

# บริษัท วีรีเทล จำกัด (มหาชน)

We Retail Public Company Limited

**BANGKOK  
MIDTOWN**



## Index

	<u>Page</u>
Message from Chairman .....	1
Audit Committee Report .....	2
Business Policy and Overview .....	3
Nature of Business .....	5
Risk Factors .....	8
General Information of the Company.....	9
Securities and Shareholders .....	11
Dividend Policy of the Company .....	11
Management Structure .....	12
Corporate Governance .....	21
Corporate Social Responsibility .....	27
Internal Control and Risk Management .....	30
Connected Transactions .....	30
Financial Information .....	31
Management Discussion and Analysis .....	35
Independent Auditor's Report, Financial Statement .....	38

## Message from Chairman

In year 2019, The Community mall on Kalapaphruek 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 due to stability of economic circumstance 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. However, the road expansion was completed in December 2019 and resulting in more convenient for customers the before. 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 term of building management business, 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 expired on January 31, 2019

The joint ventures company which run the discount store business under the name "All-D" has focused on branch expansion in the form of a franchise which will make the branch expansion quickly, In addition All-D was participating in the cooperation program with the government to gain ability of Blue Flag stores, which more than 60,000 stores nationwide, and are small stores that operate as a household business, to have store management system and costs reduction the they will have ability to compete with large traders.

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. Chaikorn Boonlapapat   | Director of Audit Committee |
| 3. | Mr. Prasong Vara-ratanakul | Director of Audit Committee |

In 2019, 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 2020, the Audit Committee has considered and agreed to appoint Pricewaterhousecoopers ABAS Company Limited by Mr. Chanchai Chaiprasit, Certified Public Accountant No. 3760, and/or Miss Nopanuch Apichatsatien, Certified Public Accountant No. 5266, and/or Miss Rodjanart Banyatananusard, Certified Public Accountant No. 8435, 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 5 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. All Discount Co., Ltd. (Joint Venture) had signing a joint agreement with government in the Blue Flag 4.0 project.

In 2019, All Discount Co., Ltd. (Joint Venture) had opened the 20<sup>th</sup> branch "All-D" store

### The Shareholder's Structure

As of December 31, 2019, 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, 2019, 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, 2019, 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

	2019		2018		2017	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from rental and services	22,924	41.4	26,311	22.8	28,645	40.2
Revenue from building management services	2,330	4.2	30,177	26.2	33,191	46.6
Other revenue						
Interest income	29,942	54.0	21,279	18.4	9,236	13.0
Gains on sale of investments classified as assets held for sale	-		37,376	32.4	-	-
Other income	223	0.4	205	0.2	197	0.2
Total	55,419	100	115,348	100	71,269	100

According to the Company's statement of comprehensive income for the year 2019, 2018 and 2017, the Company still has share of loss from investment in joint venture in the amount of 111.35 million baht, 94.57 million baht, 62.92 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	Negotiating with interested investors

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 and collaborating with the government to help the stores in the Blue Flag Project, which has about 60,000 locations nationwide , to help those small shops which operate as a household business to have management system, reduce operating costs and be strong to compete with big traders, And support those shops in the Blue Flag Project to access to capital.



### 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 2019, Approximately 180,040 sq.m. of retail space was supplied and pushing total retail supply in Bangkok and Surrounding Area up to 8,715,466 sq.m. The second largest supply is community mall, accounting for 16% of the total supply in Bangkok. Overview of the retail market in 2019 seemed fairly optimistic this happening are from the unclear of infrastructure investment policy, unstable agricultural product prices and the consumer confidence affected by the current political situation, even though the government has stimulate the economy by implementing the "Shim Shop Shai" project. However, the retail business is still growing continuously in Thailand, and entrepreneurs must continue to develop and modernize their businesses to match the behavior and lifestyles of modern consumers.

The average occupancy rate of retail space in 2019 remains stable compared to the previous year. The large shopping malls will occupy up to 98 percent occupancy rate, while the community mall will occupy less than 95 percent.

Rental rates in all locations are not different from the previous year. The rental rate in the large shopping centers in the city center can be increased by 3 to 5 percent, especially the large shopping centers that are located in good locations because the demand is still quite high.

The Colliers International Thailand Research Department stated that by 2020, there will be an additional retail area of approximately 280,000 square meters and there will still be demand for retail space from both domestic and foreign manufacturers, and it is expected that the average retail space rental rate will increase. However, the changing lifestyles of consumers along with the growth of online shopping which supported by credit cards and loyalty cards' marketing plans will have a profound effect on the growth of retail businesses in the department store

## **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 2019, 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 23 April 2019):

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 a policy to pay dividends to shareholders at a rate of not more than 50 percent of the net profit of the separate financial statements after corporate income tax and legal reserve. By considering financial status, liquidity, business expansion And other factors Involved in the management of the company Is also a

consideration. 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 2019 to the Shareholders.

### Management Structure

Board of Directors: (as of December 31, 2019)

Director	Position	Number of meetings attended		
		Board of Directors (5 Times)	Audit Committee (5 Times)	Nomination and Remuneration Committee (1 Time)
Mr. Chainid Adhyanasakul	Chairman and Nomination and Remuneration Committee	5	-	1
Mr. Pramote Rermtindee	Director and Chairman of Nomination and Remuneration Committee	4	-	1
Mr. Kampol Tatiyakavee	Director and Nomination and Remuneration Committee	5	-	1
Mr. Pornswat Katechulasriroj	Director and Chief Executive Officer	5	-	-
Mr. Krittapas Pongpakawat	Director	5	-	-
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	-
With Mr. Pomtep Monmuang as the company secretary				

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.

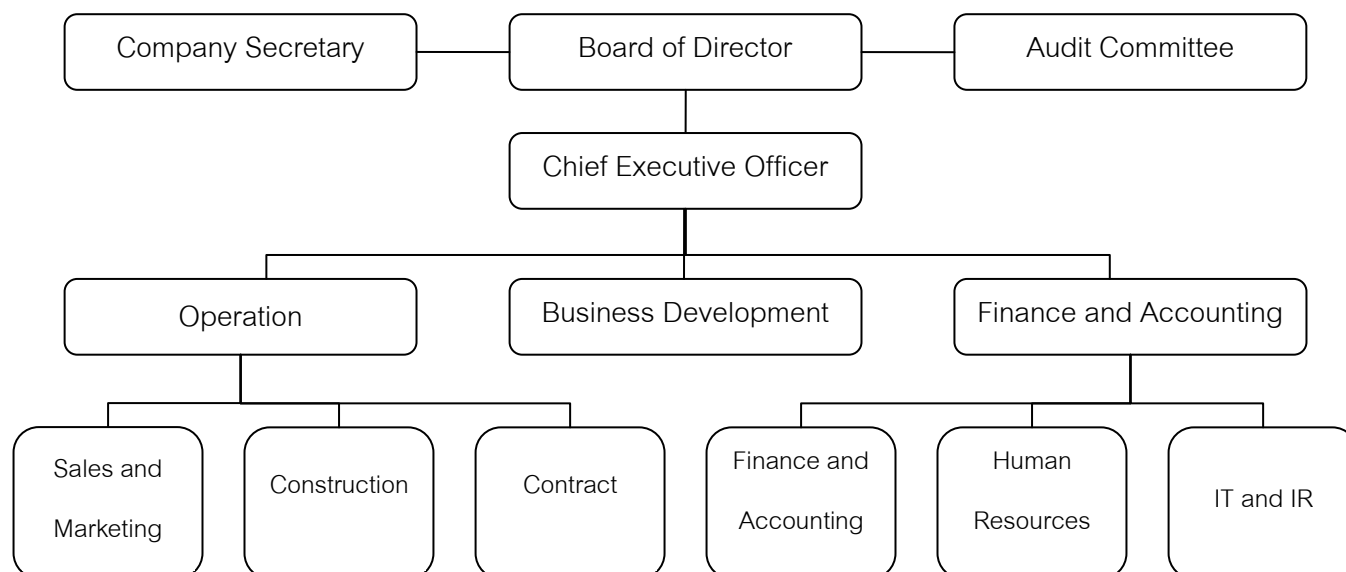
1. Consider the appointment and remuneration of auditors
2. Consider and approve loans / accounts opening with financial institutes.
3. Consider the investment for the benefit of the company and shareholders.

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, 2012)

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| 1. Mr. Pornswat Katechulasriroj | Chief Executive Officer           |
| 2. Mr. Krittapas Pongpakawat    | Chief Operating Officer           |
| 3. Mr. Paiboon Udomkarnkit      | Chief Financial Officer           |
| 4. Ms. Pornphan Amornrojworawut | Assistant Chief Financial Officer |
| 5. Ms. Wanphenlux Manjaisiri    | Sales and Marketing Director      |

#### Organization Chart :



#### Company Secretary and The person supervising accounting

The Board of Directors Meeting No. 5/2019, which held on 29 November 2019, resolved to appoint Mr. Paiboon Udomkarnkit as Chief Financial Officer, and assigned Miss Pornphan Amornrojworawut to be the person supervising accounting.

The Board of Directors Meeting No. 1/2019, which held on 18 February 2019, resolved to appoint Mr. Porntep Monmuang as Company Secretary in accordance with the provisions of Section 89/15 of the Securities and Exchange Act B.E. 2535, which requires that the Board of Directors have to have a company secretary

responsible for acting on behalf of the company or board of directors. And specify the scope of duties and responsibilities of the company secretary as follows.

- 1) Preparing and keeping the following documents
  - (a) Directors' Register
  - (b) Invitations to Board of Directors meetings, meeting minutes, and the Annual Reports
  - (c) Invitations to shareholders' meetings and minutes of the meetings
- 2) Keeping the connected transactions reported by directors or executives and submitting photocopies of the reports to the chairman and chairman of the Audit Committee within 7 days of receipt.
- 3) Setting the documenting system for the following information and ensuring the complete storage of such document which must date back at least 5 years and could be retrieved for post-audit. The storing of such document covers the electronic system and others which allow the retrieval of original document.
  - (a) Information presented at shareholders' meetings
  - (b) Financial statements or reports on the company's finances and operating results or other reports which must be disclosed under the Securities and Exchange Act's Articles 56, 57, 58 or 199.
  - (c) The company's opinion on shareholders' tender offer for the company's shares
  - (d) Information or other reports on the company, to be released to shareholders or the general public as required by the Capital Market Supervisory Board.
- 4) Complying with other duties to be specified by the Capital Market Supervisory Board
- 5) Company Secretary must carry out duties with responsibility, caution, and integrity; must comply with laws, the company's objectives and regulations, the Board of Directors resolutions and shareholders' resolutions; and must not act in the way that causes significant conflict of interest.
- 6) Carrying out duties with responsibility and caution as men with integrity would do when falling under the same situation.
  - (1) Making decisions with full conviction and good reasons that they are for the company's maximum benefits.
  - (2) Acting on information honestly believed to be sufficient, and
  - (3) Making decisions that do not create any direct or indirect conflict of interest.

When the company secretary cannot further perform his job, the board of director is required to appoint the replacement within 90 days. Board of director has the power to assign any director to carry his tasks during period.



## Management, Authorized Person of the Company and Company Secretary

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	66	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 Krunghthep Land Plc. / Property Development Estate Perfect Co., Ltd. / Property Development
Mr. Pramote Rermyindee Director Chairman of Nominating and Remuneration Committee Authorized Signatory Director Appointed on 16 Dec 2011	66	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	61	M.A. Engineering, University of Texas B.A. Engineering, Chulalongkorn University Director Certification Program (DCP) รุ่น 74/2006 Director Accreditation Program (DAP) รุ่น 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, Authorized Person of the Company and Company Secretary

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Timing	Designation	Company / Business Type
Mr. Pornswat Katechulasiroj Director Authorized Signatory Director Chief Executive Officer Appointed on 5 Nov 2018	54	Bachelor of Engineer, King Mongkut's Institute of Technology Ladkrabang Director Certification Program (DCP) รุ่น 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 Development
Mr. Kittapas Pongpakawat Director Authorized Signatory Director The person taking the highest responsibility in finance and accounting Appointed on 5 Nov 2018	62	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	67	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
Mr. Chaikorn Boonlapapat Independent Director Audit Committee Appointed on 25 Dec 2011	74	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

## Management, Authorized Person of the Company and Company Secretary

Name / Title	Age	Academic Qualifications	Equity Holding (%)	Relationship	Timing	Designation	Company / Business Type
Mr. Prasong Vararatanakul Independent Director Audit Committee Appointed on 25 Feb 2015	72	Master of Public Administration, Chulalongkorn University. Bachelor of Commerce, Chulalongkorn University. Bachelor of Laws, Ramkhamhaeng University. Director Accreditation Program (DAP) รุ่น 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
Mr. Pailoon Udomkarnkit Chief Financial Officer The person taking the highest responsibility in finance and accounting Appointed on 1 December 2019	58	Master of Administration (Finance) Armstrong University Bachelor Degree of Accounting, Bangkok University	-	-	2019-Present 2018-2019 2016-2018 2014-2015	Chief Financial Officer / The person taking the highest responsibility in finance and accounting Chief Financial Officer Chief Financial Officer Director / Chief Financial Officer	We Retail Plc./Property Development Major Development Estate Co. Ltd. / Property Development Chaopraya Mahanakorn PCL / Property Development Polaris Capital PCL. / Property Development
Ms. Pornphan Amornrojworawut Asst. Chief Financial Officer The person supervising accounting Appointed on 14 May 2018	56	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	60	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
Mr. Porntep Monmuang Company Secretary Appointed on 18 February 2019	50	Bachelor of Science, Kasetsart University Company Secretary Program (CSP) 99/2019	-	-	2019-Present 2016-Present	Company Secretary Senior Manager	We Retail Plc. / Property Development We Retail 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 2019

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. Pomphan 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
Mr. Chainid Adhyanasakul	Chairman / Nominating and Remuneration Committee	500,000	-	20,000	520,000
Mr. Pramote Remyindee	Director / Chairman of Nominating and Remuneration Committee	80,000	-	30,000	110,000
Mr. Kampol Tatiyakavee	Director / Nominating and Remuneration Committee	100,000	-	20,000	120,000
Mr. Pornswat Katechulasriroj	Director	100,000	-	-	100,000
Mr. Kittapas Pongpakawat	Director	100,000	-	-	100,000
Mr. Chirdsak Kukiattinun	Independent Director / Chairman of Audit Committee	100,000	250,000	-	350,000
Mr. Chaikom 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		1,180,000	450,000	70,000	1,700,000

### Executives' remuneration

The Company paid executives' remuneration In the year 2019 in the form of salary and bonus for all 3 executives for the whole year, totaling 6.76 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 2017 to 2019 with the following details

		2019	2018	2017
Number of employees	Person (s)	20	19	16
Total remuneration for all employees	(Thousand Baht)	13,710	14,083	12,779

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, 2019, 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, 2019 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 2017-2019 as follows:

Fiscal Year	Auditor	CPA No.	Company	Audit Fee
2019	Mr. Chanchai Chaiprasit	3760	Pricewaterhousecoopers ABAS Company Limited	1,450,000
2018	Mr. Chanchai Chaiprasit	3760	Pricewaterhousecoopers ABAS Company Limited	1,450,000
2017	Mr. Supachai Phanyawattano	3930	EY Office Limited	1,380,000

\* 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 operates 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.

### **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 26 for details of relating transactions stated in the Notes to Consolidated Financial Report for year ended December 31, 2019.



## Financial Information

Statement of Financial Position and results of operations for the year 2017 to 2019

Statement of Financial Position

Consolidated financial statements Unit: Thousand Baht	As at 31 December 2019					
	2019	%	2018	%	2017	%
<b>Asset</b>						
<b>Current assets</b>						
Cash and cash equivalents	65,111	2.5	17,916	0.7	23,952	0.9
Trade and other receivables, net	23,040	0.9	24,212	0.9	19,321	0.7
Short-term loans to related party	-	-	-	-	-	-
Other current assets	20,233	0.8	17,982	0.7	15,433	0.6
Non-current assets held for sale	-	-	-	-	94,583	3.5
<b>Total current assets</b>	<b>108,384</b>	<b>4.2</b>	<b>60,110</b>	<b>2.3</b>	<b>153,289</b>	<b>5.7</b>
<b>Non-current assets</b>						
Loan to related party, net	262,503	10.1	282,076	10.6	159,143	5.9
Investment properties, net	1,396,856	53.6	1,449,280	54.7	1,476,585	55.0
Leasehold rights, net	785,152	30.1	818,067	30.8	850,981	31.7
Building improvement and equipment, net	1,993	0.1	934	0.0	769	0.0
Deferred tax assets, net	47,827	1.8	40,399	1.5	41,619	1.6
Other non-current assets, net	1,570	0.1	1,570	0.1	2,584	0.1
<b>Total non-current assets</b>	<b>2,495,901</b>	<b>95.8</b>	<b>2,592,326</b>	<b>97.7</b>	<b>2,531,681</b>	<b>94.3</b>
<b>Total assets</b>	<b>2,604,285</b>	<b>100.0</b>	<b>2,652,436</b>	<b>100.0</b>	<b>2,684,970</b>	<b>100.0</b>
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Trade and other payables	80,953	3.1	52,659	2.0	33,773	1.2
Creditors as per rehabilitation plan	95,024	3.6	6,812	0.3	6,812	0.3
Deposits and cash received in advance	6,812	0.3	11,209	0.4	13,301	0.5
Income tax payable	9,789	0.4	2,009	0.1	1,878	0.1
Liabilities included with assets classified as held for sale	91	0.0	-	-	11,959	0.4
Other current liabilities	1,373	0.1	1,554	0.1	1,506	0.1
<b>Total current liabilities</b>	<b>194,042</b>	<b>7.5</b>	<b>74,243</b>	<b>2.9</b>	<b>69,229</b>	<b>2.6</b>
Long-term borrowings from related party	480,000	18.4	356,500	13.4	200,000	7.4
Accrued land rental expenses	204,723	7.9	189,041	7.1	168,737	6.3
Employee benefit obligations	3,394	0.1	2,633	0.1	2,237	0.1
<b>Total non-current liabilities</b>	<b>688,117</b>	<b>26.4</b>	<b>548,174</b>	<b>20.6</b>	<b>370,974</b>	<b>13.8</b>
<b>Total liabilities</b>	<b>882,159</b>	<b>33.9</b>	<b>622,417</b>	<b>23.5</b>	<b>440,203</b>	<b>16.4</b>

## Statement of Financial Position (Continue)

Consolidated financial statements Unit: Thousand Baht	As at 31 December 2019					
	2019	%	2018	%	2017	%
<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	100.4	2,615,114	98.6	2,615,114	97.4
Baht 1.05 each						
Premium on paid-up capital	61,153	2.4	61,153	2.3	61,153	2.3
Adjustment of share capital						
from reverse acquisition	65,335	2.5	65,335	2.5	65,335	2.4
Retained earnings (deficit)						
Appropriated - Legal reserve	6,520	0.3	6,520	0.2	4,310	0.2
Unappropriated	(1,026,758)	(39.4)	(718,864)	(27.1)	(501,906)	(18.7)
Other components of equity	761	0.0	761	0.0	761	0.0
<b>Total equity</b>	<b>1,722,125</b>	<b>66.1</b>	<b>2,030,019</b>	<b>76.5</b>	<b>2,244,767</b>	<b>83.6</b>
<b>Total liabilities and equity</b>	<b>2,604,285</b>	<b>100.0</b>	<b>2,652,436</b>	<b>100.0</b>	<b>2,684,970</b>	<b>100.0</b>

## Statement of Comprehensive Income

Consolidated financial statements  Unit: Thousand Baht	As at 31 December 2019					
	2019	% Compare to gross revenues	2018	% Compare to gross revenues	2017	% Compare to gross revenues
<b>Revenues</b>						
Revenues from rental and services	22,924	41.4	26,311	22.8	28,645	40.2
Revenues from building management services	2,330	4.2	30,177	26.2	33,191	46.6
<b>Total revenues</b>	<b>25,254</b>	<b>45.6</b>	<b>56,488</b>	<b>49.0</b>	<b>61,836</b>	<b>86.8</b>
<b>Cost</b>						
Cost of rental and services	(56,095)	(101.2)	(50,744)	(44.0)	(50,216)	(70.4)
Cost of building management services	(961)	(1.7)	(6,723)	(5.8)	(6,249)	(8.8)
<b>Total cost</b>	<b>(57,056)</b>	<b>(103.0)</b>	<b>(57,467)</b>	<b>49.8</b>	<b>(56,465)</b>	<b>(79.2)</b>
<b>Gross profit</b>	<b>(31,802)</b>	<b>(57.4)</b>	<b>(979)</b>	<b>(0.8)</b>	<b>5,371</b>	<b>7.5</b>
Interest income	29,942	54.0	21,279	18.4	9,236	13.0
Other income	223	0.4	205	0.2	197	0.3
Gains (losses) on sale of investments classified as assets held for sale	-	-	37,376	32.4	-	-
Selling expenses	(1,605)	(2.9)	(3,068)	(2.7)	(3,708)	(5.2)
Administrative expenses	(168,125)	(303.4)	(142,392)	(123.5)	(138,879)	(194.9)
Finance costs	(29,845)	(53.9)	(17,237)	(14.9)	(5,587)	(7.8)
Share of loss from investment in joint venture	(111,351)	(200.9)	(94,567)	(82.0)	(62,921)	(88.3)
<b>Profit (loss) before income tax</b>	<b>(312,564)</b>	<b>(564.0)</b>	<b>(199,383)</b>	<b>(172.9)</b>	<b>(196,291)</b>	<b>(275.4)</b>
<b>Income tax</b>	<b>4,670</b>	<b>8.4</b>	<b>(15,365)</b>	<b>(13.3)</b>	<b>(4,127)</b>	<b>(5.8)</b>
<b>Profit (loss) for the year</b>	<b>(307,894)</b>	<b>(555.6)</b>	<b>(214,748)</b>	<b>(186.2)</b>	<b>(200,418)</b>	<b>(281.2)</b>
<b>Other comprehensive income (expense)</b>						
Items that will not be reclassified to profit or loss						
Actuarial gain						
Income tax relating to items that will not be reclassified	-	-	-	-	952	
	-	-	-	-	(190)	
<b>Total comprehensive income (expense) for the year</b>	<b>(307,894)</b>		<b>(214,748)</b>		<b>(199,656)</b>	

# Statement of Cash Flows

Consolidated financial statements Unit: Thousand Baht	As at 31 December 2019		
	2019	2018	2017
<b>Cash flows from operating activities</b>			
Profit (Loss) before income tax expense	(312,564)	(199,383)	(196,291)
Adjustments for:			
Allowance for doubtful accounts	(2,569)	6,091	9,443
Bad debt	2,453	(6,359)	-
Depreciation	17,694	17,577	17,201
Amortisation of leasehold rights	32,914	32,914	34,909
Allowance for impairment loss on investment properties	35,121	10,000	-
Gain on sale of assets held for sale	-	(37,376)	-
Loss on sales of investment properties	-	-	83
Land rental	15,682	20,304	22,317
Share of losses from investment in joint venture	111,351	94,567	62,921
Employee benefit expenses	761	396	851
Interest income	(29,942)	(21,279)	(9,236)
Finance costs	29,845	17,237	5,587
	<b>(99,254)</b>	<b>(65,311)</b>	<b>(52,215)</b>
Changes in operating assets and liabilities			
Trade and other receivables	5,069	2,436	(6,287)
Other current assets	(2,250)	(2,549)	(2,121)
Other non-current assets	-	1,014	199
Trade and other payables	54	1,650	4,567
Deposits and cash received in advance	(1,421)	(2,092)	(1,118)
Other current liabilities	(180)	47	(741)
Cash used in operations	(97,982)	(64,805)	(57,716)
Income tax paid	(4,676)	(14,015)	(9,306)
Interest income	34,384	14,221	2,876
Financial Cost	(6,580)	-	-
<b>Net cash used in operating activities</b>	<b>(74,854)</b>	<b>(64,599)</b>	<b>(64,146)</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	(1,451)	(437)	(376)
Proceeds from sale of investment properties	-	-	1,066
Payments for investment in joint venture	-	(37,500)	-
Payments for short-term loans to related parties	-	-	(165,000)
Payments for loans to related parties	(110,000)	(180,000)	-
Decrease in restricted bank deposits	10,000	-	-
<b>Net cash used in investing activities</b>	<b>(101,451)</b>	<b>(97,937)</b>	<b>(164,310)</b>
<b>Cash flows from financing activity</b>			
Cash received from short-term borrowings from a third party	100,000	-	-
Cash received from short-term borrowings from related party	10,000	-	-
Cash paid for short-term borrowings from related party	(10,000)	-	-
Cash received from borrowings from related party	123,500	156,500	200,000
<b>Net cash generated from financing activity</b>	<b>223,500</b>	<b>156,500</b>	<b>200,000</b>
<b>Net decrease in cash and cash equivalents</b>	<b>47,195</b>	<b>(6,036)</b>	<b>(28,456)</b>
Cash and cash equivalents at the beginning of the period	17,916	23,952	52,408
<b>Cash and cash equivalents at the end of the period</b>	<b>65,111</b>	<b>17,916</b>	<b>23,952</b>

## Financial Ratios

Consolidated financial statements	As at 31 December 2019		
	2019	2018	2017
<b>Liquidity Ratio</b>			
Current ratio	0.56	0.81	2.21
Quick ratio	0.45	0.57	0.63
Receivable turnover	1.95	3.57	4.98
Collection period (Days)	184.29	100.97	72.36
<b>Profitability ratio</b>			
Gross profit margin (%)	(125.93)	(1.73)	8.69
Operating profit margin (%)	(798.02)	(259.24)	(221.90)
Net profit margin (%)	(555.58)	(186.17)	(281.21)
Return on equity (%)	(16.41)	(10.05)	(8.55)
<b>Efficiency Ratio</b>			
Return on assets (%)	(11.71)	(8.05)	(7.50)
Total asset turnover	0.02	0.04	0.03
<b>Financial Policy Ratio</b>			
Debt to equity ratio	0.47	0.29	0.19
Loan to equity ratio	0.26	0.17	0.09

## 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 2019

The significant matters of financial status and operating results of the Company and its subsidiaries for the year ended 31 December 2019 are as follows:

#### Total assets

The Company and its subsidiaries had total assets of Baht 2,604.3 million in the year 2019, Baht 2,652.4 million in 2018 and Baht 2,658.0 million in 2017. Total assets in 2019 decreased from the year 2018, amounting to Baht 48.1 million or 1.8%. The changes were mainly from increase in cash and cash equivalents of Baht 47.2 million, decrease in investment properties and leasehold rights of Baht 85.3 million.

#### Total liabilities

The Company and its subsidiaries had total liabilities of Baht 882.2 million in the year 2019, Baht 622.4 million in the year 2018 and Baht 440.2 million in 2017. Total liabilities in 2019 increased from the year 2018, totally Baht 259.8 million or 41.7%. The changes were mainly from increase in trade and other payables of Baht 28.3 million, increase in short-term borrowings from a third party of Baht 95.0 million, increase in loans from related parties Baht 123.5 million and increase in accrued land rental expenses of Baht 15.7 million.

#### Total Equity

The Company and its subsidiaries had total equity Baht 1,722.1 million in 2019, Baht 2,030.0 million in 2018 and Baht 2,244.8 million in 2017. The decline in the year 2019 from 2018 amounted to Baht 307.9 million or 15.2% were caused by the company's operating losses.

#### Statement of comprehensive income

In the year 2019, the Company and its subsidiaries presented loss of Baht 307.9 million with the loss of Baht 214.7 million in the year 2018 and loss of Baht 199.7 million in 2017. The loss for the year 2019 increased from the year 2018 by Baht 93.2 million or 43.4%

#### Revenues

In 2019, total revenues of the Company and its subsidiaries were Baht 55.4 million, Baht 115.3 million in 2018 and Baht 71.3 million in 2017. The revenues in 2019 were comprised of rental and service income of Baht 22.9 million, building management service income of Baht 2.3 million, interest and other incomes of Baht 30.2 million. Whilst in 2018, total revenues were comprised of rental and service income of Baht 26.3 million, building management service income of Baht 30.2 million, interest and other income Baht of 21.5 million. Comparing with year 2018, the total revenues of the year 2019 decreased by Baht 59.9 million or 51.9% due to the termination of the management agreement of One Pacific Place Building and Two Pacific Place Building on 31 January 2019.

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

Total expenses of the Company and its subsidiaries were Baht 226.8 million in 2019, Baht 202.9 million in 2018 and Baht 199.1 million in 2017. The total expenses for the year 2019 consisted of the cost of rental and services in of Baht 56.1 million, cost of building management services of Baht 1.0 million, selling and

administrative expenses of Baht 169.7 million. Comparing with the year 2018, there were cost of rental and services of Baht 50.7 million, cost of building management services of Baht 6.7 million, selling and administrative expenses of Baht 145.5 million. The total expenses of the year 2019 increased from the year 2018 by 23.9 million baht, representing 11.8%. The reasons were increase in selling and administrative expenses of Baht 24.2 million.

#### Share of loss from joint venture

The Company recorded share of losses from the joint venture by equity method. In 2019, the Company recorded share of losses from joint ventures in the amount of Baht 111.4 million, Baht 94.6 million in the year 2018 and Baht 62.9 million in the year 2017. The share of losses of the year 2019 increased from the year 2018 by Baht 16.8 million or 17.8%.

#### Financial costs

Finance costs of the Company and subsidiaries in 2019 were Baht 29.8 million, comparing with Baht 17.2 million and Baht 5.6 million in the year 2018 and 2017 respectively. The increase of finance costs in 2019 from the year 2018 amounted to Baht 12.6 million or 73.2%.

In addition, in the year 2019, the income tax of the Company and its subsidiaries were Baht 4.6 million, decreased by Baht 20.0 million or 129.9% from the year 2018, due to operating loss of the Company.

#### Statement of Cash Flows

The Company and its subsidiaries have cash and cash equivalents amounting to Baht 65.1 million as of December 31, 2019, increase by Baht 47.2 million when comparing with the balance of the year 2018. The increase due to cash used in operating activities of Baht 74.8 million, net cash used in investment activities of Baht 101.5 million and net cash generated from financing activities of Baht 223.5 million. Whilst in 2018, cash and cash equivalents were Baht 64.6 million, net cash used in operating activities of Baht 97.9 million and net cash generated from financing activities of Baht 156.5 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 2019, 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 2019;
- 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 determined one key audit matter: the valuation of investment properties and leasehold rights. 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 don't 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 and leasehold rights</i></b></p> <p>Refer to Note 4 'Critical accounting estimates and judgements', Note 11 'Investment properties, net' and Note 12 'Leasehold rights, net' to the financial statements.</p> <p>As at 31 December 2019, the Company had a book value (before the allowance for impairment) of investment properties and leasehold rights in Metro West Town - a community mall of Baht 677.32 million, representing 26.01% of the total assets in the consolidated financial statements and 20.06% of the total assets in the separated financial statements.</p> <p>During 2019, the economic benefits expected from those assets had been reduced. Management assessed that the investment properties and leasehold rights relating to Metro West Town, a community mall, might be impaired. Therefore, management performed an impairment review and determined the recoverable amount based on fair value less the cost of disposals according to the income approach, considering the present value projection of expected future cash flows. Key assumptions were determined using market data from similar assets that were assessed by an independent appraiser. Those key assumptions involved projected future occupancy and rental rates, and discount rates used in cash flow projection.</p> <p>From the impairment assessment, the management found that the recoverable amount which was the fair value less the cost of disposal, was less than the net book value. So, the loss on impairment of investment properties and leasehold rights of Baht 35.12 million relating to Metro West Town was additionally recognised in the 2019 consolidated and separate statements of comprehensive income, resulting in an allowance for impairment of Baht 56.62 million as at 31 December 2019.</p> <p>I focussed on this area because of its significance to the balances of the consolidated and separated financial statements, and because it involved significant management judgment to determine the key assumptions used in the fair value calculations.</p>	<p>I followed the procedures below to assess the impairment testing of the investment properties and leasehold rights relating to Metro West Town:</p> <ul style="list-style-type: none"> <li>discussed and understood the management's procedures for impairment testing and assumption used to determine if the assessment procedures were appropriate and assumptions were reasonably used.</li> <li>evaluated the competence, qualifications, and independence of the appraiser.</li> <li>evaluated the appropriateness of the appraiser's valuation approach, testing the calculation and compared the data used in the valuation report with the Company's data.</li> <li>challenged the independent appraiser and management about the reasonableness of key assumptions which were projected future occupancy and rental rates, and discount rates and comparing them with data from similar markets.</li> <li>performed sensitivity analysis tests of key assumptions which were projected future rental rate, and discount rates to assess possible results from changing the assumptions.</li> <li>engaged our internal valuation expert to assess the appropriateness of the discount rates applied for the cash flow projection and compared them with information that could be cited from publicly disclosed sources.</li> </ul> <p>From these procedures, I considered that the valuation method used to determine the fair value and the management's key assumptions used in the impairment testing were within an acceptable range.</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  
 24 February 2020

**WE RETAIL PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

**We Retail Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2019**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	65,111,329	17,916,257	8,707,775	16,706,021
Trade and other receivables, net	8	23,039,546	24,212,041	391,936,409	347,929,748
Short-term loans to a related party	26.4	-	-	1,234,992,000	1,189,992,000
Other current assets		20,232,641	17,982,337	20,232,340	17,982,232
<b>Total current assets</b>		<b>108,383,516</b>	<b>60,110,635</b>	<b>1,655,868,524</b>	<b>1,572,610,001</b>
<b>Non-current assets</b>					
Investment in a subsidiary	10	-	-	514,500,000	514,500,000
Investment in a joint venture	9	-	-	50,000,000	50,000,000
Loans to a related party, net	26.5	262,503,081	282,076,059	496,778,103	405,000,000
Investment properties, net	11	1,396,855,767	1,449,279,671	549,346,964	601,770,868
Leasehold rights, net	12	785,152,450	818,066,847	92,853,035	96,554,183
Building improvement and equipment, net	13	1,993,145	933,579	1,993,144	933,578
Deferred tax assets, net	14	47,827,173	40,399,462	13,686,605	6,258,894
Other non-current assets		1,569,656	1,569,814	1,504,654	1,504,812
<b>Total non-current assets</b>		<b>2,495,901,272</b>	<b>2,592,325,432</b>	<b>1,720,662,505</b>	<b>1,676,522,335</b>
<b>Total assets</b>		<b>2,604,284,788</b>	<b>2,652,436,067</b>	<b>3,376,531,029</b>	<b>3,249,132,336</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 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	16	80,953,262	52,659,441	80,632,978	52,454,577
Short-term borrowings from a third party	15, 25	95,024,123	-	-	-
Short-term borrowings from a related party	26.6	-	-	-	-
Creditors as per rehabilitation plan	17	6,811,829	6,811,829	6,811,829	6,811,829
Deposits and cash received in advance		9,788,721	11,209,216	9,728,721	11,209,216
Income tax payable		91,081	2,009,222	91,081	2,009,222
Other current liabilities		1,373,014	1,553,155	592,255	1,231,518
<b>Total current liabilities</b>		<b>194,042,030</b>	<b>74,242,863</b>	<b>97,856,864</b>	<b>73,716,362</b>
<b>Non-current liabilities</b>					
Borrowings from a related party	15, 25, 26.7	480,000,000	356,500,000	480,000,000	356,500,000
Accrued land rental expenses		204,723,345	189,041,125	12,581,809	11,514,709
Employee benefit obligations	18	3,393,874	2,632,734	3,295,263	2,534,123
<b>Total non-current liabilities</b>		<b>688,117,219</b>	<b>548,173,859</b>	<b>495,877,072</b>	<b>370,548,832</b>
<b>Total liabilities</b>		<b>882,159,249</b>	<b>622,416,722</b>	<b>593,733,936</b>	<b>444,265,194</b>
<b>Equity</b>					
Share capital	19				
Registered					
4,535,071,428 ordinary shares of par Baht 1.05 each		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		2,615,114,338	2,615,114,338	2,615,114,338	2,615,114,338
Premium on paid-up capital	19	61,152,469	61,152,469	61,152,469	61,152,469
Adjustment of share capital from reverse acquisition	19	65,335,309	65,335,309	-	-
Retained earnings (deficit)					
Appropriated - Legal reserve	20	6,520,000	6,520,000	6,520,000	6,520,000
Unappropriated		(1,026,758,011)	(718,864,205)	99,248,852	121,318,901
Other components of equity		761,434	761,434	761,434	761,434
<b>Total equity</b>		<b>1,722,125,539</b>	<b>2,030,019,345</b>	<b>2,782,797,093</b>	<b>2,804,867,142</b>
<b>Total liabilities and equity</b>		<b>2,604,284,788</b>	<b>2,652,436,067</b>	<b>3,376,531,029</b>	<b>3,249,132,336</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 2019**

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
<b>Revenues</b>					
Revenues from rental and services		22,923,802	26,310,790	22,923,802	26,310,790
Revenues from building management services		2,329,698	30,176,762	2,329,698	30,176,762
<b>Total revenues</b>		25,253,500	56,487,552	25,253,500	56,487,552
<b>Cost</b>					
Cost of rental and services		(56,095,102)	(50,743,912)	(56,095,102)	(50,743,912)
Cost of building management services		(960,842)	(6,722,668)	(960,842)	(6,722,668)
<b>Total cost</b>		(57,055,944)	(57,466,580)	(57,055,944)	(57,466,580)
<b>Gross profit</b>		(31,802,444)	(979,028)	(31,802,444)	(979,028)
Interest income		29,941,802	21,279,428	105,102,440	90,031,396
Other income		223,352	205,127	139,717	109,784
Gains on sale of investments					
classified as assets held for sale		-	37,375,766	-	37,375,766
Selling expenses		(1,605,228)	(3,068,364)	(1,605,228)	(3,068,364)
Administrative expenses		(168,125,242)	(142,391,618)	(70,138,129)	(46,780,078)
Finance costs	21	(29,844,854)	(17,237,275)	(28,436,294)	(17,237,275)
Share of loss from investment in					
a joint venture	9	(111,351,081)	(94,566,838)	-	-
<b>Profit (loss) before income tax</b>		(312,563,695)	(199,382,802)	(26,739,938)	59,452,201
Income tax	23	4,669,889	(15,365,467)	4,669,889	(15,365,467)
<b>Profit (loss) for the year</b>		<u>(307,893,806)</u>	<u>(214,748,269)</u>	<u>(22,070,049)</u>	<u>44,086,734</u>
<b>Total comprehensive income (expense)</b>					
<b>for the year</b>		<u>(307,893,806)</u>	<u>(214,748,269)</u>	<u>(22,070,049)</u>	<u>44,086,734</u>
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share (Baht)	24	(0.1236)	(0.0862)	(0.0089)	0.0177

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 2019**

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	Total other components of equity	
						Acturial gain Baht	equity Baht	
<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	20	-	-	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>
<b>Opening balance at 1 January 2019</b>	2,615,114,338	61,152,469	65,335,309	6,520,000	(718,864,205)	761,434	761,434	2,030,019,345
<b>Changes in equity for the year</b>								
Total comprehensive expenses for the year		-	-	-	(307,893,806)	-	-	(307,893,806)
<b>Closing balance at 31 December 2019</b>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>65,335,309</u>	<u>6,520,000</u>	<u>(1,026,758,011)</u>	<u>761,434</u>	<u>761,434</u>	<u>1,722,125,539</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 2019**

Separate financial statements							
Note	Issued and paid-up share capital Baht	Share premium Baht	Retained earnings		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 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	20	-	-	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>
<b>Opening balance at 1 January 2019</b>	2,615,114,338	61,152,469	6,520,000	121,318,901	761,434	761,434	2,804,867,142
<b>Changes in equity for the year</b>							
Total comprehensive income for the year		-	-	(22,070,049)	-	-	(22,070,049)
<b>Closing balance at 31 December 2019</b>	<u>2,615,114,338</u>	<u>61,152,469</u>	<u>6,520,000</u>	<u>99,248,852</u>	<u>761,434</u>	<u>761,434</u>	<u>2,782,797,093</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 2019**

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Notes					
<b>Cash flows from operating activities</b>					
	Profit (loss) before income tax expense	(312,563,695)	(199,382,802)	(26,739,938)	59,452,201
	Adjustments for:				
	Allowance for doubtful accounts	8	(2,569,385)	(2,569,385)	(268,642)
	Bad debt	8	2,452,465	2,452,465	6,359,382
	Depreciation	11, 13	17,694,425	17,577,353	17,577,352
	Amortisation of leasehold rights	12	32,914,397	3,701,148	3,701,148
	Impairment loss on investment properties	11	35,120,789	35,120,789	10,000,000
	Gain on sale of assets held for sale		-	-	(37,375,767)
	Accrued land rental on straight-line basis		15,682,220	1,067,100	1,086,442
	Share of losses from investment in a joint venture	9	111,351,081	94,566,838	-
	Employee benefit expenses	18	761,140	761,140	395,991
	Interest income		(29,941,802)	(105,102,440)	(90,031,397)
	Finance costs	21	29,844,854	28,436,294	17,237,275
			(99,253,511)	(58,951,200)	(45,178,402)
			(58,951,200)	(45,178,402)	(11,866,015)
	Changes in operating assets and liabilities				
	Trade and other receivables		5,069,004	(3,923,499)	5,070,081
	Other current assets		(2,250,304)	(2,548,895)	(2,250,108)
	Other non-current assets		158	1,014,024	158
	Trade and other payables		53,665	1,649,599	(61,755)
	Deposits and cash received in advance		(1,420,495)	(2,091,924)	(1,480,495)
	Other current liabilities		(180,141)	46,585	(639,263)
					46,586
	Cash used in operations		(97,981,624)	(64,805,310)	(44,539,784)
	Income tax paid		(4,675,963)	(14,014,587)	(4,675,963)
	Interest income		34,384,110	14,221,209	64,364,515
	Finance costs paid		(6,580,575)	-	14,215,767
				(196,138)	-
	<b>Net cash generated from (used in) operating activities</b>		(74,854,052)	(64,598,688)	14,952,630
					(17,554,922)

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 2019**

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
	Notes				
<b>Cash flows from investing activities</b>					
Cash received from sale of assets held for sale		-	120,000,000	-	120,000,000
Cash paid for purchases of building improvements and equipment	13	(1,450,876)	(437,264)	(1,450,876)	(437,264)
Cash paid for investment in a joint venture	9	-	(37,500,000)	-	(37,500,000)
Cash paid for short-term loans to a related party	26.4	-	-	(45,000,000)	(46,500,000)
Cash paid for loans to a related party	26.5	(110,000,000)	(180,000,000)	(110,000,000)	(180,000,000)
Cash received from loans to a related party	26.5	10,000,000	-	10,000,000	-
<b>Net cash used in investing activities</b>		<b>(101,450,876)</b>	<b>(97,937,264)</b>	<b>(146,450,876)</b>	<b>(144,437,264)</b>
<b>Cash flows from financing activity</b>					
Cash received from short-term borrowings from a third party	15	100,000,000	-	-	-
Cash received from short-term borrowings from a related party	25, 26.6	10,000,000	-	10,000,000	-
Cash paid for short-term borrowings from a related party	25, 26.6	(10,000,000)	-	(10,000,000)	-
Cash received from borrowings from a related party	25, 26.7	123,500,000	156,500,000	123,500,000	156,500,000
<b>Net cash generated from financing activity</b>		<b>223,500,000</b>	<b>156,500,000</b>	<b>123,500,000</b>	<b>156,500,000</b>
<b>Net decrease in cash and cash equivalents</b>		<b>47,195,072</b>	<b>(6,035,952)</b>	<b>(7,998,246)</b>	<b>(5,492,186)</b>
Cash and cash equivalents at the beginning of the year		17,916,257	23,952,209	16,706,021	22,198,207
<b>Cash and cash equivalents at the end of the year</b>		<b>65,111,329</b>	<b>17,916,257</b>	<b>8,707,775</b>	<b>16,706,021</b>
<b>Non-cash transactions</b>					
Significant non-cash transactions during the year ended 31 December are as follows:					
Rollover loans to a related party		405,000,000	225,000,000	405,000,000	225,000,000

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 listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows:

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

The principal business operations of the Company and its subsidiaries (together “the Group”) are property development in shopping mall and commercial areas, and building management services.

These consolidated and separate financial statements were authorised for issue by the board of directors on 24 February 2020.

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except which is explained in the relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

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 and amended financial reporting standards**

The Group has applied the new and amended financial reporting standards which are effective for the accounting period beginning on 1 January 2019 and relevant to the Group. The application of those financial reporting standards does not have significant impact to the Group.

The Group has not yet early adopted the new and amended financial reporting standards which are effective for the accounting period beginning on 1 January 2020. The Group’s management is currently assessing the impact of adoption of these standards.

## **2.3 Principles of consolidation and equity accounting**

### **a) Subsidiaries**

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

### **b) 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.

#### *Joint ventures*

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.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

### **c) Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

### **d) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. 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 in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

## **2.4 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

## **2.5 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

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Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

## **2.6 Investment property**

Investment properties, principally community mall, are held for rental yields or for capital appreciation and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and allowance for impairment.

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. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

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

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

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

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation 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.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## **2.8 Leasehold right**

Expenditure on acquired leasehold right is measured at cost and are subsequently carried at cost less accumulated amortisation and allowance for impairment. The amortisation is calculated using the straight-line method over the lease period, generally over 27 - 32 years.

## **2.9 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

## **2.10 Leases**

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

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. The difference between actual payments and straight-line rentals is presented under accrued land rental expenses.

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

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

## **2.11 Borrowings**

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

## **2.12 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

## **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.

### *Current income tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **2.14 Employee benefits**

#### *a) Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

#### *b) Defined contribution plan*

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

#### *c) Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## **2.16 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

## **2.17 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

### *Rental and services*

The Group recognised rental and service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

### *Sale of goods - retail*

The Group invested in a joint venture which operates a chain of retail stores selling consumer products. Revenue from the sale of goods is recognised when sells a product to the customer. Payment of the transaction price is due immediately when the customer purchases consumer products and takes delivery.

### **3 Financial risk management**

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

The Group exposes to a variety of financial risks: market risk (fair value risk and price risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### **3.1.1 Interest rate risk**

The Group has interest rate risk from borrowings at fixed interest rates. The Group has no significant interest-bearing assets.

##### **3.1.2 Liquidity risk**

The Group manages sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

#### **3.2 Fair value**

Financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount are disclosed in relevant notes.

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

### **4 Critical estimates and judgements**

Estimates and judgements 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.

#### ***Impairment of investment properties and leasehold rights***

The Group assess the impairment of investment properties and leasehold rights whether there is any indication that carrying amount may be higher than recoverable amount determined based on fair value less the cost of disposals according to the income approach. The calculations use projection of expected future cash flows using market data from similar assets that were assessed by an independent appraiser and it involved significant management judgment to determine the assumptions needed to do the fair value calculations. Those key assumptions involved future occupancy and rental rates, and discount rates used for the cash flow projection.

#### ***Deferred tax asset for carried forward tax losses***

The subsidiary has the losses carried forward and the Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. It is expected that the losses carried forward will be utilised within 5 years.

## **5 Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue 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 amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

## **6 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 statement of comprehensive income.

## **7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Cash	90,758	30,000	80,758	20,000
Cash at bank	65,020,571	17,886,257	8,627,017	16,686,021
<b>Total</b>	<b>65,111,329</b>	<b>17,916,257</b>	<b>8,707,775</b>	<b>16,706,021</b>

Cash at bank is deposits held at call with banks, bearing interest rates of 0.11% to 0.77% per annum (2018: 0.25% to 0.50% per annum).

**8 Trade and other receivables, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Trade receivables	10,911,618	14,944,086	10,911,618	14,944,086
<u>Less</u> Allowance for doubtful accounts	(8,822,651)	(11,392,036)	(8,822,651)	(11,392,036)
Trade receivables - net	2,088,967	3,552,050	2,088,967	3,552,050
Other receivables - third parties	12,504	42,254	12,504	42,254
Amounts due from a related party (Note 26.3)	5,996	2,599,615	-	2,595,179
Accrued interest income from related parties (Note 26.3)	18,389,178	14,609,589	387,313,299	338,353,477
Prepayments	2,205,634	2,201,716	2,184,372	2,179,971
Accrued income	337,267	1,206,817	337,267	1,206,817
<b>Total</b>	<b>23,039,546</b>	<b>24,212,041</b>	<b>391,936,409</b>	<b>347,929,748</b>

During the year 2019, the Company written-off bad debt for trade receivables in the consolidated and separate financial statements amounting to Baht 2.45 million (2018: Baht 6.36 million).

Outstanding trade receivables as at 31 December 2019 and 2018 can be analysed as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Not overdue	616,284	761,264	616,284	761,264
Overdue				
Up to 3 months	476,820	2,003,520	476,820	2,003,520
3 - 6 months	26,981	1,610,875	26,981	1,610,875
6 - 12 months	103,440	2,822,403	103,440	2,822,403
Over 12 months	9,688,093	7,746,024	9,688,093	7,746,024
<u>Less</u> Allowance for doubtful accounts	(8,822,651)	(11,392,036)	(8,822,651)	(11,392,036)
<b>Total</b>	<b>2,088,967</b>	<b>3,552,050</b>	<b>2,088,967</b>	<b>3,552,050</b>

## 9 Investments in a joint venture

As at 31 December 2019 and 2018, the material investments in a joint venture are as follows:

Entity name	Country of incorporation	Nature of business	% of ownership interest of the Group		Consolidated financial statements		Separate financial statements	
					Investment at equity method		Investment at cost method	
			2019	2018	2019	2018	2019	2018
			%	%	Baht	Baht	Baht	Baht
Joint ventures:								
All Discount Company Limited and its subsidiaries	Thailand	Retail business	50.00	50.00	-	-	50,000,000	50,000,000
ALL-D One Company Limited	Thailand	Service	50.00					
ALL-D Two Company Limited	Thailand	Service	50.00					
ALL-D Three Company Limited	Thailand	Service	50.00					
ALL-D Four Company Limited	Thailand	Service	50.00					
ALL-D Five Company Limited	Thailand	Service	50.00					
ALL-D Six Company Limited	Thailand	Service	50.00					
ALL-D Seven Company Limited	Thailand	Service	50.00					
ALL-D Eight Company Limited	Thailand	Service	50.00					
ALL-D Nine Company Limited	Thailand	Service	50.00					
ALL-D Ten Company Limited	Thailand	Service	50.00					
ALL-D Eleven Company Limited	Thailand	Service	50.00					
ALL-D Twelve Company Limited	Thailand	Service	50.00					
ALL-D Thirteen Company Limited	Thailand	Service	50.00					
ALL-D Fourteen Company Limited	Thailand	Service	50.00					
ALL-D Fifteen Company Limited	Thailand	Service	50.00					
ALL-D Sixteen Company Limited	Thailand	Service	50.00					
ALL-D Seventeen Company Limited	Thailand	Service	50.00					
ALL-D Eighteen Company Limited	Thailand	Service	50.00					

All Discount Company Limited is a company limited and its shares do not have a quoted market price.

During the year 2019, the joint venture established new 18 subsidiaries. The registered capital of each subsidiary was 10,000 baht divided into 1,000 ordinary shares with a par value of 10 baht per share, and fully paid up. The joint venture holds 99.8% of the registered capital.

During the year 2019, the Group recognised its share of loss from a joint venture using the equity method amounting to Baht 111.35 million (2018: Baht 94.57 million). As of 31 December 2019, the Group has cumulative share of loss from investment in a joint venture amounting to Baht 284.28 million (31 December 2018: Baht 172.92 million).

The Group recognised its share of loss until the carrying amount of investment in a joint venture is reduced to zero and recognised loss exceeding the investment in a joint venture to loans to a related party as a part of net investment in a joint venture. As of 31 December 2019, the Group had cumulative share of loss from investment in a joint venture recognised in loans to a related party amounting to Baht 234.28 million (31 December 2018: Baht 122.92 million) (Note 26.5).

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

The movements of investment in a joint venture during the year ended 31 December 2019 and 2018 are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening book amount	-	-	50,000,000	12,500,000
Additions	-	37,500,000	-	37,500,000
Share of loss from investment in a joint venture	-	(37,500,000)	-	-
Closing book amount	-	-	50,000,000	50,000,000

The movements of interest in a joint venture recognised in loans to a related party during the year ended 31 December 2019 and 2018 are as follows:

	<b>Consolidated financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Opening book amount	(122,923,941)	(65,857,103)
Additions	-	37,500,000
Share of loss from investment in a joint venture (Note 26.5)	(111,351,081)	(94,566,838)
<b>Closing book amount</b>	<b>(234,275,022)</b>	<b>(122,923,941)</b>

*Summarised financial information for a joint venture*

The table below is summarised of financial information for a joint venture that are material to the Group. The financial information is included in a joint venture own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policy.

	<b>All Discount Company Limited</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
<i>Summarised of performance</i>		
Revenue	332,229,654	356,637,560
Cost of sale	(348,831,376)	(408,576,411)
Other income	2,681,470	1,572,877
Administrative expenses	(90,214,179)	(112,179,985)
Selling expenses	(86,675,870)	(4,665,474)
Interest expense	(31,891,861)	(21,922,243)
Loss before income tax	(222,702,162)	(189,133,676)
Income tax	-	-
Loss for the year	(222,702,162)	(189,133,676)
<i>Summarised of statement of financial position</i>		
<b>Current assets</b>		
Cash and cash equivalents	2,479,230	3,253,081
Other current assets	52,898,370	125,565,993
Total current assets	55,377,600	128,819,074

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

	<b>All Discount Company Limited</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Non-current assets</b>		
Non-current assets	118,087,392	149,502,588
Total non-current assets	118,087,392	149,502,588
<b>Current liabilities</b>		
Current financial liabilities (exclude trade and other payables and provisions)	(556,694,977)	(431,056,215)
Other current liabilities	(84,126,076)	(92,456,358)
Total current liabilities	(640,821,053)	(523,512,573)
<b>Non-current liabilities</b>		
Non-current financial liabilities (exclude trade and other payables and provisions)	(630,872)	-
Other non-current liabilities	(563,111)	(656,971)
Total non-current liabilities	(1,193,983)	(656,971)
Net assets	(468,550,044)	(245,847,882)
<b>Reconciliation to carrying amounts:</b>		
Opening net assets	(245,847,882)	(131,714,206)
Loss for the year	(222,702,162)	(189,133,676)
Paid-up stock	-	75,000,000
Closing net assets	(468,550,044)	(245,847,882)
Group's share in a joint venture (%)	50.00	50.00
Group's share in a joint venture (Baht)	(234,275,022)	(122,923,941)
Cumulative loss exceeding the investment in a joint venture (Note 26.5)	234,275,022	122,923,941
A joint venture's carrying amount	-	-

## 10 Investments in a subsidiary

As at 31 December 2019, the subsidiary included in consolidated financial statement.

Entity name	Country of incorporation	Nature of business	Ownership interest held by the Company		Ownership interest held by the Group	
			2019 (%)	2018 (%)	2019 (%)	2018 (%)
Centrepont Shopping Mall Company Limited	Thailand	Property development in the segment of shopping mall and commercial areas	100.00	100.00	-	-

The subsidiary has only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in a subsidiary held by the Group.

In the separate financial statements, investment in a subsidiary is accounted for using cost method in amount of Baht 514 million (2018: Baht 514 million).



**11 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>As 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	-	(41,017,277)	-	(41,017,277)	-	(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	168,333,182	460,742,748	847,508,803	1,476,584,733	168,333,182	460,742,748	-	629,075,930
<b>For the year ended 31 December 2018</b>								
Opening net book amount	168,333,182	460,742,748	847,508,803	1,476,584,733	168,333,182	460,742,748	-	629,075,930
Depreciation	-	(17,305,062)	-	(17,305,062)	-	(17,305,062)	-	(17,305,062)
Impairment charge	-	(10,000,000)	-	(10,000,000)	-	(10,000,000)	-	(10,000,000)
Closing net book amount	168,333,182	433,437,686	847,508,803	1,449,279,671	168,333,182	433,437,686	-	601,770,868
<b>As 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	168,333,182	433,437,686	847,508,803	1,449,279,671	168,333,182	433,437,686	-	601,770,868

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

	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>For the year ended 31 December 2019</b>								
Opening net book amount	168,333,182	433,437,686	847,508,803	1,449,279,671	168,333,182	433,437,686	-	601,770,868
Reclassification	188,728,038	-	(188,728,038)	-	-	-	-	-
Depreciation	-	(17,303,115)	-	(17,303,115)	-	(17,303,115)	-	(17,303,115)
Impairment charge	-	(35,120,789)	-	(35,120,789)	-	(35,120,789)	-	(35,120,789)
Closing net book amount	357,061,220	381,013,782	658,780,765	1,396,855,767	168,333,182	381,013,782	-	549,346,964
<b>As at 31 December 2019</b>								
Cost	357,061,220	513,260,025	658,780,765	1,529,102,010	168,333,182	513,260,025	-	681,593,207
Less Accumulated depreciation	-	(75,625,454)	-	(75,625,454)	-	(75,625,454)	-	(75,625,454)
Less Allowance for impairment	-	(56,620,789)	-	(56,620,789)	-	(56,620,789)	-	(56,620,789)
Net book amount	357,061,220	381,013,782	658,780,765	1,396,855,767	168,333,182	381,013,782	-	549,346,964

The Group's investment properties of Baht 188,728,038 (2018: Nil) have been pledged as a security for short-term borrowings from a third party (Note 15).

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**Fair value of investment properties and leasehold rights (leasehold rights are separately presented in Note 12)**

Independent valuations of the Group's investment properties and leasehold rights were performed by independent appraisers.

The following table shows the analysis of investment properties and leasehold rights carried at fair value according to the fair value hierarchy:

	Consolidated financial statements		Separate financial statements	
	Significant unobservable inputs (level 3)			
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Investment properties which are ready-to-use and in-use and leasehold rights	642,200,000	693,000,000	642,200,000	693,000,000
Investment properties under construction and leasehold rights	2,574,200,000	2,057,500,000	-	-
	3,216,400,000	2,750,500,000	642,200,000	693,000,000

The fair value of investment properties which are ready-to-use and in-use and leasehold rights are based on an income approach. An independent professionally qualified appraiser assessed the fair value by considering the estimated present value of expected future cash flows based on cash-generating units. The cash-generating units refer to ready-to-use and in-use investment properties, as well as leasehold rights. Key assumptions used in the valuation include estimated future occupancy and rental rates, and discount rates used for the cash flow projection. The fair values are within level 3 of the fair value hierarchy.

According to the valuation, the Company recognised an impairment loss of Baht 35.12 million in the statement of comprehensive income for the year 2019.

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

There were no transfers between levels of fair value hierarchy during the year.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	<b>Fair value 2019 Baht</b>	<b>Unobservable inputs</b>	<b>Range of inputs 2019</b>
Investment properties which are ready-to-use and in-use and leasehold rights	642,200,000	Future rental rates Discount rate	320 Baht - 2,000 Baht per sq.m. 10.00% - 10.50%

Relationship of unobservable inputs to fair value are shown as follows:

	<b>Unobservable inputs</b>	<b>Movement</b>	<b>Change in fair value</b>	
			<b>Increase in assumptions 2019</b>	<b>Decrease in assumptions 2019</b>
Investment properties which are ready-to-use and in-use and leasehold rights	Future rental rates Discount rate	3.00% 0.50%	Increase by 3.72% Decrease by 4.76%	Decrease by 3.72% Increase by 5.11%

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

Amounts recognised in profit and loss that are related to investment properties are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Rental income	22,923,802	26,310,790	22,923,802	26,310,790
Direct operating expense that generated rental income	56,095,102	50,743,912	56,095,102	50,743,912
Direct operating expense that did not generated rental income	95,132,177	95,132,177	-	-

**12 Leasehold rights, net**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>At 1 January</b>				
Cost	1,014,729,088	1,014,729,088	117,507,662	117,507,662
<u>Less</u> Accumulated amortisation	(196,662,241)	(163,747,844)	(20,953,479)	(17,252,331)
Net book amount	818,066,847	850,981,244	96,554,183	100,255,331
<b>For the year ended 31 December</b>				
Opening net book amount	818,066,847	850,981,244	96,554,183	100,255,331
Amortisation charge	(32,914,397)	(32,914,397)	(3,701,148)	(3,701,148)
Closing net book amount	785,152,450	818,066,847	92,853,035	96,554,183
<b>At 31 December</b>				
Cost	1,014,729,088	1,014,729,088	117,507,662	117,507,662
<u>Less</u> Accumulated amortisation	(229,576,638)	(196,662,241)	(24,654,627)	(20,953,479)
Net book amount	785,152,450	818,066,847	92,853,035	96,554,183

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

**13 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>As 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
<u>Less</u> Accumulated depreciation	(542,610)	(1,003,636)	(4,899,999)	(6,446,245)	(542,610)	(1,003,636)	-	(1,546,246)
Net book amount	171,460	597,144	1	768,605	171,460	597,144	-	768,604
<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	(47,748)	(224,542)	-	(272,290)	(47,748)	(224,542)	-	(272,290)
Closing net book amount	143,203	790,375	1	933,579	143,203	790,375	-	933,578
<b>As 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
<u>Less</u> Accumulated depreciation	(590,358)	(1,228,178)	(4,899,999)	(6,718,535)	(590,358)	(1,228,178)	-	(1,818,536)
Net book amount	143,203	790,375	1	933,579	143,203	790,375	-	933,578
<b>For the year ended 31 December 2019</b>								
Opening net book amount	143,203	790,375	1	933,579	143,203	790,375	-	933,578
Additions	-	1,450,876	-	1,450,876	-	1,450,876	-	1,450,876
Depreciation	(42,998)	(348,312)	-	(391,310)	(42,998)	(348,312)	-	(391,310)
Closing net book amount	100,205	1,892,939	1	1,993,145	100,205	1,892,939	-	1,993,144
<b>As at 31 December 2019</b>								
Cost	733,561	3,469,429	4,900,000	9,102,990	733,561	3,469,429	-	4,202,990
<u>Less</u> Accumulated depreciation	(633,356)	(1,576,490)	(4,899,999)	(7,109,845)	(633,356)	(1,576,490)	-	(2,209,846)
Net book amount	100,205	1,892,939	1	1,993,145	100,205	1,892,939	-	1,993,144

#### 14 Deferred income taxes, net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	3,416,446	3,218,774	3,416,446	3,218,774
Deferred tax asset to be recovered more than 12 months	46,123,779	38,947,393	11,983,211	4,806,825
	49,540,225	42,166,167	15,399,657	8,025,599
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(411,137)	(411,137)	(411,137)	(411,137)
Deferred tax liabilities to be settled more than 12 months	(1,301,915)	(1,355,568)	(1,301,915)	(1,355,568)
	(1,713,052)	(1,766,705)	(1,713,052)	(1,766,705)
<b>Deferred income tax, net</b>	<b>47,827,173</b>	<b>40,399,462</b>	<b>13,686,605</b>	<b>6,258,894</b>

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

The movements in deferred tax assets and liabilities is as follows:

	<b>Consolidated financial statements</b>				
	<b>At 1 January 2018 Baht</b>	<b>Recognised to profit or loss Baht</b>	<b>At 31 December 2018 Baht</b>	<b>Recognised to profit or loss Baht</b>	<b>At 31 December 2019 Baht</b>
<b>Deferred tax assets</b>					
Allowance for doubtful debt	2,326,232	(2,326,232)	-	-	-
Unrecognised revenue	-	-	-	197,672	197,672
Employee benefit obligations	427,627	79,198	506,825	152,228	659,053
Allowance for impairment of investment properties	2,218,629	2,081,371	4,300,000	7,024,158	11,324,158
Accrued land rental expenses	4,908,718	(2,823,065)	2,085,653	-	2,085,653
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
Others	1,133,121	-	1,133,121	-	1,133,121
	<b>45,154,895</b>	<b>(2,988,728)</b>	<b>42,166,167</b>	<b>7,374,058</b>	<b>49,540,225</b>
<b>Deferred tax liabilities</b>					
Deferred rental income	(357,484)	-	(357,484)	-	(357,484)
Difference of tax and accounting of investment properties	(3,178,395)	1,769,174	(1,409,221)	53,653	(1,355,568)
	<b>(3,535,879)</b>	<b>1,769,174</b>	<b>(1,766,705)</b>	<b>53,653</b>	<b>(1,713,052)</b>
Deferred income tax, net	<b>41,619,016</b>	<b>(1,219,554)</b>	<b>40,399,462</b>	<b>7,427,711</b>	<b>47,827,173</b>

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

	Separate financial statements				
	At 1 January 2018 Baht	Recognised to profit or loss Baht	At 31 December 2018 Baht	Recognised to profit or loss Baht	At 31 December 2019 Baht
<b>Deferred tax assets</b>					
Allowance for doubtful debt	2,326,232	(2,326,232)	-	-	-
Unrecognised revenue	-	-	-	197,672	197,672
Employee benefit obligations	427,627	79,198	506,825	152,228	659,053
Allowance for impairment of investment properties	2,218,629	2,081,371	4,300,000	7,024,158	11,324,158
Accrued land rental expenses	4,908,718	(2,823,065)	2,085,653	-	2,085,653
Others	1,133,121	-	1,133,121	-	1,133,121
	11,014,327	(2,988,728)	8,025,599	7,374,058	15,399,657
<b>Deferred tax liabilities</b>					
Deferred rental income	(357,484)	-	(357,484)	-	(357,484)
Difference of tax and accounting of investment properties	(3,178,395)	1,769,174	(1,409,221)	53,653	(1,355,568)
	(3,535,879)	1,769,174	(1,766,705)	53,653	(1,713,052)
Deferred income tax, net	7,478,448	(1,219,554)	6,258,894	7,427,711	13,686,605

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax asset of Baht 57,787,376 (2018: Baht 38,282,188) from tax losses of Baht 288,936,880 (2018: Baht 191,410,938), to carry forward against future taxable income; these tax losses of Baht 288,936,880 (2018: Baht 191,410,938) will expire in 2021 - 2024.



## 15 Borrowings

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Current</b>				
Short-term borrowings from a third party	100,000,000	-	-	-
<u>Less</u> Deferred interest	(1,995,869)	-	-	-
<u>Less</u> Deferred financing fees	(2,980,008)	-	-	-
Short-term borrowings from a third party, net	95,024,123	-	-	-
Total current borrowings (Note 25)	95,024,123	-	-	-
<b>Non-current</b>				
Borrowings from a related party (Note 26.7)	480,000,000	356,500,000	480,000,000	356,500,000
Total non-current borrowings (Note 25)	480,000,000	356,500,000	480,000,000	356,500,000
<b>Total borrowings</b>	<b>575,024,123</b>	<b>356,500,000</b>	<b>480,000,000</b>	<b>356,500,000</b>

The fair values of current borrowings are equal to their carrying amounts, as the impact of discounting is not material.

The effective interest rates at the statement of financial position date were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Short-term borrowings from a third party	15.60%	-	-	-

The short-term borrowings from a third party were made on commercial terms and conditions, with collateral secured over land (Note 11). The borrowings are due within one year and carry interest at 12.00% per annum.

## 16 Trade and other payables

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Trade payable	5,665,604	5,665,604	5,665,604	5,665,604
Amounts due to related parties (Note 26.3)	-	333,814	-	333,814
Accrued interest expenses from related parties (Note 26.3)	50,096,782	21,856,626	50,096,782	21,856,626
Accrued interest expenses to creditors per rehabilitation plan	5,602,372	5,602,372	5,602,372	5,602,372
Accrued expenses	14,397,756	13,700,450	14,217,472	13,695,586
Other payables	5,190,748	5,500,575	5,050,748	5,300,575
<b>Total</b>	<b>80,953,262</b>	<b>52,659,441</b>	<b>80,632,978</b>	<b>52,454,577</b>



## 17 Creditors 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.

## 18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position:				
Retirement benefits	3,393,874	2,632,734	3,295,263	2,534,123
Liability in the statement of financial position	3,393,874	2,632,734	3,295,263	2,534,123
Profit or loss charge included in operating profit for:				
Retirement benefits	761,140	395,991	761,140	395,991
	761,140	395,991	761,140	395,991

### Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	2,632,734	2,236,743	2,534,123	2,138,132
Current service cost	387,129	333,984	387,129	333,984
Past service cost	292,050	-	292,050	-
Interest expense	81,961	62,007	81,961	62,007
At 31 December	3,393,874	2,632,734	3,295,263	2,534,123

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

The significant actuarial assumptions used were as follows:

	<b>Consolidated and Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>
Discount rate	2.9	2.9
Salary growth rate	5.0	5.0

Sensitivity analysis for each significant assumption used is as follows:

	<b>Consolidated and Separate financial statements</b>					
	<b>Change in assumption</b>		<b>Impact on defined benefit obligation</b>			
	<b>2019</b>	<b>2018</b>	<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
			<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Discount rate	1%	1%	Decrease by 7.84%	Decrease by 7.32%	Increase by 8.91%	Increase by 8.27%
Salary growth rate	1%	1%	Increase by 8.55%	Increase by 7.93%	Decrease by 7.70%	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 in the statement of financial position.

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

## **19 Share capital and premium on share capital**

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>2019</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	56,228,924
<b>Total</b>	<b>456,428,924</b>
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	103,871,510
<b>Value of ordinary shares, in the consolidated financial statements</b>	<b>2,741,602,116</b>

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

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>2019 Baht</b>
Issued and paid-up share capital	2,615,114,338
Premium on paid-up capital	61,152,469
Fair value of consideration transferred from reverse acquisition	65,335,309
<b>Total</b>	<b>2,741,602,116</b>

The total number of authorised ordinary shares is 4,535,071,428 shares (2018: 4,535,071,428 shares) with a par value of Baht 1.05 per share (2018: Baht 1.05 per share). The registered capital is Baht 4,761,824,999 (2018: Baht 4,761,824,999).

## 20 Legal reserve

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
At 1 January	6,520,000	4,310,000	6,520,000	4,310,000
Appropriation during the year	-	2,210,000	-	2,210,000
<b>At 31 December</b>	<b>6,520,000</b>	<b>6,520,000</b>	<b>6,520,000</b>	<b>6,520,000</b>

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. This reserve is not available for dividend distribution.

## 21 Finance costs

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Short-term borrowings from a related party	196,138	483,703	196,138	483,703
Borrowings from a related party	28,240,156	16,753,572	28,240,156	16,753,572
Short-term borrowings from a third party	1,160,151	-	-	-
Others	248,409	-	-	-
<b>Total finance costs</b>	<b>29,844,854</b>	<b>17,237,275</b>	<b>28,436,294</b>	<b>17,237,275</b>

## 22 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Employee benefit expenses	19,851,790	16,202,081	19,851,790	16,202,081
Depreciation and amortization expenses	50,608,822	50,491,749	21,395,573	21,278,500
Rental expenses	70,745,813	70,841,991	4,826,885	4,923,063
Common area expenses	16,410,149	19,367,240	16,356,837	19,308,323
Consulting fee and marketing expenses	12,118,428	13,830,125	12,118,228	13,830,125
Impairment loss	35,120,789	10,000,000	35,120,789	10,000,000

## 23 Income tax

Income tax for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax:				
Current tax on profits for the year	2,757,822	14,145,913	2,757,822	14,145,913
<b>Total current tax</b>	<b>2,757,822</b>	<b>14,145,913</b>	<b>2,757,822</b>	<b>14,145,913</b>
Deferred tax:				
(Increase) decrease in deferred tax assets (Note 14)	(7,374,058)	2,988,728	(7,374,058)	2,988,728
Decrease in deferred tax liabilities (Note 14)	(53,653)	(1,769,174)	(53,653)	(1,769,174)
<b>Total deferred tax</b>	<b>(7,427,711)</b>	<b>1,219,554</b>	<b>(7,427,711)</b>	<b>1,219,554</b>
<b>Total income tax</b>	<b>(4,669,889)</b>	<b>15,365,467</b>	<b>(4,669,889)</b>	<b>15,365,467</b>

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit (Loss) before tax	(312,563,695)	(199,382,802)	(26,739,938)	59,452,201
Tax calculated at a tax rate of 20% (2018: 20%)	(62,512,739)	(39,876,560)	(5,347,988)	11,890,440
Tax effect of:				
A joint venture's results reported net of tax	22,270,216	18,913,368	-	-
Expenses not deductible for tax purpose	16,067,446	14,976,398	678,099	1,224,262
Tax losses for which no deferred income tax asset was recognised	19,505,188	19,101,496	-	-
Adjustment in respect of prior year	-	2,250,765	-	2,250,765

**We Retail Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2019**

Tax charge	(4,669,889)	15,365,467	(4,669,889)	15,365,467
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## 24 Earnings (loss) per share

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Basic earnings (loss) per share</b>				
Net profit (loss)				
attributable to the ordinary equity holders of the company (Baht)	(307,893,806)	(214,748,269)	(22,070,049)	44,086,734
Weighted average number of shares used as the denominator (shares)	2,490,585,084	2,490,585,084	2,490,585,084	2,490,585,084
Basic earnings (loss) per share attributable to the ordinary equity holders of the company (Baht per share)	(0.1236)	(0.0862)	(0.0089)	0.0177

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2019 and 2018.

## 25 Change in liabilities arising from financing activities

	Consolidated financial statements		Separate financial statements	
	Liabilities arising from financing activities			
	Borrow due within 1 year Baht	Borrow due after 1 year Baht	Borrow due within 1 year	Borrow due after 1 year Baht
Liabilities as at 1 January 2018	-	200,000,000	-	200,000,000
Cash flows	-	156,500,000	-	156,500,000
Liabilities as at 31 December 2018	-	356,500,000	-	356,500,000
Cash inflows	93,863,973	123,500,000	-	123,500,000
Other non-cash movements:				
Amortisation of deferred interest	930,159	-	-	-
Amortisation of deferred financing fees	229,991	-	-	-
Liabilities as at 31 December 2019	95,024,123	480,000,000	-	480,000,000

## **26 Related party transactions**

### **26.1 Parent entity**

The Group is controlled by the following entities:

<b>Name</b>	<b>Type</b>	<b>% of ownership</b>	<b>Place of incorporation</b>
Property Perfect Public Company Limited	Ultimate controlling party	94.97	Thailand

The remaining 5.03% of the shares is widely held.

### **26.2 Transactions with related parties**

Transactions with related parties are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		<b>Pricing policies</b>
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>	
<b>Revenues from rental and services</b>					
Parent company	-	554,544	-	554,544	Contract price
<b>Revenues from building management services</b>					
Related party	2,329,698	30,176,762	2,329,698	30,176,762	Contract price
<b>Interest income</b>					
Subsidiary	-	-	75,180,233	68,757,410	Interest at 6.05% and 6.14%
Joint venture	29,884,336	21,156,678	29,884,336	21,156,678	Interest from 6.25% to 15.95%
	29,884,336	21,156,678	105,064,569	89,914,088	
<b>Interest expenses</b>					
Parent company	28,240,156	16,753,572	28,240,156	16,753,572	Interest at 6.05% and 6.14%
Related party	196,138	-	196,138	-	Interest at 6.39%
	28,436,294	16,753,572	28,436,294	16,753,572	
<b>Purchase of office equipment</b>					
Related party	47,467	-	47,467	-	Market price



### 26.3 Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the year ended in relation to transactions with related parties are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Amount due from related parties</b>				
Other related parties	5,996	2,599,615	-	2,595,179
<b>Accrued interest income</b>				
Subsidiary	-	-	368,924,121	323,743,888
Joint venture	18,389,178	14,609,589	18,389,178	14,609,589
	18,389,178	14,609,589	387,313,299	338,353,477
<b>Amount due to a related party</b>				
Parent company	-	333,814	-	333,814
<b>Accrued interest expense</b>				
Parent company	50,096,782	21,856,626	50,096,782	21,856,626

### 26.4 Short-term loans to a related party

The movements of short-term loans to a related party can be analysed are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Subsidiary:				
At 1 January	-	-	1,189,992,000	1,143,492,000
Loans advanced during the year	-	-	45,000,000	46,500,000
At 31 December	-	-	1,234,992,000	1,189,992,000

The short-term loans to a related party were made on commercial terms and conditions without collateral and due at call. The loans are carry interest at 6.05% and 6.14%.

Loans are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

## 26.5 Loans to a related party, net

The movements of loans to a related party, net can be analysed are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Joint venture:				
At 1 January	282,076,059	159,142,897	405,000,000	225,000,000
Loans advanced during the year	110,000,000	180,000,000	110,000,000	180,000,000
Deferred interest	(8,772,500)	-	(8,772,500)	-
Amortisation of deferred interest	550,603	-	550,603	-
Loans repayment received	(10,000,000)	-	(10,000,000)	-
Share of loss from equity in a joint venture (Note 9)	(111,351,081)	(57,066,838)	-	-
At 31 December	262,503,081	282,076,059	496,778,103	405,000,000

The loans to a related party were made on commercial terms and conditions without collateral. The loans are due within 1 year and carry interest from 6.25% to 15.95% in which the settlement is not planned to occur in the foreseeable future. Therefore, the Group classified loans to a related party as non-current assets. Management reviews the settlement plan for loan classification at least at each fiscal year-end.

Loans to a related party in the consolidated financial statements present net with cumulative loss exceeding the investment in joint venture as follows:

	<b>Consolidated financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>
Loans to a related party	496,778,103	405,000,000
<u>Less</u> Share of cumulative loss exceeding the investment in a joint venture (Note 9)	(234,275,022)	(122,923,941)
Loans to a related party, net	262,503,081	282,076,059

## 26.6 Short-term borrowings from a related party

The movements of short-term borrowings from a related party can be analysed are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Related party:				
At 1 January	-	-	-	-
Borrowings received during the year	10,000,000	-	10,000,000	-
Borrowings repaid during the year	(10,000,000)	-	(10,000,000)	-
At 31 December	-	-	-	-

The short-term borrowings from a related party were made on commercial terms and conditions without collateral and due at call. The loans are carry interest at 6.39%.

Borrowings are current portion. The fair value is equal to the book value since the effect of the discount rate is insignificant.

## **26.7 Borrowings from a related party**

The movements of borrowings from a related party can be analysed are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Related party:				
At 1 January	356,500,000	200,000,000	356,500,000	200,000,000
Borrowings received during the year	123,500,000	156,500,000	123,500,000	156,500,000
At 31 December	480,000,000	356,500,000	480,000,000	356,500,000

The borrowings from a related party were made on commercial terms and conditions without collateral and due at call. The loans are carry interest at 6.05% and 6.14%. However, the related party confirmed not to call the loan within the next 12 months. Therefore, the Company classified these loan as non-current liabilities.

## **26.8 Key management compensation**

Key management includes directors (executive and non-executive), members of the executive committee. The compensation paid or payable to key management are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Salary and other short-term benefits	8,464,591	6,879,306	8,464,591	6,879,306
<b>Total</b>	<b>8,464,591</b>	<b>6,879,306</b>	<b>8,464,591</b>	<b>6,879,306</b>

## **27 Commitments and contingent liabilities**

### **27.1 Capital expenditure commitments**

The Group had outstanding capital commitment of approximately Baht 91.28 million in respect of construction, a design contract for shopping center and office project and consulting contract (31 December 2018: Baht 91.28 million).

## **27.2 Non-cancellable operating leases - where a Group is the lessee**

The Group leases land for community malls under non-cancellable operating lease agreement expiring within 27 to 32 years.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Baht</b>	<b>2018 Baht</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Within 1 year	55,066,755	54,583,708	3,585,946	3,279,900
Later than 1 year but not later than 5 years	236,345,471	230,906,981	14,823,356	14,691,133
Later than 5 years	1,596,701,039	1,657,206,284	102,477,809	106,195,977
<b>Total</b>	<b>1,888,113,265</b>	<b>1,942,696,973</b>	<b>120,887,111</b>	<b>124,167,010</b>

## **27.3 Service agreement commitments**

The Company had commitments totalling Baht 16.01 million under a real estate consulting services agreement (31 December 2018: Baht 6.57 million). Ending in 2020, the agreements require the Company to pay monthly service fees at the stipulated rate.

## **27.4 Litigation**

On 20 September 2019, the joint venture was lodged its petition to the Southern Bangkok Civil Court ("the Court") alleging the joint venture was in breach of the transport and logistic agreement ("agreement") by defaulting payment and early termination of contract by transportation and logistics companies ("plaintiffs").

On 18 November 2019, being the first court appointment, the joint venture filed its pleadings and counterclaim with the Court that plaintiffs defaulted the agreement, caused inventory losses and overcharged transportation service fees.

On 16 December 2019, the plaintiffs also filed with the court to revise complaint and the two parties declared that they wished to discuss a compromise.

As at 31 December 2019, the lawsuit is currently in the judicial process. During January 2020, the joint venture filed its revised pleadings with counterclaims and the parties attended the court for compromise discussion. The parties have not reached a compromise settlement. The Court has scheduled a compromise to discuss how to further proceed this case on 28 February 2020. The joint venture has therefore not set aside provisions for losses resulting from the litigation.