	11,959	0.4	-	-
Other current liabilities	1,554	0.1	1,506	0.1	1,129	0.1
<b>Total current liabilities</b>	<b>74,243</b>	<b>2.9</b>	<b>69,229</b>	<b>2.6</b>	<b>53,500</b>	<b>2.0</b>
Long-term borrowings from related party	356,500	13.4	200,000	7.4	-	-
Accrued land rental expenses	189,041	7.1	168,737	6.3	158,379	5.9
Employee benefit obligations	2,633	0.1	2,237	0.1	2,337	0.1
<b>Total non-current liabilities</b>	<b>548,174</b>	<b>20.6</b>	<b>370,974</b>	<b>13.8</b>	<b>160,716</b>	<b>6.0</b>
<b>Total liabilities</b>	<b>622,417</b>	<b>23.5</b>	<b>440,203</b>	<b>16.4</b>	<b>214,216</b>	<b>8.1</b>



## Statement of Financial Position (Continue)

Consolidated financial statements Unit: Thousand Baht	As at 31 December 2018					
	2018	%	2017 (Restated)	%	2016	%
<b>Equity</b>						
Share capital						
Registered						
4,535,071,428 ordinary shares of par Baht						
1.05 each	4,761,825		4,761,825		4,761,825	
Issued and fully paid-up						
2,490,585,084 ordinary shares of paid-up	2,615,114	98.6	2,615,114	97.4	2,615,114	98.4
Baht 1.05 each						
Premium on paid-up capital	61,153	2.3	61,153	2.3	61,153	2.3
Adjustment of share capital						
from reverse acquisition	65,335	2.5	65,335	2.4	65,335	2.4
Retained earnings (deficit)						
Appropriated - Legal reserve	6,520	0.2	4,310	0.2	3,310	0.1
Unappropriated	(718,864)	(27.1)	(501,906)	(18.7)	(300,488)	(11.3)
Other components of equity	761	0.0	761	0.0	-	-
<b>Total equity</b>	<b>2,030,019</b>	<b>76.5</b>	<b>2,244,767</b>	<b>83.6</b>	<b>2,444,424</b>	<b>91.9</b>
<b>Total liabilities and equity</b>	<b>2,652,436</b>	<b>100.0</b>	<b>2,684,970</b>	<b>100.0</b>	<b>2,658,640</b>	<b>100.0</b>

## Statement of Comprehensive Income

Consolidated financial statements  Unit: Thousand Baht	As at 31 December 2018					
	2018	% Compare to gross revenues	2017 (Restated)	% Compare to gross revenues	2016	% Compare to gross revenues
<b>Revenues</b>						
Revenues from rental and services	26,311	22.8	28,645	40.2	32,688	41.4
Revenues from building management services	30,177	26.2	33,191	46.6	42,189	53.4
<b>Total revenues</b>	<b>56,488</b>	<b>49.0</b>	<b>61,836</b>	<b>86.8</b>	<b>74,877</b>	<b>94.8</b>
<b>Cost</b>						
Cost of rental and services	(50,744)	(44.0)	(50,216)	(70.4)	(49,583)	(62.8)
Cost of building management services	(6,723)	(5.8)	(6,249)	(8.8)	-	-
<b>Total cost</b>	<b>(57,467)</b>	<b>49.8</b>	<b>(56,465)</b>	<b>(79.2)</b>	<b>(49,583)</b>	<b>(62.8)</b>
<b>Gross profit</b>	<b>(979)</b>	<b>(0.8)</b>	<b>5,371</b>	<b>7.5</b>	<b>25,294</b>	<b>32.0</b>
Interest income	21,279	18.4	9,236	13.0	2,349	3.0
Other income	205	0.2	197	0.3	1,752	2.2
Gains (losses) on sale of investments classified as assets held for sale	37,376	32.4	-	-	-	-
Selling expenses	(3,068)	(2.7)	(3,708)	(5.2)	(10,484)	(13.3)
Administrative expenses	(142,392)	(123.5)	(138,879)	(194.9)	(91,916)	(116.4)
Loss on impairment of investment properties	-	-	-	-	(11,500)	(14.6)
Finance costs	(17,237)	(14.9)	(5,587)	(7.8)	(484)	(0.6)
Share of loss from investment in joint venture	(94,567)	(82.0)	(62,921)	(88.3)	(15,436)	(19.5)
<b>Profit (loss) before income tax</b>	<b>(199,383)</b>	<b>(172.9)</b>	<b>(196,291)</b>	<b>(275.4)</b>	<b>(100,425)</b>	<b>(127.2)</b>
<b>Income tax</b>	<b>(15,365)</b>	<b>(13.3)</b>	<b>(4,127)</b>	<b>(5.8)</b>	<b>2,642</b>	<b>3.4</b>
<b>Profit (loss) for the year</b>	<b>(214,748)</b>	<b>(186.2)</b>	<b>(200,418)</b>	<b>(281.2)</b>	<b>(97,783)</b>	<b>(123.8)</b>
<b>Other comprehensive income (expense)</b>						
Items that will not be reclassified to profit or loss						
Actuarial gain	-		952		-	
Income tax relating to items that will not be reclassified	-		(190)		-	
<b>Total comprehensive income (expense) for the year</b>	<b>(214,748)</b>		<b>(199,656)</b>		<b>(97,783)</b>	

# Statement of Cash Flows

Consolidated financial statements Unit: Thousand Baht	As at 31 December 2018		
	2018	2017 (Restated)	2016
<b>Cash flows from operating activities</b>			
Profit (Loss) before income tax expense	(199,383)	(196,291)	(100,424)
Adjustments for:			
Allowance for doubtful accounts	6,091	9,443	3,173
Bad debt	(6,359)	-	-
Depreciation	17,577	17,201	40,535
Amortisation of leasehold rights	32,914	34,909	-
Allowance for impairment loss on investment properties	10,000	-	11,500
Gain on sale of assets held for sale	(37,376)	-	-
Loss on sales of investment properties	-	83	-
Land rental	20,304	22,317	-
Share of losses from investment in joint venture	94,567	62,921	15,436
Employee benefit expenses	396	851	-
Interest income	(21,279)	(9,236)	(2,349)
Finance costs	17,237	5,587	484
	<b>(65,311)</b>	<b>(52,215)</b>	<b>(31,645)</b>
Changes in operating assets and liabilities			
Trade and other receivables	2,436	(6,287)	(5,869)
Other current assets	(2,549)	(2,121)	(1,213)
Other non-current assets	1,014	199	(75)
Trade and other payables	1,650	4,567	(19,616)
Deposits and cash received in advance	(2,092)	(1,118)	-
Other current liabilities	47	(741)	(4,244)
Other non-current liabilities	-	-	(4,574)
Cash used in operations	(64,805)	(57,716)	(67,236)
Income tax paid	(14,015)	(9,306)	(3,870)
Interest income	14,221	2,876	2,325
<b>Net cash used in operating activities</b>	<b>(64,599)</b>	<b>(64,146)</b>	<b>(68,781)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of assets held for sale	120,000	-	-
Payments for purchases of building improvement and equipment	(437)	(376)	(363)
Proceeds from sale of investment properties	-	1,066	-
Payments for investment in joint venture	(37,500)	-	(12,500)
Payments for short-term loans to related parties	-	(165,000)	(60,000)
Payments for loans to related parties	(180,000)	-	-
Decrease in restricted bank deposits	-	-	10,000
Cash received from advance for purchase of land	-	-	12,357
Increase in investment properties	-	-	(9,581)
<b>Net cash used in investing activities</b>	<b>(97,937)</b>	<b>(164,310)</b>	<b>(60,087)</b>
<b>Cash flows from financing activity</b>			
Proceeds from long-term borrowings from related party	156,500	200,000	(10,000)
Cash paid for leasehold rights payable	-	-	-
<b>Net cash generated from financing activity</b>	<b>156,500</b>	<b>200,000</b>	<b>(10,000)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,036)</b>	<b>(28,456)</b>	<b>(138,868)</b>
Cash and cash equivalents at the beginning of the period	23,952	52,408	191,276
<b>Cash and cash equivalents at the end of the period</b>	<b>17,916</b>	<b>23,952</b>	<b>52,408</b>

## Financial Ratios

Consolidated financial statements	As at 31 December 2018		
	2018	2017 (Restated)	2016
<b>Liquidity Ratio</b>			
Current ratio	0.81	2.21	2.63
Quick ratio	0.57	0.63	1.22
Receivable turnover	3.57	4.98	13.60
Collection period (Days)	100.97	72.36	26.47
<b>Profitability ratio</b>			
Gross profit margin (%)	(1.73)	8.69	33.78
Operating profit margin (%)	(259.24)	(221.90)	(102.98)
Net profit margin (%)	(186.17)	(281.21)	(123.81)
Return on equity (%)	(10.05)	(8.55)	(3.92)
<b>Efficiency Ratio</b>			
Return on assets (%)	(8.05)	(7.50)	(3.61)
Total asset turnover	0.04	0.03	0.03
<b>Financial Policy Ratio</b>			
Debt to equity ratio	0.29	0.19	0.09
Loan to equity ratio	0.17	0.09	0.00

## Management Discussion and Analysis: MD&A

On 14 September 2015, the company started operating Metro West Town Project, the community shopping mall on Kalapapruek road. All 4 buildings of the project were on services. However, other projects of the subsidiary company are still under development.

The Company has prepared the consolidated and separate financial statements in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The historical cost convention has been applied except for being disclosed in the accounting policies in the Company's notes to financial statements as at 31 December 2018

The significant matters of financial status and operating results of the Company and its subsidiaries for the year ended 31 December 2018 are as follows:

#### Total assets

The Company and its subsidiaries had total assets of Baht 2,652.4 million in the year 2018, Baht 2,685.0 million in 2017 and Baht 2,658.6 million in 2016. Total assets in 2018 decreased from the year 2017, amounting to Baht 32.6 million or 1.2%. The changes were mainly from decrease in assets held for sale of Baht 94.6 million, increase in loans to related parties of Baht 122.9 million, decrease in investment properties and leasehold rights of Baht 60.2 million.

#### Total liabilities

The Company and its subsidiaries had total liabilities of Baht 622.4 million in the year 2018, Baht 440.2 million in 2017 and Baht 214.2 million in 2016. Total liabilities in 2018 increased from the year 2017, totally Baht 182.2 million or 41.4%. The changes were mainly from decrease in liabilities directly related to non-current assets held for sale Baht 12.0 million, increase in loans from related parties Baht 156.5 million and increase in rental payable Baht 20.3 million.

#### Total Equity

The Company and its subsidiaries had total equity Baht 2,030.0 million in 2018, Baht 2,244.8 million in 2017, and Baht 2,444.4 million in 2016. The decline in the year 2018 from 2017 amounted to Baht 214.7 million or 9.6% were caused by the company's operating losses.

#### Statement of comprehensive income

In the year 2018, the Company and its subsidiaries presented loss of Baht 214.7 million, with the loss of Baht 199.7 million in the year 2017 and loss of Baht 97.8 million in 2016. The loss for the year 2018 increased from the year 2017 by Baht 15.0 million or 7.5%

#### Revenues

In 2018, total revenues of the Company and its subsidiaries were Baht 115.3 million, with total revenues Baht 71.3 million in 2017 and Baht 79.0 million in 2016. The revenues in 2018 were comprised of rental and service income of Baht 26.3 million, building management service income of Baht 30.2 million, interest and other incomes of Baht 21.5 million and gain on sale of assets held for sale of Baht 37.4 million. Whilst in 2017, total revenues were comprised of rental and service income of Baht 28.6 million, building management service income of Baht 33.2 million, interest and other income Baht of 9.4 million. Comparing with year 2017, the total revenues of the year 2018 increased by Baht 44.1 million or 61.8%. The increase was partly due to gain on sale of assets held for sale of Baht 37.4 million.

#### Cost of sales, selling and administrative expenses

Total expenses of the Company and its subsidiaries were Baht 202.9 million in 2018, Baht 199.1 million in 2017 and Baht 163.5 million in 2016. The total expenses for the year 2018 consisted of the cost of rental and services in of Baht 50.7 million, cost of building management services of Baht 6.7 million, selling and administrative expenses of Baht 145.4 million. Comparing with the year 2017, there were cost of rental and services of Baht 50.2 million, cost of building management services of Baht 6.2 million, selling and administrative expenses of Baht 142.6 million. The total expenses of the year 2018 increased from the year 2017 by 3.8 million baht, representing 1.9%. The reasons were increase in cost of providing rental and building management services of Baht 1.0 million and increase in selling and administrative expenses of Baht 2.8 million.

#### Share of loss from joint venture

The Company recorded share of losses from the joint venture by equity method. In 2018, the Company recorded share of losses from joint ventures in the amount of Baht 94.6 million, Baht 62.9 million in the year 2017 and Baht 15.4 million in the year 2016. The share of losses of the year 2018 increased from the year 2017 by Baht 31.7 million or 50.4%.

#### Financial costs

Finance costs of the Company and subsidiaries in 2018 were Baht 17.2 million, comparing with Baht 5.6 million and Baht 0.5 million in the year 2017 and 2016, respectively. The increase of finance costs in 2018 from the year 2017 amounted to Baht 11.6 million or 208.5% was caused by loan borrowing for business expansion.

In addition, in the year 2018, the income tax of the Company and its subsidiaries were Baht 15.4 million, increased by Baht 11.3 million or 275.61% from the year 2017, due to greater operating profit of the Company (separated) of Baht 25.3 million.

#### Statement of Cash Flows

The Company and its subsidiaries have cash and cash equivalents amounting to Baht 17.9 million as of December 31, 2018, decreased by Baht 6.0 million when comparing with the balance of the year 2017. The decrease due to cash used in operating activities of Baht 64.6 million, net cash used in investment activities of Baht 97.9 million and net cash generated from financing activities of Baht 156.5 million. Whilst in 2017, cash and cash equivalents were Baht 23.9 million, decreased by 28.5 million from the year 2016, due to net cash used in operating activities of Baht 64.1 million, net cash used in investment activities of Baht 164.3 million and net cash generated from financing activities of Baht 200.0 million.

Investors can have more information from the annual registration statement (Form F56-1) of the company shown in [www.sec.or.th](http://www.sec.or.th)

## **Independent Auditor's Report**

To the shareholders and the Board of Directors of We Retail Public Company Limited

### **My opinion**

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

### **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of investment properties. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Valuation of investment properties</i></b></p> <p>Refer to note 2.7 accounting policy of investment properties and 2.10 accounting policy of impairment of assets, and note 13 investment properties - net, to the financial statements</p> <p>As at 31 December 2018, the Company had investment properties on leasehold, a community mall, valued at Baht 708 million, representing 27% of total assets.</p> <p>During the year, management assessed the fair value of investment properties according to the income approach by considering the present value of the future cash flows expected to be derived which carried out by independent appraiser. From the assessment, management recognised the additional impairment loss of Baht 10 million in the statement of comprehensive income for the year 2018.</p> <p>I've focussed on the valuation of the investment properties because the amount was significant to the consolidated financial statements and subject to management's judgements, including the key assumptions such the growth of the community mall business, the discount rate, and the estimates of the occupancy rate in determining the fair value of investment properties.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"><li>• assessed the competence, independent, objectivity and qualifications of the appraisers.</li><li>• evaluated the appraisal's valuation method used and the reasonableness of data used in estimates the present value of the future cash flows expected to be derived.</li><li>• challenged the management related to the reasonableness of key assumptions used for the valuation such the growth of the community mall business, the discount rate, and the estimates of the occupancy rate by comparing them to historical results and external sources.</li></ul> <p>From these procedures, I found that the valuation method used in determining the fair value of investment properties and the key assumptions used were reasonable and appropriate in light of the current circumstance.</p>



## **Other information**

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Chanchai Chaiprasit**

Certified Public Accountant (Thailand) No. 3760

Bangkok

18 February 2019

**WE RETAIL PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

**We Retail Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
			Restated		Restated
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	17,916,257	23,952,209	16,706,021	22,198,207
Trade and other receivables, net	9	24,212,041	19,321,064	347,929,748	274,278,042
Short-term loans to related party		-	-	1,189,992,000	1,143,492,000
Other current assets		17,982,337	15,433,442	17,982,232	15,433,391
Non-current assets held for sale	10	-	94,583,303	-	94,583,303
<b>Total current assets</b>		<b>60,110,635</b>	<b>153,290,018</b>	<b>1,572,610,001</b>	<b>1,549,984,943</b>
<b>Non-current assets</b>					
Investment in subsidiary	11	-	-	514,500,000	514,500,000
Investment in joint venture	12	-	-	50,000,000	12,500,000
Loan to related party, net	25.6	282,076,059	159,142,897	405,000,000	225,000,000
Investment properties, net	13	1,449,279,671	1,476,584,734	601,770,868	629,075,930
Leasehold rights, net	14	818,066,847	850,981,244	96,554,183	100,255,331
Building improvement and equipment, net	15	933,579	768,605	933,578	768,604
Deferred tax assets, net	16	40,399,462	41,619,016	6,258,894	7,478,448
Other non-current assets, net		1,569,814	2,583,838	1,504,812	2,518,838
<b>Total non-current assets</b>		<b>2,592,325,432</b>	<b>2,531,680,334</b>	<b>1,676,522,335</b>	<b>1,492,097,151</b>
<b>Total assets</b>		<b>2,652,436,067</b>	<b>2,684,970,352</b>	<b>3,249,132,336</b>	<b>3,042,082,094</b>

Director \_\_\_\_\_ Director \_\_\_\_\_

The accompanying notes are an integral part of these consolidated and separate financial statements.

**We Retail Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

		Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
	Notes		Restated		Restated
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	17	52,659,441	33,772,567	52,454,577	33,600,419
Creditors as per rehabilitation plan	18	6,811,829	6,811,829	6,811,829	6,811,829
Deposits and cash received in advance		11,209,216	13,301,140	11,209,216	13,301,140
Income tax payable		2,009,222	1,877,897	2,009,222	1,877,897
Liabilities included with assets classified as held for sale	10	-	11,959,070	-	11,959,070
Other current liabilities		1,553,155	1,506,570	1,231,518	1,184,932
<b>Total current liabilities</b>		<b>74,242,863</b>	<b>69,229,073</b>	<b>73,716,362</b>	<b>68,735,287</b>
<b>Non-current liabilities</b>					
Long-term borrowings from related party	25.8	356,500,000	200,000,000	356,500,000	200,000,000
Accrued land rental expenses		189,041,125	168,736,922	11,514,709	10,428,267
Employee benefit obligations	19	2,632,734	2,236,743	2,534,123	2,138,132
<b>Total non-current liabilities</b>		<b>548,173,859</b>	<b>370,973,665</b>	<b>370,548,832</b>	<b>212,566,399</b>
<b>Total liabilities</b>		<b>622,416,722</b>	<b>440,202,738</b>	<b>444,265,194</b>	<b>281,301,686</b>
<b>Equity</b>					
Share capital					
Registered					
4,535,071,428 ordinary shares of par Baht 1.05 each	20	4,761,824,999	4,761,824,999	4,761,824,999	4,761,824,999
Issued and fully paid-up					
2,490,585,084 ordinary shares of paid-up Baht 1.05 each	20	2,615,114,338	2,615,114,338	2,615,114,338	2,615,114,338
Premium on paid-up capital	20	61,152,469	61,152,469	61,152,469	61,152,469
Adjustment of share capital					
from reverse acquisition	20	65,335,309	65,335,309	-	-
Retained earnings (deficit)					
Appropriated - Legal reserve	21	6,520,000	4,310,000	6,520,000	4,310,000
Unappropriated		(718,864,205)	(501,905,936)	121,318,901	79,442,167
Other components of equity		761,434	761,434	761,434	761,434
<b>Total equity</b>		<b>2,030,019,345</b>	<b>2,244,767,614</b>	<b>2,804,867,142</b>	<b>2,760,780,408</b>
<b>Total liabilities and equity</b>		<b>2,652,436,067</b>	<b>2,684,970,352</b>	<b>3,249,132,336</b>	<b>3,042,082,094</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

**We Retail Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2018**

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht Restated	Baht	Baht Restated
<b>Revenues</b>					
Revenues from rental and services		26,310,790	28,645,261	26,310,790	28,645,261
Revenues from building management services		30,176,762	33,191,229	30,176,762	33,191,229
<b>Total revenues</b>		56,487,552	61,836,490	56,487,552	61,836,490
<b>Cost</b>					
Cost of rental and services		(50,743,912)	(50,216,386)	(50,743,912)	(50,216,386)
Cost or building management services		(6,722,668)	(6,248,688)	(6,722,668)	(6,248,688)
<b>Total cost</b>		(57,466,580)	(56,465,074)	(57,466,580)	(56,465,074)
<b>Gross profit</b>		(979,028)	5,371,416	(979,028)	5,371,416
Interest income		21,279,428	9,235,846	90,031,396	68,569,113
Other income		205,127	197,402	109,784	184,401
Gains (losses) on sale of investments classified as assets held for sale		37,375,766	-	37,375,766	-
Selling expenses		(3,068,364)	(3,708,464)	(3,068,364)	(3,708,464)
Administrative expenses		(142,391,618)	(138,879,356)	(46,780,078)	(41,902,621)
Finance costs		(17,237,275)	(5,586,757)	(17,237,275)	(5,586,757)
Share of loss from investment in joint venture	12	(94,566,838)	(62,920,713)	-	-
<b>Profit (loss) before income tax</b>		(199,382,802)	(196,290,626)	59,452,201	22,927,088
Income tax	23	(15,365,467)	(4,127,308)	(15,365,467)	(4,127,308)
<b>Profit (loss) for the year</b>		(214,748,269)	(200,417,934)	44,086,734	18,799,780
<b>Other comprehensive income (expense):</b>					
Items that will not be reclassified to profit or loss					
to profit or loss					
Actuarial gain	19	-	951,793	-	951,793
Income tax relating to items that will not be reclassified	23	-	(190,359)	-	(190,359)
<b>Other comprehensive income for the year, net of tax</b>		-	761,434	-	761,434
<b>Total comprehensive income (expense) for the year</b>		<u>(214,748,269)</u>	<u>(199,656,500)</u>	<u>44,086,734</u>	<u>19,561,214</u>
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share (Baht)	24	<u>(0.0862)</u>	<u>(0.0805)</u>	<u>0.0177</u>	<u>0.0075</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

We Retail Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2018

Consolidated financial statements								
Note	Issued and paid-up share capital Baht	Share premium Baht	Adjustment of share capital from reverse acquisition Baht	Deficit		Other components of equity		Total equity Baht
				Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income Acturial gain Baht	Total other components of equity Baht	
<b>Opening balance at 1 January 2017</b>	2,615,114,338	61,152,469	65,335,309	3,310,000	(300,488,002)	-	-	2,444,424,114
<b>Changes in equity for the year</b>								
Legal reserve	21	-	-	-	1,000,000	(1,000,000)	-	-
Total comprehensive expenses for the year		-	-	-	(200,417,934)	761,434	761,434	(199,656,500)
<b>Closing balance at 31 December 2017</b>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>65,335,309</u>	<u>4,310,000</u>	<u>(501,905,936)</u>	<u>761,434</u>	<u>761,434</u>	<u>2,244,767,614</u>
<b>Opening balance at 1 January 2018</b>	2,615,114,338	61,152,469	65,335,309	4,310,000	(501,905,936)	761,434	761,434	2,244,767,614
<b>Changes in equity for the year</b>								
Legal reserve	21	-	-	-	2,210,000	(2,210,000)	-	-
Total comprehensive expenses for the year		-	-	-	(214,748,269)	-	-	(214,748,269)
<b>Closing balance at 31 December 2018</b>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>65,335,309</u>	<u>6,520,000</u>	<u>(718,864,205)</u>	<u>761,434</u>	<u>761,434</u>	<u>2,030,019,345</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

**We Retail Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2018**

Separate financial statements							
Note	Issued and paid-up share capital Baht	Share premium Baht	Ratained earnings		Other components of equity		Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	Other comprehensive income	Total other components of equity	
					Acturial gain Baht	equity Baht	
<b>Opening balance at 1 January 2017</b>	2,615,114,338	61,152,469	3,310,000	61,642,387	-	-	2,741,219,194
<b>Changes in equity for the year</b>							
Legal reserve	21	-	-	1,000,000	(1,000,000)	-	-
Total comprehensive income for the year		-	-	18,799,780	761,434	761,434	19,561,214
<b>Closing balance at 31 December 2017</b>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>4,310,000</u>	<u>79,442,167</u>	<u>761,434</u>	<u>761,434</u>	<u>2,760,780,408</u>
<b>Opening balance at 1 January 2018</b>	2,615,114,338	61,152,469	4,310,000	79,442,167	761,434	761,434	2,760,780,408
<b>Changes in equity for the year</b>							
Legal reserve	21		2,210,000	(2,210,000)	-	-	-
Total comprehensive income for the year				44,086,734	-	-	44,086,734
<b>Closing balance at 31 December 2018</b>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>6,520,000</u>	<u>121,318,901</u>	<u>761,434</u>	<u>761,434</u>	<u>2,804,867,142</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.



**We Retail Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Notes		Restated			Restated
<b>Cash flows from operating activities</b>					
Profit (Loss) before income tax expense		(199,382,802)	(196,290,626)	59,452,201	22,927,088
Adjustments for:					
Allowance for doubtful accounts		6,090,739	9,442,698	6,090,740	8,370,199
Bad debt		(6,359,382)	-	(6,359,382)	-
Depreciation		17,577,353	17,200,484	17,577,352	17,200,484
Amortisation of leasehold rights	14	32,914,397	34,909,132	3,701,148	5,695,884
Allowance for impairment loss on investment properties	13	10,000,000	-	10,000,000	-
Gain on sale of assets held for sale		(37,375,767)	-	(37,375,767)	-
Loss on sales of investment properties		-	83,648	-	-
Land rental		20,304,203	22,316,706	1,086,442	3,084,330
Share of losses from investment in joint venture	12	94,566,838	62,920,713	-	-
Employee benefit expenses	19	395,991	851,422	395,991	851,422
Interest income		(21,279,428)	(9,235,846)	(90,031,397)	(68,569,113)
Finance costs		17,237,275	5,586,757	17,237,275	5,586,757
		(65,310,583)	(52,214,912)	(18,225,397)	(4,852,949)
<b>Changes in operating assets and liabilities</b>					
Trade and other receivables		2,435,884	(6,286,820)	2,432,566	(6,396,836)
Other current assets		(2,548,895)	(2,121,365)	(2,548,841)	(2,011,802)
Other non-current assets		1,014,024	199,625	1,014,026	199,625
Trade and other payables		1,649,599	4,566,925	1,616,883	4,582,227
Deposits and cash received in advance		(2,091,924)	(1,118,387)	(2,091,924)	(1,118,387)
Other current liabilities		46,585	(741,254)	46,586	(739,229)
Cash used in operations		(64,805,310)	(57,716,188)	(17,756,101)	(10,337,351)
Income tax paid		(14,014,587)	(9,306,383)	(14,014,588)	(9,306,383)
Interest income		14,221,209	2,876,257	14,215,767	2,871,145
<b>Net cash used in operating activities</b>		(64,598,688)	(64,146,314)	(17,554,922)	(16,772,589)

The accompanying notes are an integral part of these consolidated and separate financial statements.

**We Retail Public Company Limited**  
**Statement of Cash Flows (Cont'd)**  
**For the year ended 31 December 2018**

		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
	Notes		Restated		Restated
<b>Cash flows from investing activities</b>					
Proceeds from sale of assets held for sale		120,000,000	-	120,000,000	-
Payments for purchases of building improvement and equipment		(437,264)	(375,755)	(437,264)	(375,755)
Proceeds from sale of investment properties		-	1,066,352	-	-
Payments for investment in joint venture	12	(37,500,000)	-	(37,500,000)	-
Payments for short-term loans to related parties	25.5	-	(165,000,000)	(46,500,000)	(212,000,000)
Payments for loans to related parties	25.6	(180,000,000)	-	(180,000,000)	-
<b>Net cash used in investing activities</b>		<b>(97,937,264)</b>	<b>(164,309,403)</b>	<b>(144,437,264)</b>	<b>(212,375,755)</b>
<b>Cash flows from financing activity</b>					
Proceeds from long-term borrowings from related party	25.8	156,500,000	200,000,000	156,500,000	200,000,000
<b>Net cash generated from financing activity</b>		<b>156,500,000</b>	<b>200,000,000</b>	<b>156,500,000</b>	<b>200,000,000</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,035,952)</b>	<b>(28,455,717)</b>	<b>(5,492,186)</b>	<b>(29,148,344)</b>
Cash and cash equivalents at the beginning of the period		23,952,209	52,407,926	22,198,207	51,346,551
<b>Cash and cash equivalents at the end of the period</b>		<b>17,916,257</b>	<b>23,952,209</b>	<b>16,706,021</b>	<b>22,198,207</b>
<b>Non-cash transactions</b>					
Significant non-cash transactions during the year ended 31 December are as follows:					
Transfer investment properties to non-current assets held for sale		-	41,390,473	-	41,390,473
Transfer leasehold rights to non-current assets held for sale		-	53,192,830	-	53,192,830
Transfer accrued land rental expenses to liabilities included with assets classified as held for sale		-	11,959,070	-	11,959,070

The accompanying notes are an integral part of these consolidated and separate financial statements.

## **1 General information**

We Retail Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The parent company of the Group is Property Perfect Public Company Limited. The Group is principally engaged in the property development, shopping mall and commercial areas and building management services. The address of the Company’s registered office is as follows:

100/1 Vorasombat Building, 17th Floor, Rama 9 Road, Huaykwang, Bangkok.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

This consolidated and separate financial statements was authorised by the Board of Directors on 18 February 2019.

## **2 Accounting policies**

The principal of accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investments and investment property at fair value, which is explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### **2.2 New financial reporting standards, revised accounting standards, revised financial reporting standards, and related interpretations (collectively called financial reporting standards)**

The Group has applied the new and revised financial reporting standards effective on 1 January 2018 which are relevant to the Group. The application has no material impact to the Group.

The Group has not yet applied the revised financial reporting standards effective on 1 January 2019 which are relevant to the Group. These revised financial reporting standards have no material impact to the Group.

**2 Accounting policies (Cont'd)**

**2.3 Group Accounting - Investments in subsidiaries and joint arrangements**

**(1) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(2) Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

**2 Accounting policies (Cont'd)**

**2.3 Group Accounting - Investments in subsidiaries and joint arrangements (Cont'd)**

**(3) Accounting under equity method**

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in joint venture includes goodwill identified on acquisition.

If the ownership interest in joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduction of the ownership interest in joint ventures is recognised in profit or loss.

The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in joint ventures equals or exceeds its interest in the joint ventures, together with any long-term interests that, in substance, form part of the Group's net investment in the joint ventures. For example, an item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, an extension of the Group's investment in that joint venture. Such items may include preference shares and long-term receivables or loans. Losses recognised using the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the Group's interest in a joint venture in the reverse order of their seniority. The Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(4) Separate financial statement**

In the separate financial statements, investments in subsidiaries and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

**2.4 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**2.5 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and are recognised as administrative expenses in profit or loss.

## **2 Accounting policies (Cont'd)**

### **2.6 Non-current assets held-for-sale**

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

### **2.7 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	30 years
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### **2.8 Building improvement and equipment**

Building improvement and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives as follows:

Building improvements	5 years
Fixtures and office equipment	5 years
Vehicle	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains - net' in profit or loss.

### **2.9 Leasehold right**

Expenditure on acquired leasehold right is capitalised and amortised using the straight line method over the lease period, generally over 26 - 30 years

## **2 Accounting policies (Cont'd)**

### **2.10 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **2.11 Leases**

#### **Leases - where the Group is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

#### **Leases - where the Group is the lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **2.12 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

## **2 Accounting policies (Cont'd)**

### **2.13 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **2.14 Employee benefits**

#### **Post-employment**

The Group operate various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

#### **2.14.1 Defined contribution**

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



## **2 Accounting policies (Cont'd)**

### **2.14 Employee benefits (Cont'd)**

#### **2.14.2 Retirement benefits**

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using 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 to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

### **2.15 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.16 Share capital**

Ordinary shares with discretionary dividends are classified as equity.

### **2.17 Revenue recognition**

#### **Rental and related service income**

Revenue comprises the value of the consideration received or receivable for the service net of output tax, returns, rebates and discounts. Revenue from leases is recognised on a straight-line basis over the lease term. Revenue from services is recognised when service is rendered.

#### **Other income**

Other income is recognised on an accrual basis. Interest income is recognised using the effective interest method.

### **2.18 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

### **3 Financial risk management**

#### **3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. The Group finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

#### **3.2 Fair value estimation**

The fair values of the financial assets and liabilities are disclosed in relevant notes.

##### **1) Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

##### **2) Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

##### **3) Financial instruments in level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no transfers between levels 1 and 2 during the year.

#### **4 Reclassifications**

During the year, the Group made the reclassification in presentation to be more conformable to nature of accounts. Comparative figures have been reclassified to conform with the current period as follows:

	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	<b>Reclassifications</b>			<b>Reclassifications</b>		
	<b>As previously presented Baht</b>	<b>Increase (Decrease) Baht</b>	<b>After reclassification Baht</b>	<b>As previously presented Baht</b>	<b>Increase (Decrease) Baht</b>	<b>After reclassification Baht</b>
<b>Statement of Financial Position as at 31 December 2017</b>						
Trade and other receivables, net	17,399,223	1,921,841	19,321,064	272,382,310	1,895,732	274,278,042
Short-term loans to related party	225,000,000	(225,000,000)	-	1,368,492,000	(225,000,000)	1,143,492,000
Other current assets	17,355,283	(1,921,841)	15,433,442	17,329,123	(1,895,732)	15,433,391
Loans to related party, net	-	159,142,897	159,142,897	-	225,000,000	225,000,000
Trade and other payables	99,629,670	(65,857,103)	33,772,567	33,600,419	-	33,600,419
<b>Statement of Comprehensive Income for the year then ended 31 December 2017</b>						
Cost of rental and services	-	6,248,688	6,248,688	-	6,248,688	6,248,688
Administrative expenses	145,128,044	(6,248,688)	138,879,356	48,151,309	(6,248,688)	41,902,621

## **5 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **5.1 Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. 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.

#### **Retirement benefits**

The present value of the retirement benefits obligations 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 retirement benefits obligation.

The Group determines 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 retirement benefits obligations. In determining the appropriate discount rate, the Group considers 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 retirement benefits liability.

Additional information of other key assumptions for retirement benefits obligations other is disclosed in note 19.

### **5.2 Critical judgements in applying the entity's accounting policies**

#### **Joint arrangements**

The Group holds 50% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is Group required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a joint venture.

## **6 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

## **7 Segment information**

The Group reported operating segments in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

The Group is principally engaged in the property development business in the segment of shopping mall and commercial areas and building management services. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

The Group's revenues between segments are carried out at arm's length. The revenue from external parties reported to the Board of Director is measured in a manner consistent with that in the income statement.

## **8 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Cash on hand	30,000	30,000	20,000	20,000
Cash at bank	17,886,257	23,922,209	16,686,021	22,178,207
Total cash and cash equivalents	17,916,257	23,952,209	16,706,021	22,198,207

## **9 Trade and other receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht Restated</b>	<b>2018 Baht</b>	<b>2017 Baht Restated</b>
Trade accounts receivable	14,944,086	16,742,119	14,944,086	16,742,119
<u>Less</u> Allowance for doubtful accounts	(11,392,036)	(11,660,679)	(11,392,036)	(11,660,679)
Trade accounts receivable, net	3,552,050	5,081,440	3,552,050	5,081,440
Amount due from related parties	2,599,615	2,978,993	2,595,179	2,975,603
Accrued interest income - related parties	14,609,589	7,551,370	338,353,477	262,537,847
Accrued income	1,206,817	1,787,420	1,206,817	1,787,420
Prepaid expense	2,201,716	1,887,804	2,179,971	1,861,695
Other receivables	42,254	34,037	42,254	34,037
Total trade and other receivables, net	24,212,041	19,321,064	347,929,748	274,278,042

During 2018, the Group recognised bad debt in consolidated and separate financial information amounting to Baht 6.36 million (2017: nil).

**9 Trade and other receivables, net (Cont'd)**

Outstanding trade accounts receivable can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current	761,264	762,879	761,264	762,879
Overdue				
Up to 3 months	2,003,520	3,458,020	2,003,520	3,458,020
3 - 6 months	1,610,875	3,091,843	1,610,875	3,091,843
6 - 12 months	2,822,403	4,576,021	2,822,403	4,576,021
Over 12 months	7,746,024	4,853,356	7,746,024	4,853,356
Total trade accounts receivable	14,944,086	16,742,119	14,944,086	16,742,119
<u>Less</u> Allowance for doubtful account	(11,392,036)	(11,660,679)	(11,392,036)	(11,660,679)
Trade accounts receivable, net	<u>3,552,050</u>	<u>5,081,440</u>	<u>3,552,050</u>	<u>5,081,440</u>

Outstanding amounts due from related parties can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current	2,595,179	2,912,893	2,595,179	2,912,893
Overdue				
Up to 3 months	4,436	66,100	-	62,710
Total amounts due from related parties	<u>2,599,615</u>	<u>2,978,993</u>	<u>2,595,179</u>	<u>2,975,603</u>

**10 Non-current assets held for sale**

On 30 January 2018, the extraordinary general meeting of shareholders passed a resolution approving the cancellation of a land lease agreement with a related party. As of 31 December 2017, the Company classified the assets and liabilities related to that land lease agreement as a group of assets held for sale and separately presented them under the captions of 'Non-current assets classified as held for sale' and 'Liabilities included with assets held for sale.'

Subsequently, the Company completed the registration of this cancellation on 13 February 2018 and received Baht 120 million on the same date, which resulted in a zero balance of assets held for sale as of 31 December 2018, the details of which are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Non-current assets classified as held for sale:</b>				
Investment property	-	41,390,473	-	41,390,473
Leasehold right	-	53,192,830	-	53,192,830
Total	<u>-</u>	<u>94,583,303</u>	<u>-</u>	<u>94,583,303</u>
<b>Liabilities included with assets classified as held for sale:</b>				
Accrued land rental expenses	-	11,959,070	-	11,959,070
Total	<u>-</u>	<u>11,959,070</u>	<u>-</u>	<u>11,959,070</u>

## 11 Investment in subsidiary

The Group comprises the subsidiary listed below as at 31 December. A subsidiary included in the consolidation and has share capital consisting solely of ordinary shares, that are held directly by the Group.

	Country of incorporation	Nature of business	Percentage of ownership held by the Group		Percentage of ownership held by the Company		Separate financial statements	
			2018 Percentage	2017 Percentage	2018 Percentage	2017 Percentage	Cost method	
							2018 Baht	2017 Baht
<u>Subsidiaries directly owned by the Company</u>								
Centrepont Shopping Mall Company Limited	Thailand	Property development in the segment of shopping mall and commercial areas	-	-	100.00	100.00	514,500,000	514,500,000

The Group has no movement in investment in a subsidiary during the year ended 31 December 2018 and 2017.

## 12 Investment in joint venture

The Group comprises the joint venture listed below as at 31 December. A joint venture has share capital consisting solely of ordinary shares, that are held directly by the Group.

	Country of incorporation	Nature of business	Percentage of ownership held by the Group		Percentage of ownership held by the Company		Voting power of the Group/Company		Consolidated financial statements		Separate financial statements	
			2018 Percentage	2017 Percentage	2018 Percentage	2017 Percentage	2018 Percentage	2017 Percentage	Equity method		Cost method	
									2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b><u>Jointly controlled entity</u></b>												
All Discount Company Limited	Thailand	Retail business	50.00	50.00	50.00	50.00	50.00	50.00	-	-	50,000,000	12,500,000

All Discount Company Limited is a private company and there is no quoted market price available for its shares.

During the year, All Discount Co., Ltd. called up the remaining 75% of the share price, totalling Baht 37.50 million. As a result, the investment in All Discount Co., Ltd. as at 31 December 2018, which is fully paid up, was Baht 50 million, representing 50% of the total share capital of Baht 100 million.

The Group recognised its share of loss of joint venture using the equity method during year ended 31 December 2018 amounting to Baht 94.57 million (2017: Baht 62.92 million). The Group recognised its share of loss until the carrying amount of investment in joint venture is reduced to zero and recognised loss exceeding the investment in joint venture to loans to related party as a part of net investment in joint venture amounting to Baht 57.07 million (note 25.6). As of 31 December 2018, the Group has cumulated share of loss from investment in joint venture recognised in loans to related party amounting to Baht 122.92 million (31 December 2017: Baht 65.86 million).



**12 Investment in joint venture (Cont'd)**

The movements of investment in a joint ventures during the year ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Opening book amount	-	-	12,500,000	12,500,000
Additions	37,500,000	-	37,500,000	-
Share of loss from investment in joint venture	(37,500,000)	-	-	-
Closing book amount	-	-	50,000,000	12,500,000

The movements of interest in joint venture recognised in loans to related party during the year ended 31 December are as follows:

	<b>Consolidated financial information</b>	
	<b>Baht</b>	<b>Baht</b>
Opening book amount	(65,857,103)	(2,936,390)
Additions	37,500,000	-
Share of loss from investment in joint venture	(94,566,838)	(62,920,713)
Closing book amount	(122,923,941)	(65,857,103)

There are no contingent liabilities relating to the Group's interest in the joint venture.

**Summarised financial information for joint venture**

Set out below are the summarised financial information for the joint venture that is material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint venture (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

**Summarised statement of financial position**

	<b>All Discount Company Limited As at 31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
<b>Current assets</b>		
Cash and cash equivalents	3,253,081	10,190,249
Other current assets (excluding cash)	125,565,993	73,616,619
Total current assets	128,819,074	83,806,868
<b>Non-current assets</b>		
Non-current assets	149,502,588	56,676,369
Total non-current assets	149,502,588	56,676,369
<b>Current liabilities</b>		
Financial liabilities	(431,056,215)	(225,000,000)
Other current liabilities (including trade payables)	(92,456,358)	(46,868,957)
Total current liabilities	(523,512,573)	(46,868,957)
<b>Non-current liabilities</b>		
Other liabilities	(656,971)	(328,486)
Total non-current liabilities	(656,971)	(328,486)
<b>Net assets</b>	<b>(245,847,882)</b>	<b>(131,714,206)</b>

**12 Investment in a joint venture (Cont'd)**

**Summarised financial information for joint venture (Cont'd)**

**Summarised statement of comprehensive income**

	<b>All Discount Company Limited</b>	
	<b>As at 31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
Revenue	356,637,560	96,996,567
Cost of sale	(408,576,411)	(135,240,755)
Other income	1,572,877	337,100
Administrative expenses	(112,179,985)	(72,078,228)
Selling expenses	(4,665,474)	(6,260,651)
Interest expense	(21,922,243)	(9,174,658)
Loss before income tax	(189,133,676)	(125,420,625)
Income tax	-	-
<b>Loss for the year</b>	<b>(189,133,676)</b>	<b>(125,420,625)</b>

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint venture

	<b>All Discount Company Limited</b>	
	<b>As at 31 December</b>	
	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>
Opening net assets	(131,714,206)	(6,293,581)
Loss during the year	(189,133,676)	(125,420,625)
Paid-up stock	75,000,000	-
Closing net assets	(245,847,882)	(131,714,206)
Interest in joint venture (50%)	(122,923,941)	(65,857,103)
Cumulative loss exceeding the investment in joint venture (Note 25.6)	(122,923,941)	(65,857,103)
<b>Carrying value</b>	<b>-</b>	<b>-</b>

13 Investment properties, net

	Consolidated financial statements				Separate financial statements			
	Land Baht	Buildings Baht	Construction in progress Baht	Total Baht	Land Baht	Buildings Baht	Construction in progress Baht	Total Baht
<b>At 1 January 2017</b>								
Cost	168,333,182	513,260,025	890,049,276	1,571,642,483	168,333,182	513,260,025	41,390,474	722,983,681
<u>Less</u> Accumulated depreciation	-	(24,119,067)	-	(24,119,067)	-	(24,119,067)	-	(24,119,067)
<u>Less</u> Allowance for impairment	-	(11,500,000)	-	(11,500,000)	-	(11,500,000)	-	(11,500,000)
Net book amount	<u>168,333,182</u>	<u>477,640,958</u>	<u>890,049,276</u>	<u>1,536,023,416</u>	<u>168,333,182</u>	<u>477,640,958</u>	<u>41,390,474</u>	<u>687,364,614</u>
<b>Year ended 31 December 2017</b>								
Opening net book amount	168,333,182	477,640,958	890,049,276	1,536,023,416	168,333,182	477,640,958	41,390,474	687,364,614
Depreciation charge	-	(16,898,209)	-	(16,898,209)	-	(16,898,210)	-	(16,898,210)
Classified as assets held for sale (Note 10)	-	-	(41,390,474)	(41,390,474)	-	-	(41,390,474)	(41,390,474)
Write-off and disposals, net	-	-	(1,149,999)	(1,149,999)	-	-	-	-
Closing net book amount	<u>168,333,182</u>	<u>460,742,749</u>	<u>847,508,803</u>	<u>1,476,584,734</u>	<u>168,333,182</u>	<u>460,742,748</u>	<u>-</u>	<u>629,075,930</u>
<b>At 31 December 2017</b>								
Cost	168,333,182	513,260,025	847,508,803	1,529,102,010	168,333,182	513,260,025	-	681,593,207
<u>Less</u> Accumulated depreciation	-	(41,017,276)	-	(41,017,276)	-	(41,017,277)	-	(41,017,277)
<u>Less</u> Allowance for impairment	-	(11,500,000)	-	(11,500,000)	-	(11,500,000)	-	(11,500,000)
Net book amount	<u>168,333,182</u>	<u>460,742,749</u>	<u>847,508,803</u>	<u>1,476,584,734</u>	<u>168,333,182</u>	<u>460,742,748</u>	<u>-</u>	<u>629,075,930</u>

**13 Investment properties, net (Cont'd)**

	Consolidated financial statements				Separate financial statements			
	Land Baht	Buildings Baht	Construction in progress Baht	Total Baht	Land Baht	Buildings Baht	Construction in progress Baht	Total Baht
<b>At 1 January 2018</b>								
Cost	168,333,182	513,260,025	847,508,803	1,529,102,010	168,333,182	513,260,025	-	681,593,207
<u>Less</u> Accumulated depreciation	-	(41,017,276)	-	(41,017,276)	-	(41,017,277)	-	(41,017,277)
<u>Less</u> Allowance for impairment	-	(11,500,000)	-	(11,500,000)	-	(11,500,000)	-	(11,500,000)
Net book amount	<u>168,333,182</u>	<u>460,742,749</u>	<u>847,508,803</u>	<u>1,476,584,734</u>	<u>168,333,182</u>	<u>460,742,748</u>	<u>-</u>	<u>629,075,930</u>
<b>Year ended 31 December 2018</b>								
Opening net book amount	168,333,182	460,742,749	847,508,803	1,476,584,734	168,333,182	460,742,748	-	629,075,930
Depreciation charge	-	(17,305,063)	-	(17,305,063)	-	(17,305,062)	-	(17,305,062)
Impairment charge	-	(10,000,000)	-	(10,000,000)	-	(10,000,000)	-	(10,000,000)
Closing net book amount	<u>168,333,182</u>	<u>433,437,686</u>	<u>847,508,803</u>	<u>1,449,279,671</u>	<u>168,333,182</u>	<u>433,437,686</u>	<u>-</u>	<u>601,770,868</u>
<b>At 31 December 2018</b>								
Cost	168,333,182	513,260,025	847,508,803	1,529,102,010	168,333,182	513,260,025	-	681,593,207
<u>Less</u> Accumulated depreciation	-	(58,322,339)	-	(58,322,339)	-	(58,322,339)	-	(58,322,339)
<u>Less</u> Allowance for impairment	-	(21,500,000)	-	(21,500,000)	-	(21,500,000)	-	(21,500,000)
Net book amount	<u>168,333,182</u>	<u>433,437,686</u>	<u>847,508,803</u>	<u>1,449,279,671</u>	<u>168,333,182</u>	<u>433,437,686</u>	<u>-</u>	<u>601,770,868</u>

**13 Investment properties, net (Cont'd)**

The fair values of investment properties are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Investment properties which are ready-to-use and in-use	693,000,000	750,000,000	693,000,000	750,000,000
	<u>693,000,000</u>	<u>750,000,000</u>	<u>693,000,000</u>	<u>750,000,000</u>

The fair values of investment properties which are ready-to-use and in-use are within level 3 of the fair value hierarchy which uses significant unobservable inputs.

Management assessed the fair value of investment properties according to the income approach by an independent professionally qualified appraiser by considering the present value of the future cash flows expected to be derived from cash-generating units, which refers to ready-to-use and in-use investment properties, as well as leasehold rights. Key assumptions used in the valuation include business growth in the industry, discount rates, and occupancy rates. Apart from the appraisal, the Group recognised a loss of Baht 10 million from setting up the allowance for impairment in the consolidated statement of comprehensive income for the year 2018.

The Group expects to reliably measure the fair values of investment properties under construction when the construction is completed. Management considered that the fair values of these assets corresponded with their net book value.

There were no changes to the valuation techniques during the year.

Amounts recognised in profit or loss that are related to investment property are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Rental and service income	26,310,790	28,645,261	26,310,790	28,645,261
Direct operating expense arise from investment property that generated rental income	50,743,912	50,216,386	50,743,912	50,216,386
Direct operating expense arise from investment property that did not generate rental income	95,132,177	101,999,801	-	6,867,624

The future aggregate minimum lease income under non-cancellable operating leases are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Not later than 1 year	5,257,010	8,316,796	5,257,010	8,316,796
Later than 1 year but not later than 4 years	4,375,118	7,406,765	4,375,118	7,406,765
Total	<u>9,632,128</u>	<u>15,723,561</u>	<u>9,632,128</u>	<u>15,723,561</u>

**14 Leasehold rights, net**

The movements of leasehold right, net during the year ended 31 December are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening net book amount - net	850,981,244	939,083,207	100,255,331	159,144,045
Amortisation charge	(32,914,397)	(88,101,963)	(3,701,148)	(58,888,714)
Closing net book amount - net	<u>818,066,847</u>	<u>850,981,244</u>	<u>96,554,183</u>	<u>100,255,331</u>

15 Building improvement and equipment, net

	Consolidated financial statements				Separate financial statements			
	Building improvements Baht	Fixtures and office equipment Baht	Vehicle Baht	Total Baht	Building improvements Baht	Fixtures and office equipment Baht	Vehicle Baht	Total Baht
<b>At 1 January 2017</b>								
Cost	518,570	1,420,525	4,900,000	6,839,095	518,570	1,420,525	-	1,939,095
<u>Less</u> Accumulated depreciation	(454,991)	(788,980)	(4,899,999)	(6,143,970)	(454,991)	(788,980)	-	(1,243,971)
Net book amount	<u>63,579</u>	<u>631,545</u>	<u>1</u>	<u>695,125</u>	<u>63,579</u>	<u>631,545</u>	<u>-</u>	<u>695,124</u>
<b>For the year ended 31 December 2017</b>								
Opening net book amount	63,579	631,545	1	695,125	63,579	631,545	-	695,124
Additions	195,500	180,255	-	375,755	195,500	180,255	-	375,755
Depreciation charge	(87,619)	(214,656)	-	(302,275)	(87,619)	(214,656)	-	(302,275)
Closing net book amount	<u>171,460</u>	<u>597,144</u>	<u>1</u>	<u>768,605</u>	<u>171,460</u>	<u>597,144</u>	<u>-</u>	<u>768,604</u>
<b>At 31 December 2017</b>								
Cost	714,070	1,600,780	4,900,000	7,214,850	714,070	1,600,780	-	2,314,850
<u>Less</u> Accumulated depreciation	(542,610)	(1,003,636)	(4,899,999)	(6,446,245)	(542,610)	(1,003,636)	-	(1,546,246)
Closing net book amount	<u>171,460</u>	<u>597,144</u>	<u>1</u>	<u>768,605</u>	<u>171,460</u>	<u>597,144</u>	<u>-</u>	<u>768,604</u>

15 Building improvement and equipment, net (Cont'd)

	Consolidated financial statements				Separate financial statements			
	Building improvements Baht	Fixtures and office equipment Baht	Vehicle Baht	Total Baht	Building improvements Baht	Fixtures and office equipment Baht	Vehicle Baht	Total Baht
<b>At 1 January 2018</b>								
Cost	714,070	1,600,780	4,900,000	7,214,850	714,070	1,600,780	-	2,314,850
Less Accumulated depreciation	(542,610)	(1,003,636)	(4,899,999)	(6,446,245)	(542,610)	(1,003,636)	-	(1,546,246)
Net book amount	<u>171,460</u>	<u>597,144</u>	<u>1</u>	<u>768,605</u>	<u>171,460</u>	<u>597,144</u>	<u>-</u>	<u>768,604</u>
<b>For the year ended 31 December 2018</b>								
Opening net book amount	171,460	597,144	1	768,605	171,460	597,144	-	768,604
Additions	19,491	417,773	-	437,264	19,491	417,773	-	437,264
Depreciation charge	(47,748)	(224,542)	-	(272,290)	(47,748)	(224,542)	-	(272,290)
Closing net book amount	<u>143,203</u>	<u>790,375</u>	<u>1</u>	<u>933,579</u>	<u>143,203</u>	<u>790,375</u>	<u>-</u>	<u>933,578</u>
<b>At 31 December 2018</b>								
Cost	733,561	2,018,553	4,900,000	7,652,114	733,561	2,018,553	-	2,752,114
Less Accumulated depreciation	(590,358)	(1,228,178)	(4,899,999)	(6,718,535)	(590,358)	(1,228,178)	-	(1,818,536)
Closing net book amount	<u>143,203</u>	<u>790,375</u>	<u>1</u>	<u>933,579</u>	<u>143,203</u>	<u>790,375</u>	<u>-</u>	<u>933,578</u>



**16 Deferred income taxes**

Deferred income tax presented in the statements of financial position comprised of:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Deferred income tax assets:</b>				
Deferred income tax asset to be recovered within 12 months	3,218,774	8,368,071	3,218,774	8,368,071
Deferred income tax asset to be recovered within 12 months	38,947,393	36,977,182	4,806,825	2,836,614
	<u>42,166,167</u>	<u>45,345,253</u>	<u>8,025,599</u>	<u>11,204,685</u>
<b>Deferred income tax liabilities:</b>				
Deferred income tax liabilities to be settled within 12 months	(411,137)	(2,317,016)	(411,137)	(2,317,016)
Deferred income tax liability to be settled after more than 12 months	(1,355,568)	(1,409,221)	(1,355,568)	(1,409,221)
	<u>(1,766,705)</u>	<u>(3,726,237)</u>	<u>(1,766,705)</u>	<u>(3,726,237)</u>
Deferred income tax, net	<u>40,399,462</u>	<u>41,619,016</u>	<u>6,258,894</u>	<u>7,478,448</u>

The gross movement of the deferred income tax account is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Opening balance, net	41,619,016	38,217,558	7,478,448	4,076,990
Increase/(decrease) to profit or loss	(1,219,554)	3,591,817	(1,219,554)	3,591,817
Increase/(decrease) to other comprehensive income	-	(190,359)	-	(190,359)
Closing balance, net	<u>40,399,462</u>	<u>41,619,016</u>	<u>6,258,894</u>	<u>7,478,448</u>

**16 Deferred income taxes (Cont'd)**

The movements in deferred income tax assets and deferred income tax liabilities are as follows:

	Consolidated financial statements						
	At 1 January 2017 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	At 31 December 2017 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	At 31 December 2018 Baht
<b>Deferred income tax assets</b>							
Allowance for doubtful debt	634,791	1,691,441	-	2,326,232	(2,326,232)	-	-
Employee benefit obligations	447,701	170,285	(190,359)	427,627	79,197	-	506,824
Allowance for impairment of investment properties	2,300,000	(81,371)	-	2,218,629	2,081,371	-	4,300,000
Accrued selling expenses	-	1,133,121	-	1,133,121	-	-	1,133,121
Accrued land rental expenses	694,498	4,214,220	-	4,908,718	(2,823,064)	-	2,085,654
Inter-interest capitalised to investment properties	27,642,759	-	-	27,642,759	-	-	27,642,759
Tax loss carry forward	6,497,809	-	-	6,497,809	-	-	6,497,809
	38,217,558	7,127,696	(190,359)	45,154,895	(2,988,728)	-	42,166,167
<b>Deferred income tax liabilities</b>							
Deferred rental income	-	(357,484)	-	(357,484)	-	-	(357,484)
Difference of tax and accounting of investment properties	-	(3,178,395)	-	(3,178,395)	1,769,174	-	(1,409,221)
	-	(3,535,879)	-	(3,535,879)	1,769,174	-	(1,766,705)
Deferred income tax, net	38,217,558	3,591,817	(190,359)	41,619,016	(1,219,554)	-	40,399,462

16 Deferred income taxes (Cont'd)

The movements in deferred income tax assets and deferred income tax liabilities are as follows: (Cont'd)

	Separate financial statements					
	At 1 January 2017 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	At 31 December 2017 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht
<b>Deferred income tax assets</b>						
Allowance for doubtful debt	634,791	1,691,441	-	2,326,232	(2,326,232)	-
Employee benefit obligations	447,701	170,285	(190,359)	427,627	79,198	-
Allowance for impairment of investment properties	2,300,000	(81,371)	-	2,218,629	2,081,371	-
Accrued selling expenses	-	1,133,121	-	1,133,121	-	-
Accrued land rental expenses	694,498	4,214,220	-	4,908,718	(2,823,065)	-
	<u>4,076,990</u>	<u>7,127,696</u>	<u>(190,359)</u>	<u>11,014,327</u>	<u>(2,988,728)</u>	<u>-</u>
<b>Deferred income tax liabilities</b>						
Deferred rental income	-	(357,484)	-	(357,484)	-	-
Difference of tax and accounting of investment properties	-	(3,178,395)	-	(3,178,395)	1,769,174	-
	<u>-</u>	<u>(3,535,879)</u>	<u>-</u>	<u>(3,535,879)</u>	<u>1,769,174</u>	<u>-</u>
Deferred income tax, net	<u>4,076,990</u>	<u>3,591,817</u>	<u>(190,359)</u>	<u>7,478,448</u>	<u>(1,219,554)</u>	<u>-</u>

**16 Deferred income taxes (Cont'd)**

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets in respect of losses that can be carried forward against future taxable income as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Unused tax loss carry forwards (Baht)	191,410,938	95,903,458	-	-
Unrecognised deferred income tax (Baht)	38,282,188	19,180,692	-	-
Expired year	2021 - 2023	2021 - 2022	-	-

**17 Trade and other payables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht Restated</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Trade account payables	5,666,547	5,665,604	5,666,547	5,665,604
Amount due to related parties	333,814	333,814	333,814	333,814
Accrued interest expenses - related party	21,856,626	5,103,054	21,856,626	5,103,054
Accrued interest expenses to creditors per rehabilitation plan	5,602,372	5,118,669	5,602,372	5,118,669
Accrued expenses	13,700,450	10,844,686	13,695,586	10,757,538
Other payables	5,499,632	6,706,740	5,299,632	6,621,740
Total trade and other payables	52,659,441	33,772,567	52,454,577	33,600,419

**18 Creditors as per rehabilitation plan**

On 18 November 2010, the Central Bankruptcy Court ordered the cancellation of the Company's rehabilitation, since the Company had completed implementation of the rehabilitation plan. Remaining liabilities under the rehabilitation plan are debts of the sixth group of creditors, each of which is to receive settlement of principal debt from the amounts that the Company receives from the AXA Insurance Public Co., Ltd. The comptroller in bankruptcy is considering the cases and the final outcome of the lawsuits involving the sixth group of creditors is not yet known.

**19 Employee benefit obligations**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Statement of financial position:				
Retirement benefits	2,632,734	2,236,743	2,534,123	2,138,132
Liability in the statement of financial position	<u>2,632,734</u>	<u>2,236,743</u>	<u>2,534,123</u>	<u>2,138,132</u>
Profit or loss charge included in operating profit for:				
Retirement benefits	395,991	851,422	395,991	851,422
	<u>395,991</u>	<u>851,422</u>	<u>395,991</u>	<u>851,422</u>
Remeasurement for:				
Retirement benefits	-	951,793	-	951,793
	<u>-</u>	<u>951,793</u>	<u>-</u>	<u>951,793</u>

The movement in the defined benefit obligation over the year is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
At 1 January	2,236,743	2,337,114	2,138,132	2,238,503
Current service cost	333,984	779,947	333,984	779,947
Past service cost	-	-	-	-
Interest expense/(income)	62,007	71,475	62,007	71,475
	<u>2,632,734</u>	<u>3,188,536</u>	<u>2,534,123</u>	<u>3,089,925</u>
Remeasurements:				
(Gain)/loss from change in demographic assumptions	-	(111,443)	-	(111,443)
(Gain)/loss from change in financial assumptions	-	(151,131)	-	(151,131)
Experience (gain)/loss	-	(689,219)	-	(689,219)
	<u>-</u>	<u>(951,793)</u>	<u>-</u>	<u>(951,793)</u>
At 31 December	<u>2,632,734</u>	<u>2,236,743</u>	<u>2,534,123</u>	<u>2,138,132</u>

**19 Employee benefit obligations (Cont'd)**

The principal actuarial assumptions used were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	2.9	2.9	2.9	2.9
Salary growth rate	5.0	5.0	5.0	5.0

The sensitivity analysis for each significant assumption disclosed as follows:

	<b>Change in assumption</b>	<b>Consolidated financial statements</b>			
		<b>Impact on employee benefit obligations</b>			
		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	1%	Decrease by 7.32%	Decrease by 7.32%	Increase by 8.27%	Increase by 8.27%
Salary growth rate	1%	Increase by 7.93%	Increase by 7.93%	Decrease by 7.18%	Decrease by 7.18%

	<b>Change in assumption</b>	<b>Separate financial statements</b>			
		<b>Impact on employee benefit obligations</b>			
		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
		<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Discount rate	1%	Decrease by 7.32%	Decrease by 7.32%	Increase by 8.27%	Increase by 8.27%
Salary growth rate	1%	Increase by 7.93%	Increase by 7.93%	Decrease by 7.18%	Decrease by 7.18%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 15 years (2017: 15 years).

Expected maturity analysis of undiscounted retirement benefits:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Less than a year	-	-	-	-
Between 1-2 years	-	-	-	-
Between 2-5 years	1,397,999	1,397,999	1,397,999	1,397,999
Over 5 years	1,403,921	1,403,921	1,403,921	1,403,921
Total retirement benefits	2,801,920	2,801,920	2,801,920	2,801,920

**20 Share capital**

	<b>Consolidated financial statements</b>					
	<b>Authorised share capital</b>		<b>Issued and paid-up share capital</b>		<b>Premium on paid-up capital</b>	<b>Adjustment of share capital from reverse acquisition</b>
	<b>Shares</b>	<b>Baht</b>	<b>Shares</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
At 1 January 2017	4,535,071,428	4,761,824,999	2,490,585,084	2,615,114,338	61,152,469	65,335,309
Issue of shares	-	-	-	-	-	-
At 31 December 2017	4,535,071,428	4,761,824,999	2,490,585,084	2,615,114,338	61,152,469	65,335,309
Issue of shares	-	-	-	-	-	-
At 31 December 2018	<u>4,535,071,428</u>	<u>4,761,824,999</u>	<u>2,490,585,084</u>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>65,335,309</u>

The equity structure in the consolidated financial statements reflects the Company's equity structure and the number of its ordinary shares. In the preparation of the consolidated financial statements for a reverse acquisition, the value of ordinary shares represents the sum of the value of ordinary shares of the subsidiary (accounting acquirer) outstanding before the business combination, the cost of the business combination. This also includes the value of the Company's ordinary shares (accounting acquiree) issued after the business combination. Details are as follows:

	<b>Consolidated financial statements</b>
	<b>Baht</b>
Value of ordinary shares of the subsidiary (accounting acquirer) outstanding before the reverse acquisition	400,200,000
Fair value of consideration transferred from reverse acquisition	<u>56,228,924</u>
Total	456,428,924
Value of ordinary shares of the Company (accounting acquiree) issued after the reverse acquisition	2,181,301,682
Share premium resulting from the new shares issued after the reverse acquisition	<u>103,871,510</u>
Value of ordinary shares, in the consolidated financial statements	<u>2,741,602,116</u>

The value of the ordinary shares in the consolidated financial statements is presented to reflect the Company's equity structure, which is the legal parent company (accounting acquiree). Details are as follows:

	<b>Consolidated financial statements</b>
	<b>Baht</b>
Issued and paid-up share capital	2,615,114,338
Premium on paid-up capital	61,152,469
Adjustment of share capital from reverse acquisition	<u>65,335,309</u>
Total	<u>2,741,602,116</u>

**20 Share capital (Cont'd)**

	Separate financial statements				
	Authorised share capital		Issued and paid-up share capital		Premium on paid-up capital
	Shares	Baht	Shares	Baht	Baht
At 1 January 2017	4,535,071,428	4,761,824,999	2,490,585,084	2,615,114,338	61,152,469
Issue of shares	-	-	-	-	-
At 31 December 2017	4,535,071,428	4,761,824,999	2,490,585,084	2,615,114,338	61,152,469
Issue of shares	-	-	-	-	-
At 31 December 2018	4,535,071,428	4,761,824,999	2,490,585,084	2,615,114,338	61,152,469

**21 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	4,310,000	3,310,000	4,310,000	3,310,000
Appropriation during the year	2,210,000	1,000,000	2,210,000	1,000,000
At 31 December	6,520,000	4,310,000	6,520,000	4,310,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**22 Expense by nature**

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Employee benefit expenses	16,202,081	14,572,496	16,202,081	14,572,496
Depreciation and amortization expenses	50,491,749	52,109,616	21,278,500	22,896,368
Rental expenses	70,841,991	75,554,616	4,923,063	9,635,688
Common area expenses	19,367,239	19,262,324	19,308,323	19,247,370
Consulting fee and marketing expenses	13,830,125	13,719,121	13,830,125	13,426,191



**23 Income tax expense**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Current income tax	14,145,913	7,719,125	14,145,913	7,719,125
Deferred income tax (Note 16)	1,219,554	(3,591,817)	1,219,554	(3,591,817)
	<u>15,365,467</u>	<u>4,127,308</u>	<u>15,365,467</u>	<u>4,127,308</u>

The income tax on the Group and Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Profit before income tax	<u>(199,382,802)</u>	<u>(196,290,626)</u>	<u>59,452,201</u>	<u>22,927,088</u>
Tax calculated at a tax rate of 20%	(39,876,560)	(39,258,125)	11,890,440	4,585,418
Tax effects of:				
Joint venture's results reported net of tax	18,913,368	12,584,143	-	-
Expenses not deductible for tax purposes	14,976,398	16,093,709	1,224,262	165,001
Tax losses for which no deferred income tax asset was recognised	19,101,496	15,330,692	-	-
Adjustment in respect of prior year	<u>2,250,765</u>	<u>(623,111)</u>	<u>2,250,765</u>	<u>(623,111)</u>
Tax charge	<u>15,365,467</u>	<u>4,127,308</u>	<u>15,365,467</u>	<u>4,127,308</u>

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	<b>Consolidated financial statements</b>					
	<b>2018</b>			<b>2017</b>		
	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>
Remeasurement on retirement benefit obligations	-	-	-	951,793	(190,359)	761,434
<b>Other comprehensive income</b>	-	-	-	951,793	(190,359)	761,434

	<b>Separate financial statements</b>					
	<b>2018</b>			<b>2017</b>		
	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>	<b>Before tax Baht</b>	<b>Tax (charge) credit Baht</b>	<b>After tax Baht</b>
Remeasurement on retirement benefit obligations	-	-	-	951,793	(190,359)	761,434
<b>Other comprehensive income</b>	-	-	-	951,793	(190,359)	761,434

## 24 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net profit (loss) for the period attributable to shareholders of the parent (Baht)	(214,748,269)	(200,417,934)	44,086,734	18,799,780
Weighted average number of shares (Shares)	<u>2,490,585,084</u>	<u>2,490,585,084</u>	<u>2,490,585,084</u>	<u>2,490,585,084</u>
<b>Basic earnings (loss) per share (Baht)</b>	<u>(0.0862)</u>	<u>(0.0805)</u>	<u>0.0177</u>	<u>0.0075</u>

There are no potential dilutive ordinary shares in issue for the year 2018 and 2017.

## 25 Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Property Perfect Public Company Limited (incorporated in Thailand), which owns 94.97% of the Company's shares. The remaining 5.03% of the shares are widely held.

During the periods, the Company had business transactions with its subsidiaries and related companies. Such transactions, which have been concluded on the terms and basis as determined by the Company and those companies and are in the normal course of business.

The following significant transactions were carried out with related parties:

### 25.1 Rental and related service income, building management service income and interest income

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
<b>Parent company</b>				
Rental and service income	554,554	988,917	554,544	988,917
<b>Subsidiary</b>				
Interest income	-	-	68,757,410	59,338,379
<b>Related parties</b>				
Revenues from building management services	30,176,762	33,191,230	30,176,762	33,191,230
Interest income	21,156,678	9,174,658	21,156,678	9,174,658

## 25 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

### 25.2 Rental and interest expense

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Parent company</b>				
Interest expenses	16,753,572	5,103,054	16,753,572	5,103,054
<b>Related party</b>				
Rental expenses	-	4,872,888	-	4,872,888

### 25.3 Key management's compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management is as below:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term employee benefits	6,879,306	5,906,833	6,879,306	5,906,833
Total key management's compensation	6,879,306	5,906,833	6,879,306	5,906,833

Outstanding balance of amount due from related party, short-term loans to related party, loans to related parties, amount due to related parties and long-term borrowings from parent company can be summarised as follow:

### 25.4 Amount due from related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Parent company</b>				
Amount due from related parties	-	64,940	-	64,940
<b>Subsidiary</b>				
Accrued interest income	-	-	323,743,888	254,986,477
<b>Related parties</b>				
Amount due from related parties	2,599,615	2,914,053	2,595,179	2,910,663
Accrued interest income	14,609,589	7,551,370	14,609,589	7,551,370

### 25.5 Short-term loans to related party

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht Restated	2018 Baht	2017 Baht Restated
Subsidiary	-	-	1,189,992,000	1,143,492,000
	-	-	1,189,992,000	1,143,492,000

**25 Related party transactions (Cont'd)**

**25.5 Short-term loans to related party (Cont'd)**

The movements of short-term loans to related party during the year ended 31 December 2018 are as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Baht</b>	<b>Baht</b>
Opening balance, Restated	-	1,143,492,000
Loans advanced during the period	-	46,500,000
Closing balance	-	1,189,992,000

Short-term loans to related parties are unsecured, repayable at call and bear interest at rates from 5.76% - 5.87% per annum.

Outstanding balance of amount due from related party, short-term loans to related party, loans to related parties, amount due to related parties and long-term borrowings from parent company can be summarised as follow:

**25.6 Loans to related party, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht Restated</b>	<b>2018 Baht</b>	<b>2017 Baht Restated</b>
Related party	282,076,059	159,142,897	405,000,000	225,000,000
	282,076,059	159,142,897	405,000,000	225,000,000

Loans to related party in the consolidated financial information present net with interests in joint venture as below:

	<b>Consolidated financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht Restated</b>
Loans to related party	405,000,000	225,000,000
<u>Less</u> Cumulative loss exceeding the investment in joint venture (Note 12)	(122,923,941)	(65,857,103)
Loans to related party, net	282,076,059	159,142,897

## **25 Related party transactions (Cont'd)**

Outstanding balance of amount due from related party, short-term loans to related party, loans to related parties, amount due to related parties and long-term borrowings from parent company can be summarised as follow: (Cont'd)

### **25.6 Loans to related party, net (Cont'd)**

The movements of loans to related party during the year then ended 31 December 2018 are as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Baht</b>	<b>Baht</b>
Opening balance, net, Restated	159,142,897	225,000,000
Loans advanced during the period	180,000,000	180,000,000
Share of loss from interest in joint venture (Note 12)	(57,066,838)	-
Closing balance, net	<u>282,076,059</u>	<u>405,000,000</u>

Promissory notes are repayable within 1 year, unsecured, and bear interest at rate of 6.25% per annum, which settlement is not planned to occur in the foreseeable future. Therefore, the Group classified loans to related party as non-current assets. Management reviews the settlement plan for classification at least at each fiscal year-end.

### **25.7 Amount due to related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Parent company</b>				
Amount due to related parties	333,814	333,814	333,814	333,814
Accrued interest expense	21,856,626	5,103,054	21,856,626	5,103,054

### **25.8 Long-term borrowings from related party**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Parent company	356,500,000	200,000,000	356,500,000	200,000,000
	<u>356,500,000</u>	<u>200,000,000</u>	<u>356,500,000</u>	<u>200,000,000</u>

The movements of long-term borrowings from related party during the year then ended 31 December 2018 are as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening balance	200,000,000	200,000,000
Borrowings addition during the period	156,500,000	156,500,000
Closing balance	<u>356,500,000</u>	<u>356,500,000</u>

Long-term borrowings from related party are unsecured and bear interest at rates 5.76% - 5.87% per annum.

## **26 Commitments**

### **26.1 Capital commitment**

The Group had outstanding capital commitment of approximately Baht 91.28 million (31 December 2017: Baht 99.82 million) in respect of construction, a design contract for shopping center and office project and consulting contract.

### **26.2 Operating lease commitments**

The Group entered into agreements to lease land for a period of 30 years for the purpose of constructing shopping malls. The future minimum lease payments required under these non-cancellable operating lease contracts are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2018 Baht</b>	<b>2017 Baht</b>	<b>2018 Baht</b>	<b>2017 Baht</b>
Not later than 1 year	54,583,708	52,836,726	3,279,900	6,135,558
Later than 1 year but not later than 5 years	230,918,047	237,587,706	14,691,133	26,723,177
Later than 5 years	1,657,209,612	1,846,307,797	106,195,977	238,627,970
<b>Total</b>	<b>1,942,711,367</b>	<b>2,136,732,229</b>	<b>124,167,010</b>	<b>271,486,705</b>

### **26.3 Service lease commitment**

The Group had commitments totalling Baht 6.57 million under a real estate consulting services agreement (31 December 2017: Baht 12.65 million). Ending in 2019, the agreements require the Group to pay monthly service fees at the stipulated rate.