



บริษัท ริชี่เพลซ 2002 จำกัด (มหาชน)



# ANNUAL Report 2016

รายงานประจำปี 2559

*Rich in living* | มุ่งมั่นในการสร้างสรรค์ สังคมเปี่ยมสุข





# Contents

Message from the Chairman	2
Message from the Chief Executive Officer	3
Report of the Audit Committee	4
The Board of Directors	6
General Information and Other References	18
Company's Policy and	19
Overview of Business Activities	
Nature of Business	22
Risk Factors	28
Information of Securities and Shareholders	33
Management Structure	36
Corporate Governance	42
Corporate Social Responsibilities	62
Internal Control and Risk Management	65
Related Transactions	67
Management Discussion and Analysis	71
Financial Statements	85





## Message from the Chairman

Dear Shareholders,

Richy Place 2002 Public Company Limited has been the property development company. Throughout its 15 years, the Company has continuously developed its business operation to create and deliver good and great quality of products and services along with the environmental conservation and sustainable society. To build quality homes and condominium as in a dreaming, all projects have to be analyzed and carefully planned on all working process. Although, the revenues recognition in 2016 was not meet to its goal due to the effect of economic slowdown and high competitions increasingly, the Company still goes on and emphasize on operating its business to achieve its plans set in 2016.

On behalf of Director of Richy Place 2002 PCL, I would like to thank every shareholder, customers, financial institutions, media, business partners and other related government sectors for all their assistance and support in all aspects greatly. I also thank the Board of Directors, the executives and all employees for their dedication and cooperation which make us much achievement in the future.

Sincerely yours,

Mr. Pranai Suwanrath  
Chairman

## Message from the Chief Executive Officer

Dear Shareholders,

Year 2016 marked developing step for Richy Place 2002 Public Company Limited (RICHY) to continuously grow up on a strong business base. The previous year was much difficult for the real estate business, which RICHY had to faced with negative factors such as the increase of household debt problems, lower prices of agricultural products, the strictly loan approval of financial institutes, etc. Those effected to the slowdown of overall of properties market, as well as high competition. At the same time, property entrepreneurs speeded up on seeking potential locations nearby the electric train line, which made the cost of land prices be high as well.

Richy Place 2002 Public Company Limited has been partly affected from sluggish economic conditions; however, the Company was able to perform on its duties of real estate developer diligently by continually focusing on potential locations along the electric train line which was the outstanding features of RICHY. On the second quarter of 2016, the Company planned to launch new project located on the electric train line and in the city, as well as marketing plans to promote the image of its corporate to the public to recognize “RICHY” increasingly.

On behalf of Chairman of the Board, I would like to thank all honorable persons for all your support to our Company continuously. My staff team and I will perform our best to supervise and monitor the Company’s business operation with integrity and capacity for its sustainable growth and development.

Sincerely yours,



Dr. Apa Attaboonwong  
Chief Executive Officer

# Report of the Audit Committee

Dear Shareholders,

The Audit Committee of the Company consists of three independent directors who are qualified and experienced in finance, real estate, and corporate management. LT. Gen. Samang Thongpan is the chairman; ASSOC.Prof. Suthus Ratanakuakangwan and Mr. Somchai Pienstaporn are the audit committee.

The Audit Committee carried out its duties as assigned by the Board of Directors to review the corporate operation. In the year 2016, the Audit Committee conducted in accordance with its responsibilities along with good governance by holding 4 meetings upon consultation with the management, the internal audit, and the external auditor on the related issues, which the significant activities were summarized below:

## 1. Review of Financial and Non-Financial Report Systems

The Audit Committee reviewed quarterly, annually and consolidated financial statements for the year 2016 of Richy Place (2002) PLC with the management and the internal audit. The external auditor was invited to the meeting to discuss on the independence and the opinion of the external auditor in the absence of the management, including inquiring the external auditor about the accuracy and completeness of the financial statements, adjustment entries materially affecting the statements, adequacy and suitability of account recording methods, audit scope. Therefore, all these ensured that disclosure of the information was precise, complete, sufficient, and having the auditor's independence, as well as the reliability of the financial statements and information was sufficiently and timely disclosed in such statements for the benefit of investors or financial statement users. The Audit Committee has also considered the scope and directions on auditing. Besides, the Audit Committee held one meeting with the external auditor in the absence of the management to independently discuss on key matters on preparation of the financial statements and information disclosure being beneficial to financial users.

The Audit Committee reviewed the performance of various sectors compared to their plans, inquired the difficulties with suggestions, considered the management direction to ensure that such actions conducted appropriately and transparently.

## 2. Review of Risk Management Evaluation System

The Audit Committee reviewed the risk management assessment in accordance with the risk management policy, and monitored the progress of the key risk management, possibilities of impacts arising from the risk management. All these ensured that the Company had significant risk management with sufficient and appropriate, as well as encouraging knowledge and understanding to all employees of the organization, which were the key elements on creating value to the business.

## 3. Review of Internal Control System

The Audit Committee reviewed the internal control system together with the external auditor and the chief audit executive every quarter by evaluating the sufficiency and adequacy of the internal control system under the standard of the internal audit and in accordance with the guidelines prescribed by the Notification of the Office of the Securities and Exchange Commission, including considering the audit result in compliance with the audit approved plan and report of audit prepared by the management. The auditor monitored the correction and improvement as suggested and commented in the audit report and recommended by the Audit Committee continuously, including improving the internal control to match the changing situations. Hence, the Audit Committee found no substantial weaknesses or errors on the internal control system. The Audit Committee agreed that the Company has the adequate and sufficient internal controls and risk management. Moreover, the auditors evaluated the internal control system and found no substantial weakness which would affect to the financial statements of the Company.



**4. Review of Regulatory Compliance related to the Company's business**

The Audit Committee reviewed the practices in compliance with the laws of the Securities and Exchange Act and regulations prescribed by the Stock Exchange and the Securities and Exchange Commission of Thailand, and other related laws. The Audit Committee found that the Company has conducted toward such related laws precisely.

**5. Review of Related Transactions or Possibly Having Conflicts of Interest**

The Audit Committee reviewed such transactions and found that all were real normal business practices, reasonably, no conflicts of interest, and complied with the regulations of the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.

**6. Review of the Practice on Anti-Corruption Measurements**

The Committee reviewed the internal control measurements and the conduct on anti-corruption practice, as well as the risk management. The Audit Committee suggested and reported the results of anti-corruption measurements to the Board of Directors. There was no substantial weakness or errors found in the internal control system in accordance with anticorruption measurement substantially. The Audit Committee agreed that the Company has had the internal controls and anti-corruption measurements complied with the Collective Action Coalition, Thailand's private sector in the fight against corruption as sufficiently and properly.

**7. Review of Regulations of the Audit Committee**

The Audit Committee reviewed its regulations to be appropriate and complied with the duties and responsibilities of the Audit Committee which newly defined, including other related laws. The Audit Committee has carried out duties and responsibilities meticulously with independence and transparency for the most beneficial of the Company. The Audit Committee is confident that the Company's financial statements are accurate, reliable and in compliance with the general accepted accounting standards. Also, the standard of financial statements report was implemented under the effective and adequate risk management and internal controls system which were complied with related laws and regulations.

**8. Appointment of External Auditor and Audit Fee for 2016**

The Audit Committee selected and proposed the appointment of the auditor and the audit fee for 2015 by considering the performance of the auditor on the previous year under the criteria of performance assessment of the Company on the qualifications of the auditor, their independence, quality and working standard. All were satisfactory and the auditor has qualification according to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Therefore, the Audit Committee proposed the appointment of Karin Audit Co., Ltd. to be the Company's auditor for the year 2016 and the audit fee for the year 2016 to the Board of Directors to further present to the shareholders' meeting for approval.

**Summary**

The Audit Committee performed its duties and responsibilities stated in its Board-approved charter with using knowledge, competence, care, prudence, and adequate independence for equitable benefits of stakeholders. Its opinion is that the Company's financial reports are accurate, reliable, and in accordance with the generally accepted accounting principles. In addition, the Company commands adequate risk management practices and a suitable, effective internal audit, has in place work practices aligning with good governance, and complies with laws, requirements, and obligations related to its business operation.



LT. Gen. Samang Thongpan  
Chairman of the Audit Committee  
Richy Place 2002 Public Company Limited

## The Board of Directors



**Mr. Pranai Suwanrath**  
Chairman of the Board of Directors  
and Independent Director



**Dr. Apa Attaboowong**  
Vice Chairman and  
Chief Executives Officer



**Ms. Sunee Sathatinan**  
Vice Chairman and  
Executives Director



**LT. Gen. Samang Thongpan**  
Independent Director and  
Chairman of the Audit Committee



**ASSOC.Prof. Suthus Ratanakuangkwan**  
Independent Director and  
Audit Committee



**Mr. Somchai Pienstaporn**  
Independent Director and  
Audit Committee



**Dr. Karoon Chandrangsu**  
Director



**Mr. Somsak Attaboowong**  
Director



**Police Colonel Suvit Tansode**  
Director



**Mr. Verapol Attaboowong**  
Director



**Mrs. Nonglak Wanthammapong**  
Director



## The Board of Directors and the Executive



### Mr. Pranai Suwanrath

Age: 65 years

Chairman of the Board of Directors and Independent Director

**Appointed** : May 15, 2013

**Relation among Family with the Executives** : None

#### **Educations**

- Master of Public Affairs : Indiana State University, U.S.A
- Bachelor of Law, Thammasat University

#### **Work Experiences**

##### **Relevant Positions in Listed Company**

- 2013 - Present Chairman, Richy Place 2002 Public Company Limited

##### **Relevant Positions in Non-Listed Company**

- None -

##### **Relevant Positions in Other Organizations**

- 2012 - Present Director, Thai Red Cross Chapters Administration Office

#### **Past Experiences**

- 2011 - 2014 Chairman of the Board, Metropolitan Electricity Authority
- 2014 - 2015 Permanent Secretary, Ministry of Interior
- 2008 - 2011 Deputy Permanent, Ministry of Interior
- 2006 - 2008 Director, Southern Border Province Administration Centre
- 2004 - 2006 Governor, Nonthaburi Province
- 2003 - 2004 Governor, Singburi Province

#### **Certifications**

- Director Accreditation Program (DAP) /2005
- Directors Certification Program (DCP) /2003

##### **(%) Share Possession as of December 31, 2016**

- None -



## Dr. Apa Attaboonwong

Age 63 years

Vice Chairman and Chief Executives Officer

**Appointed** : November 18, 2002

**Relation among Family with the Executives**

**Unregistered spouse but be acceptable and acknowledged by social:** Police Colonel Suvit Tansode

### **Educations**

- Diploma National Defence college (Class 4414)
- Doctor of Philosophy (Management), Christian University of Thailand
- Master of Business Administration (MBA), Kasetsart University
- Bachelor of Law, Dhurakij Pundit University
- Diploma for Executives Program (Class 16), Capital Market Academy
- Diploma for Senior Executives Management Program, Class 4
- Outstanding Alumni for 2013, Rajamangala University of Technology Phra Nakhon
- Outstanding Alumni for 2011, Christian University of Thailand
- Outstanding Alumni, Master Degree for the Executives, for 2004, Kasetsart University
- Outstanding Alumni for 2004, Dhurakij Pundit University

### **Work Experiences**

#### **Relevant Positions in Listed Company**

- 2002 - Present Vice Chairman / Chief Executives Officer of Richy Place 2002 Public Company Limited

#### **Relevant Positions in Non-Listed Company**

- 1995 - Present Chairman of the Board, the Founder, Attaboon Asset Company Limited (Office Leasing)
- 1975 - Present Chairman of the Board, Attaboon Company Limited (auto parts distribution)

#### **Relevant Positions in Other Organizations**

- 2016 - Present Senior Director of SSRU Council, Suan Sunandha Rajaphat University
- 1994 - Present The First President of Rotary Club of Sathorn
- 2008 - Present Vice President and Secretary, Thai Condominium Association

### **Past Experiences**

- 1991 - 1999 Chairman, the Founder, YKC (Thailand) Company Limited  
(joint venture company with Toyota, Japan)
- 2004 - 2008 Director, Board of the Federation of Thai Industries
- 2007 - 2008 District Governor, Rotary International District 3350
- 2007 Member of Constitutional Drafting Council B.E. 2550
- 2003 Associate Judge, The Central Intellectual Property and International Trade Court
- 2000 - 2002 Chairman, The Federation of Thai Industries-Nonthaburi Chapter
- 1991 - 1999 Chairman of the Board, Thai NKK Metal Company Limited  
(manufacture and retail distribution of clutch plates for cars)

### **Certifications**

- Direct Certification Program (DCP) / 2014
- Director Accreditation Program (DAP) / 2013
- Role of the Compensation Committee (RCC) / 2013

### **(%) Share Possession as of December 31, 2016**

- 280,500,000 shares, or 35.71%



## Ms. Sunee Sathatinan

Age 73 years

Vice Chairman and Executives Director

**Appointed** : November 18, 2002

**Relation among Family with the Executives** : None

### Educations

- MBA Syracuse University, New York State. USA.
- Bachelor of Economics (Honor), Thammasat University

### Work Experiences

#### Relevant Positions in Listed Company

- 2002 - Present Vice Chairman, Richy Place 2002 Public Company Limited

#### Relevant Positions in Non-Listed Company

- 1977 - Present Managing Director, Sunee Way Company Limited  
(manufacture and export of leather bags)
- 1994 - Present Managing Director, Diamond Leather Craft Company Limited  
(manufacture and export of leather wallet)

### Relevant Positions in Other Organizations

- Director, Board of the Federation of Thai Industries
- Honorary Chairman, the Federation of Thai Industries-Nonthaburi Chapter
- Committee, Alumni Association, Faculty of Economics, Thammasat University

### Past Experiences

- Former Civil Servant, Technical Office, Board of Investment
- Member of Steering Committee, Thammasat Hospital
- Expert Committee, Subdistrict Administrative Organization (SAO) Nonthaburi
- President, Rotary Club of Nonthaburi
- Assistant District Governor, Rotary International District 3350
- Director, Board of the Federation of Thai Industries
- Deputy Secretary General, The Federation of Thai Industries

### Certifications

- Director Accreditation Program (DAP) / 2013

### (%) Share Possession as of December 31, 2016

- 47,676,660 shares, or 6.33%





## LT. Gen. Samang Thongpan

Age 69 years

Independent Director and Chairman of the Audit Committee

**Appointed** : November 24, 2011

**Relation among Family with the Executives** : None

### **Educations**

- Master of Business Administration, National Institute of Development Administration
- Bachelor of Accounting, Chulalongkorn University
- Financial Management (Finance Academy Ft. Benjamin Harrison, US. Army)
- Resources Management (International Defense Resources Management Institute, US. Navy)
- Diploma, National Defense College, Class 44

### **Work Experiences**

#### **Relevant Positions in Listed Company**

- 2016 - Present Director, McTric Public Company Limited
- 2011 - Present Chairman of Audit Committee, Richy Place 2002 Public Company Limited
- 2009 - Present Director, Vibhavadi Medical Center Public Company Limited

#### **Relevant Positions in Non-Listed Company**

- None -

#### **Relevant Positions in Other Organizations**

- None -

### **Past Experiences**

- 2003 - 2007 Executive Director, EMC Public Company Limited
- 2000 - 2003 Director, General Finance Department, the Supreme Command Headquarter
- 1998 - 1999 Deputy Director, General Department, the Supreme Command Headquarter
- 1989 - 1998 Director, Budget Control Division, Office of the Comptroller General, the Supreme Command Headquarter
- 1986 - 1989 Office of Budget Control Division, Office of the Comptroller General, the Supreme Command Headquarter
- 1970 - 1986 Head of Accounting Division, Office of the Army Comptroller

### **Certifications**

- Director Accreditation Program (DAP) / 2004
- Role of the Compensation Committee (RCC) / 2013

#### **(%) Share Possession as of December 31, 2016**

- None -



## ASSOC.Prof. Suthus Ratanakuakangwan

Age 65 years

Independent Director and Audit Committee

**Appointed** : April 27, 2010

**Relation among Family with the Executives** : None

### **Educations**

- Master of Economics (Industrial Management)
- License es Sciences Economiques (Gestion Industrielle) Universite' de Toulouse I, France
- Maitrise es Sciences Economiques (Gestion Industrielle) Universite' de Toulouse I, France

### **Work Experiences**

#### **Relevant Positions in Listed Company**

- Present Director, Richy Place 2002 Public Company Limited

#### **Relevant Positions in Non-Listed Company**

- None -

#### **Relevant Positions in Other Organizations**

- Associate Professor, Level 9
- Associate Professor in Industrial Engineering, Chulalongkorn University
- Assistant Professor in Industrial Engineering, Chulalongkorn University

### **Past Experiences**

- Committee, Training Center, College of Continuing Education
- Head of Research and Industrial Engineering and Technology Laboratory
- Chairman of Working Committee of the Project of the Promotion of Biogas Technology in Food Waste Management

### **Certifications**

- Director Accreditation Program (DAP) / 2012

### **(%) Share Possession as of December 31, 2016**

- None -



## Mr. Somchai Pienstaporn

Age 66 years

Independent Director and Audit Committee

**Appointed** : November 24, 2011

**Relation among Family with the Executives** : None

### Educations

- Bachelor of Science (Forestry), Kasetsart University
- Bachelor of Public Administration (Public Science), Ramkhamhaeng University
- Honorary Doctor of Philosophy (Environmental Science), Ramkhamhaeng University
- Army War College, Class 44 (AWC 44)
- The National Defence College, Class 44 (NDC 44)

### Work Experiences

#### Relevant Positions in Listed Company

- 2011 - Present Audit Committee, Richy Place 2002 Public Company Limited

#### Relevant Positions in Non-Listed Company

- None -

#### Relevant Positions in Other Organizations

- Present Director of the Audit Committee and Assessment, Ministry of Natural Resources and Environment

### Past Experiences

- 2010 Retired from the position of Director General of Royal Forestry Department
- 2008 Director General, Royal Forestry Department
- 2006 Acting Director General, Department of Marine and Coastal Resources
- 2005 Deputy Permanent Secretary, Ministry of Natural Resources and Environment  
(Chief of Administrative Cluster and Chief of Environmental Cluster)
- 2002 Director General, National Park, Wildlife and Plant Conservation Department
- 2000 Deputy Director General, National Park, Wildlife and Plant Conservation Department
- 1998 Deputy Director General, Royal Forestry Department (Suppression)
- 1993 - 1995 Director of Protection and Suppression Office, Royal forestry Department
- 1974 Forestry District Office in Nakonsawan district, Surat Thani District,  
Petchburi District, Prachinburi District, Royal Forestry Department
- 1974 Office of Forestry, Head of Forest Protection Tor Kor 13, Amphor Mae Sod,  
Tak Province, Royal Forestry Department

### Certifications

- Director Accreditation Program (DAP) / 2012

#### (%) Share Possession as of December 31, 2016

- None -





## Dr. Karoon Chandrangsu

Age 66 years

Director

**Appointed** : May 24, 2007

**Relation among Family with the Executives** : None

### Educations

- Doctor of Civil Engineering, Ohio State University, Ohio, USA
- Master of Civil Engineering, Ohio State University, Ohio, USA
- Bachelor of Civil Engineering (Honor), Chulalongkorn University
- License for Professional Practice, Senior Professional Civil Engineer, License ID. 1023

### Work Experiences

#### Relevant Positions in Listed Company

- 2015 - Present Director, BTS Group Holding Public Company Limited
- 2007 - Present Director, Richy Place 2002 Public Company Limited
- 2004- Present Independent Director/Audit Committee, Quality Construction Products Public Company Limited

#### Relevant Positions in Non-Listed Company

- 1992 - Present Chairman, K.C.S. Associated Company Limited

### Past Experiences

- 2006 - 2007 Director, Council of Engineer
- 2002 - 2013 Chairman of the Ethical Committee, Council of Engineer
- 2006 - 2007 Chairman of the Engineering Institute of Thailand under H.M. the King, second time
- 2002 - 2003 Chairman of the Engineering Institute of Thailand under H.M. the King, first time

### Certifications

- Direct Certification Program (DCP) / 2005
- Finance for Non — Finance Director (FN) / 2005

### (%) Share Possession as of December 31, 2016

- 11,250,880 shares, or 1.43%



## Mr. Somsak Attaboonwong

Age 55 years

Director

**Appointed** : May 24, 2007

**Relation among Family with the Executives** : Brother of Dr. Apa Attaboonwong

### **Educations**

- Bachelor of Business Administration, Industrial Management, University of Thai Chamber of Commerce
- Certificate of Graphic Design from Japan

### **Work Experiences**

#### **Relevant Positions in Listed Company**

- 2007 - Present Director/Executive Director, Richy Place 2002 Public Company Limited

#### **Relevant Positions in Non-Listed Company**

- Present Managing Director, Attaboon Company Limited
- Present Consultant, Thai NKK Metal Company Limited

#### **Relevant Positions in Other Organizations**

- None -

### **Past Experiences**

- 2008 - 2009 Chairman, The Federation of Thai Industries - Nonthaburi Chapter
- 2008 - 2009 Director, Board of the Federation of Thai Industries
- 2008 - 2010 Secretary General, Thai Subcontracting Promotion Association
- 2005 - 2007 Honorary Advisor, The Federation of Thai Industries - Nonthaburi Chapter

### **Certifications**

- Director Accreditation Program (DAP) / 2013
- Role of the Compensation Committee (RCC) / 2013

### **(%) Share Possession as of December 31, 2016**

- 24,469,500 shares, or 3.12%



## Police Colonel Suvit Tansode

Age 70 years

Director

**Appointed** : November 24, 2011

### Relation among Family with the Executives

Unregistered spouse but be acceptable and acknowledged by social: Dr. Apa Attaboonwong

### Educations

- Bachelor of Law, Dhurakij Pundit University

### Work Experiences

#### Relevant Positions in Listed Company

- 2011 - Present Director, Richy Place 2002 Public Company Limited

#### Relevant Positions in Non-Listed Company

- None -

#### Relevant Positions in Other Organizations

- None -

### Past Experiences

- 2006 Retired from public service
- 2002 Pol. Col., Superintendent, Team 4, International Airport Immigration Checkpoint
- 1998 Deputy Superintendent, Inspection Division 4, Office of the Inspection
- 1995 Pol. Lt. Col., Deputy Superintendent, Office of Personnel Division
- 1993 Inspector, Moveable vehicle Sub-Division (Firearm License), Registration Division, Police Department
- 1990 Pol. Maj., Inspector, Finance and Supplies, Registration Division, Police Department
- 1983 Pol. Capt., Sub-Inspector, Crime Planning, Central Investigation Bureau
- 1980 Pol. Lt., Sub-Inspector, Special Branch Division 7, Special Branch
- 1978 Pol. Sub.Lt., Sub-Inspector, Staff Education and Training, Central Investigation Bureau, Division 2, Nakornrachasima

### Certifications

- Director Accreditation Program (DAP) / 2013

### (%) Share Possession as of December 31, 2016

- None -



## Mr. Verapol Attaboonwong

Age 64 years

Director

**Appointed** : May 14, 2013

**Relation among Family with the Executives** : Brother of Dr. Apa Attaboonwong

### Educations

- Business Administration, Fort Lauderdale College, Florida, USA

### Work Experiences

#### Relevant Positions in Listed Company

- 2013 - Present Director, Richy Place 2002 Public Company Limited

#### Relevant Positions in Non-Listed Company

- 1988 - Present Manager - International Trade, Attaboon Company Limited

#### Relevant Positions in Other Organizations

- None -

### Past Experiences

- None -

### Certifications

- Director Accreditation Program (DAP) / 2013

### (%) Share Possession as of December 31, 2016

- 421,850 shares, or 0.05%





## Mrs. Nonglak Wanthammapong

Age 59 years

Director

**Appointed** : November 24, 2011

**Relation among Family with the Executives** : Sister of Dr. Apa Attaboonwong

### **Educations**

- Master of Business Administration, Burapha University (EX-MBA)

### **Work Experiences**

#### **Relevant Positions in Listed Company**

- Director, Richy Place 2002 Public Company Limited

#### **Relevant Positions in Non-Listed Company**

- Managing Director, Attaboon Asset Company Limited
- Assistant Managing Director, Attaboon Company Limited
- Vice President, Thai NKK Company Limited

#### **Relevant Positions in Other Organizations**

- None -

### **Past Experiences**

- None -

### **Certifications**

- Director Accreditation Program (DAP) / 2013

### **(%) Share Possession as of December 31, 2016**

- 500,000 shares, or 0.06%



## Ms. Kantaluk Chanthipdissaya

Age 51 years

Chief Financial Officer and Risk Management Committee

**Appointed** : April 10, 2015

**Relation among Family with the Executives** : - None -

### **Educations**

- Bachelor of Business Administration (Accounting), Ramkhamhaeng University

### **Work Experiences**

#### **Relevant Positions in Listed Company**

- 2015 - Present Risk Management Committee

#### **Relevant Positions in Non-Listed Company**

- None -

#### **Relevant Positions in Other Organizations**

- 2013 - Present Assistant Chief Executive Officer, Richy Place 2002 Public Company Limited
- 2015 - Present Chief Financial Officer, Richy Place 2002 Public Company Limited

### **Past Experiences**

- 2001 - 2013 The owner of Kantaluk Accounting Company Limited

### **Certifications**

- None -

### **(%) Share Possession as of December 31, 2016**

- 6,600 shares, or 0.00%



### Mrs. Saranthorn Srirunthorn

Age 40 years

Company Secretary and Director of Administration

**Appointed** : February 1, 2010

**Relation among Family with the Executives** : - None -

#### Educations

- Master of General Administration, Ramkhamhaeng University
- Bachelor of Business Administration, Siam University

#### Work Experiences

#### Relevant Positions in Listed Company

- None -

#### Relevant Positions in Non-Listed Company

- None -

#### Relevant Positions in Other Organizations

- 2014- Present Company Secretary, Richy Place 2002 Public Company Limited
- 2010 - Present Director of Administration, Richy Place 2002 Public Company Limited

#### Past Experiences

- 2000 - 2003 Executive Secretary, Attaboon Company Limited (auto parts distribution)

#### Certifications

- Company Secretary Program CSP / 2014

#### (%) Share Possession as of December 31, 2016

- None -



### Mr. Nimitr Inthakul

Age 52 years

Project Director

**Appointed** : August 30, 2015

**Relation among Family with the Executives** : - None -

#### Educations

- Master of General Administration, Kasetsart University
- Bachelor of Engineer (Civil), Prince of Songkla University

#### Work Experiences

#### Relevant Positions in Listed Company

- None -

#### Relevant Positions in Non-Listed Company

- None -

#### Relevant Positions in Other Organizations

- 2015 - Present Project Director, Richy Place 2002 Public Company Limited

#### Past Experiences

- 2003 - 2015 Vice President, Integral Engineering Company Limited
- 1989 - 2003 Project Manager, Metric Company Limited
- 1988 - 1989 Site Engineer, Italian-Thai Development Public Company Limited

#### Certifications

- Control and Construction Management, Class 16, The Engineering Institute of Thailand

#### (%) Share Possession as of December 31, 2016

- None -

# General Information and Other References

## General Information and Other Reference

Company Name	: RICHY PLACE 2002 PUBLIC COMPANY LIMITED
Type of Business	: Property Development
Head Office Location	: 667/15 Attaboon Building, 7th Floor, Charan-Sanitwong Road, Arun-amarin Sub-district, Bangkok-Noi District, Bangkok 10700
Registered Number	: 0107556000655
Telephone	: 66-2886-1817
Facsimile	: 66-2886-1060
Website	: <a href="http://www.rp.co.th">www.rp.co.th</a>
Common Share	: 785,399,982 shares at par value of Baht 1 per share
Registered Capital	: Baht 785,399,982
Paid-up Capital	: Baht 785,399,982
Company Secretary	: Mrs. Saranthorn Srisunthorn
Telephone	: 66-2886-1817
Facsimile	: 66-2886-1060
E-mail	: <a href="mailto:saranthorn.s@rp.co.th">saranthorn.s@rp.co.th</a>

## Other References

### 1. Investor Relations

RICHY PLACE 2002 PUBLIC COMPANY LIMITED

667/15 Attaboon Building, 7th Floor, Charan-Sanitwong Road, Arun-amarin Sub-district, Bangkok-Noi District, Bangkok 10700

Telephone: 66-2886-1817 Ext. 444 Facsimile: 66-2886-1060 website : [www.rp.co.th](http://www.rp.co.th)

### 2. Security Registrar

Thailand Securities Depository Co., Ltd.

410/93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Sam Sen Nok, Huai Khwang, Bantkok 10310

Telephone: 66-2229-2800, 0-2654-5599, Facsimile: 66-2359-1259, website: [www.set.or.th/tsd](http://www.set.or.th/tsd). website: [www.set.or.th/tsd](http://www.set.or.th/tsd).

E-Mail: [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)

### 3. Auditor

Mr. Jiroj Siroj

Certified Public Accountant Registration No. 5113

Karin Audit Co., Ltd.

138 Boonmitr Building, 6th Floor, Room B1, Silom Road,  
Suriyawong Sub-district, Bangrak District, Bangkok; or

Wimolsri Jongudomsombut

Certified Public Accountant Registration No. 3899

Karin Audit Co., Ltd.

138 Boonmitr Building, 6th Floor, Room B1, Silom Road,  
Suriyawong Sub-district, Bangrak District, Bangkok; or

Ms. Kannika Wipanutrat

Certified Public Accountant Registration No. 7305

Karin Audit Co., Ltd.

138 Boonmitr Building, 6th Floor, Room B1, Silom Road,  
Suriyawong Sub-district, Bangrak District, Bangkok; or

Ms. Nonglak Pattanabendith

Certified Public Accountant Registration No. 4713

Karin Audit Co., Ltd.

138 Boonmitr Building, 6th Floor, Room B1, Silom Road,  
Suriyawong Sub-district, Bangrak District, Bangkok;

# Company's Policy and Overview of Business Activities

## Vision, Mission and Values of Richy Place

### “VISION”

The Company will be the leader of real estate development sector in Thailand, which emphasizing to the need, satisfaction, and happiness in living of all target customers by focusing on the product design, site location, environment friendliness, and outstanding efficient services in order to create a long term confidence of all parties concerned.

### “MISSION”

1. To be the one of top 20 leading real estate development of Thailand within 10 years
2. To maximize not less than 10% yield upon investment to shareholders
3. To reward employees higher than the average compensation of the industry within 3 years
4. To make human resources having high competence compared with the leading companies within 3 years
5. To create the corporate culture to be the organization of intelligence, diligence and dedication
6. To build the business allies network of real estate development
7. Providing the prompt after-sale-services and creating the customer satisfaction
8. Making good quality of life to the social, community, and environment
9. Cost management in order to compete with the industry within 3 years
10. To build the corporate image to be known and acceptable within 3 years

### “VALUES OF RICHY PLACE”

Richy has emphasized on creating a happy society to the residents in all areas; which its outstanding are:

Rich in Premier Location

Rich in Urban Living & Life Style

Rich in Design

Rich in Construction

Rich in Environment

Such values can presently meet the consumers' need and living model as perfectly and make the residents in all projects of the Company be happy

## Significant Changes and Development Highlight

### Background and Significant Development

Richy Place 2002 Public Company Limited was found on November 18, 2002 with initial registration capital of Baht 50 million by various professions but have similar objectives on real estate development under the administration of Dr. Apa Ataboonwong in order to concentrate on project development on potential location and nearby the community. In 2013, the Company has registered as a public limited company with the registered capital of Baht 714 million and paid-up capital of Baht 500 million. The Company presently has the total registered capital of Baht 785.40 million; which be the paid-up capital of Baht 785.40 million.

Key Milestones and Development Highlights of the Company are summarized as following:

2002	November	- The Company was found by various professions but have similar objectives on real estate development with initial registration capital of Baht 50 million, including 500,000 common shares, at the par value of Baht 100 per share. Its objective is to operate business in the real estate development which the office is located at 667/15 Attaboon Building, 5th Floor, Charan-sanitwong Road, Arun-amarin Sub-district, Bangkok Noi District, Bangkok
2004	January	- Officially sale the project of “Richy Ville @Bangbuathong”, 74 units of a two-story house on 13 acres of land located on Bangbuathong District, Nonthaburi with the project value at Baht 160 million
2005	June	- Officially sale the project “Richy Tower @Phetkasem-Sathorn”, 212 units of a 19-story residential condominium located on Phetkasem Road, Bangkok with the project value of Baht 300 million
2007	January	- Officially sale the project “Le Rich Trendy Condo @Sathupradit” (Le Rich @Rama 3), 422 units of a 22-story residential condominium located on Rama 3 Road, Chong-nonsee Sub-district, Yannawa District, Bangkok with the project value of Baht 1,062 million
	May	- Increasing the registered capital from Baht 50 million to Baht 130 million by offered to the existing shareholders to be fund for construction and project development in the future
2010	March	- Officially sale the project “Le Rich @Ratchada-Suthisarn”, 77 units of a 8-story residential condominium located on Suthisarn Intersection, Dindaeng Sub-district, Dindaeng District, Bangkok with the project value of Baht 175 million
	November	- Officially sale the project “Le Rich @Aree Station”, 73 units of a 8-story residential condominium located on Soi Aree 2, Samsen Nai Sub-district, Phayathai District, Bangkok with the project value of Baht 235 million
2011	January	- Officially sale the project “Rich Park @Bangson Station”, 803 units of a 27-story residential condominium located on Krungthep-Nontaburi Road, Wongsawang Sub-district, Bangsue District, Bangkok with the project value of Baht 1,375 million
2012	July	- The Annual Shareholders’ Meeting in 2012 held on July 31, 2012 had a resolution on dividend payment approval at Baht 10.00 per share, totally Baht 19.30 million, paid to entitled shareholders with totally 1,930,000 shares.
	November	- The Extraordinary Shareholders’ Meeting in 2012 held on November 29, 2012 had a resolution on dividend payment approval at Baht 57.10 per share, totally Baht 110.20 million, paid to entitled shareholders with totally 1,930,000 shares.
	December	- Increasing the registered capital to Baht 292.18 million by offered to the existing shareholders to be fund for construction and project development of The Rich BiZ Home Sukhumvit 105 and Rich Park @Taopoon Interchange Project.
		- Officially sale the project “Rich Park @Taopoon Interchange”, 735 units of a 25-story residential condominium located on Pracharas Sai 2 Road, Bangsue Sub-district, Bangsue District, Bangkok with the project value of Baht 1,703 million
2013	February	- Officially sale the project “The Rich Biz Home Sukhumvit 105”, 140 units of modern townhome located on Soi Sukhumvit 105, Srinakarin Road, Bangna Sub-district, Bangna District, Bangkok with the project value of Baht 671million
	April	- The Annual Shareholders’ Meeting in 2013 held on April 26, 2013 had a resolution on dividend payment approval at Baht 18.56 per share, totally Baht 54.24 million, paid to entitled shareholders with totally 2,921,800 shares.



	June	- Increasing the registered capital from Baht 292.18 million to Baht 370 million by offered to the existing shareholders to be fund for project development in the future
	September	<ul style="list-style-type: none"> <li>- The Extraordinary Shareholders' Meeting in 2013 held on September 6, 2013 had a resolution on dividend payment approval at Baht 35.69 per share, totally Baht 132.05 million, paid to entitled shareholders with totally 3,700,000 shares.</li> <li>- Increasing the registered capital from Baht 370 million to Baht 500 million by offered to the existing shareholders to be fund for the construction and project development of Rich Park @Chaophraya</li> <li>- The Company registered to be a public limited company under the name of "Richy Place 2002 Public Company Limited", and changed the par value from Baht 100 per share to Baht 1 per share, including increasing its registered capital from Baht 500 million to Baht 714 million by issuing common shares of 214 million shares to offer to the public</li> <li>- Officially sale the project "The Rich Park @Chaophraya", 635 units of a 33-story residential condominium located on Ratathibet Road, Sai-ma, Muang, Nontaburi with the project value of Baht 1,267 million</li> </ul>
2014	April	- Officially sale the project "The Rich Ville @Ratchaphruek", a 2-story twin house and single house, and townhome of total 138 units located on Ratchaphruek Road with the project value of Baht 560 million
	July	- The Company conducted an Initial Public Offering (IPO) to trade to the public at Baht 3.30 per share.
	August	- The Company registered to be the listed company in the Stock Exchange of Thailand
	November	- The Company has launched to sell the project of "The Rich @Sathorn-Taksin", 511 units of a 23-story condominium located on Krungthonburi Road, Bangkok with the project value of Baht 2,100 million.
2015	May	- Increasing the registered capital from Baht 714 million to Baht 985.40 million, being the paid-up capital of Baht 785.40 million.
2016	May	<ul style="list-style-type: none"> <li>- Officially launched the project "The Rich Park @Triple Station", 1,089 units of a 37-story residential condominium located on Srinakarin Road, Bangkok with the project value of Baht 2,700 million.</li> <li>- Decreasing the registered capital from Baht 985,400,000 to Baht 785,399,982 and amending its Memorandum of Association, Section 4 on the article of the registered capital in compliance with the decrease of capital.</li> </ul>
	June	- Officially launched the project "The Rich @NaNa", 413 units of a 32-story and 6-underground story residential condominium, and 3-story retail located on Sukhumvit Soi 3 Road (Nana Nua), Bangkok with the project value of Baht 4,185 million.

#### Shareholding Structure of Richy and its groups

As of December 31, 2016, the Company invested on one Subsidiary as follow :

1. Richy Development 2016 Company Limited
  - Registered Date : December 15, 2016
  - Registered Capital : 1,000,000 Baht
  - Type of share : Common shares
  - Total of share : 10,000 shares
  - Par Value : 100 Baht
  - Ratio of Investment : 97%

#### Business Relation with Business Group of Major Shareholders

The Company has not been involved in any business relation with business group of major shareholders, as of December 31, 2016.

# Nature of Business

## Revenues Structure

	Executed by	Financial Statements (audited)					
		2014		2015		2016	
		Value (MB)	Proportion (%)	Value (MB)	Proportion (%)	Value (MB)	Proportion (%)
<u>Revenues from real estate sales</u>							
- Residential Condominium	RICHY	1,115.94	90.05	441.85	85.97	462.14	81.33
- Single House	RICHY	112.72	9.09	65.63	12.77	91.04	16.02
<b>Total revenues from real estate sales</b>		<b>1,228.66</b>	<b>99.14</b>	<b>507.48</b>	<b>98.74</b>	<b>553.18</b>	<b>97.35</b>
Other incomes <sup>1/</sup>	RICHY	10.60	0.85	6.34	1.25	14.99	2.64
Interest receivable	RICHY	0.12	0.01	0.10	0.02	0.08	0.01
<b>Total revenues</b>		<b>1,239.38</b>	<b>100.00</b>	<b>513.92</b>	<b>100.00</b>	<b>568.25</b>	<b>100.00</b>

Remark : <sup>1/</sup> other incomes are rental incomes as the guaranteed rental marketing plan and down payment forfeitures, etc.

## Market and Competition

### Market

#### Product Strategy

The Company has developed the real estate for sales on various types by focusing on comprehensive and distributed developments in a variety of products and locations to match the customers' needs on residences as much as possible. On residence development of each location, the Company shall consider appropriately on its market. Presently, the Company has determined its products into 3 categories: condominium group, single house group, and town house-town home group. The Company has recognized on the importance of decorations and designs, the designs of area arrangement and the usage of inside space perfectly in consistent with the new generations' styles and ways of life, including facilities within the projects entirely such as swimming pool, green area appropriately, fitness, etc.

Besides, the Company has paid more attentions on the project management and after sales services, which beginning on the project constructions, the construction development plans which not disturbing the residential customers. The specific services teams shall be assigned to provide the after sales services and solve problems to the residential customers.

#### Pricing Strategy

The Company has determined its pricing strategies by considering the factors such as the product placement, the target customers, the type of products, locations, usage area, etc. and comparing the price with other projects which having similar models and nearby location. The project costs shall be analyzed not only the land price, costs of designs, construction costs, but also other related expenses. The selling prices shall be set as appropriately and made customers feel their worthy such as reasonable selling price compared with the competitors on the similar location, which its price may be a little bit lower than the competitors but its quality and facilities equally, etc. Moreover, the Company has maintained the returns ratio on the appropriate level as required.

The Company has provided the discount policy for the patronized customers such as the directors, the employees of the Company, loan creditors, etc., by giving the discount at amount of not exceeding of Baht 100,000 per room.

### **Market Communication and Promotion Strategies**

The Company has emphasized on the market communication on various channels by aiming to have the target customers acknowledging and recognizing the Company's name and projects as following:

- 1) Advertising through mass media such as radio, television, and other publications to widely market communication.
- 2) Communication through the outdoor media such as billboard, direction signs, to communicate to the customers surrounding the project or near the main project location.
- 3) Communication through below the line such as direct mail, the booth, the activities held at the projects, the invited customers by the existing customers activities, the activities held cooperatively with other organizations, etc.
- 4) Communication through new media such as communication through the Company's website ([www.rp.co.th](http://www.rp.co.th)), E-Mail, other websites, SMS, etc.
- 5) Communication through the program of Member Get Member

Additionally, the Company has provided public relations of the Company's information through the media to promote its activities to the target customers acknowledging such as the press releases of launching new projects, publications of news direct mail to new customers and former customers to acknowledge its information and selling projects continually. The Customer Relation Management (CRM) with the customers who bought the Company's projects is organized in order to persuade such customers continually to participate the Company's activities, which is the long-term relationship creation. As a result, the customers shall introduce and recommend the Company's projects to other consumers continuously.

For sales promotion, the Company has considered on the motivation which encouraging customers' buying decision prior determining its sales promotion such as free furniture, free air condition, free mobile and tablets, etc. In addition, the Company has executed its promotion to stimulate its sales volumes for the projects launched for a period such as Le Rich Rama 3 and Le Rich @Ratchada-Suthisan. With guaranteed the rent, the Company shall respond on finding the tenants to rent the customers' room bought for a period of time specified on the sales contract through the project salesman or customers visiting the Company's project. When totally calculating such promotion expenses, the Company has still get higher returns than the based selling price, which calculated from the feasibility of such projects.

### **Strategies of the Sales Distribution and the Channels of Sales Distribution**

The Company has defined its channel on product sales distribution directly through the sales office of each project. Along with the sales teams who are professionally, competence, and understanding its products as well, the details and information of the projects are completely received and described to customers and people interested. The showroom shall be open to the visitors at the location of each project. The sales team of each project shall be consisted of 1-4 persons depending on the project size and the sale commission has been defined to motivate the sales term.

Moreover, the Company has analyzed the competitions around the projects, the level of selling difficulties. In case of high competition, the Company shall employ the expert sales team from the outside to manage the sales of the project. Such sales team shall be responsible on giving advises, analyzing the market as well as providing sales team working together with the Company's sales team. The Company has determined the compensation policy on a percentage of the actual sales values, which is the market rate, to motivate the agents employed or the salesman under the authority of the authorities of the Company, which shall be verified / reviewed by Division Manager, Department Manager, and the Chief Executive Officer according to the power authority table specified. All sales expenses are still supported the high returns rather than the base price, and no negative impacts to the revenues of the Company in any way.

The interested persons in the Company's projects shall require for more information through the telephone no. 02-886-1817, or receive the details through the Company's website: [www.rp.co.th](http://www.rp.co.th).

### Category of the Target Customers

The Company shall mainly focus on the middle-level customers. The target customers are classified which may be appropriately changed depending on the circumstances. The Company's customers are all minor customers and none of them have earning over 30% of the total revenues.

The categories of the target customers of each project are as follows:

Target Group	Price per unit	Incomes level per month
A	5.00 — 7.50 MB	More than Baht 80,000
B	3.00 — 4.99 MB	Baht 50,001 - 80,000
C	1.00 — 2.99 MB	Baht 15,001 — 50,000

## Industrial Overview

### Industrial Status and Outlook

In 2016, IMF expected that the global economic expand to 3.1% and the overall global economy still expanded. Even though the economy of various countries was slow down from 2015. The economy of the United States of America was continually expanded; unemployment problem was decreased continuously. The EU economy was expanded but still having high ratio on employment problems. Moreover, the Brexit issue was more concerned which might effect to the EU economy. Japan's economic grew slightly while China's economic was still slow down continually.

The global financial status of the central banks of many countries has still remained the interest policy at a low level due to low in inflation steady, and still quantitative easing to stimulate the economy being growth sustainably.

The world oil prices in 2016 were steadily declined as a result of the OPEC deciding to remain its production and also having the production of shale oil in the US and Canada; therefore, the world oil supply is still oversupply. The Dubai crude oil price of average 10 months was at 39.9 USD per Barrel; the latest NYMEX crude oil price for January delivery (as of December 7, 2016) was at USD 50.3 per Barrel.

For Thai economic, the expenditures, exports, services, and public investment were growth expansion. Household spending and the public sector continuously expanded. While the goods exports were also affected by the slowdown of the world economic and the decrease of the private investment; the production on the field of hotels and restaurants was grew well. The other services were also expanded continually. The industrial sector was gradually expanded and supported the economy growth as well. For the agricultural sector, it was still affected by drought and restrictions of the economic growth.

The Office of the National Economic and Social Development forecasted the direction of Thailand's economic expansion in 2016 which having supporting and risk factors as follows:

### Supporting Factors for Thai Economic

- The gradually growth of export sector was supported by the economic improvement of major countries and the rising prices of key commodities in the global market. On the third quarter of 2016, the value of export returned to expand to be positive growth in the first time on 2 quarters. The improvement of export sector was complied with the acceleration on economy of major countries. The remaining period of 2016 and 2017, the economy of key countries and prices of commodities in the global market are potentially adjusted continuously which shall be supporting factors for the export in 2017 to be expanded after decreasing for 3 consecutive years.
- The recovery and acceleration of agricultural sector was supporting factor for the expansion of incomes and spending of household after being impacts from the El Nino condition severely which effected agricultural products decreasing to 3.8% in 2015 and 1.3% of the first half year of 2016, respectively. However, in the third quarter of 2016, agricultural products were recovered and expanded for the first time in the 8 quarters and was likely to much accelerate on the 4th quarter of 2016. Additionally, in 2017, the quantity of water in key dams is higher than the previous year; it will support the growth of income and household spending increasingly. Although the increase of product quantities is resulted of the adjustment of lower prices of some products to be increased to be a regular price.

- The spending of public investment was accelerated toward the progress on the investment of infrastructure on transportation for 20 projects at the amount of Baht 1,410,763.35 million. It was on much progress in 2016 and expected to accelerate in 2017. On the area of economic development, the Economic Development Board (TDC) held the meeting on November 17, 2016 and approved the draft plan for the economic development of Eastern which comprised of 173 projects with the investment budget of Baht 712,645.23 million. In 2017, the 48 projects are started up and accelerated with the amount of Baht 6,992.67 million.
- The driving force from the tourism sector was likely good. In 2015 and the nine months of 2016, the number of tourists was highly extended to 20.6% and 12.4%, respectively and the key factor on driving the economic expansion. However, in the 4th quarter of 2016, the expansion of tourists was slow down on the high expansion base and the anxiety of tourists over mourning activities and measurement of zero tour resolution of the government sector. However, in 2017, it is expected that the impact from tourists' anxiety on such matters is released accordingly and make the number of tourists sector and income from tourism sector grow satisfactory and contribute to the economic growth continually.

#### **Risk Factor**

- Risk on the fluctuation of global economy and finance: even the global economy is likely to recover and support the export sector in 2017 to be expanded. The remaining period of 2016 and 2017, there are factors which cause the global economic and financial system to fluctuate. Therefore, it must closely monitor and access which is composed of :
  - The direction and policy of the United States of America after the election
  - Referendum result in Italy on December 4, 2016
  - The use of authority under the section 50 under the Lisbon Treaty of the United Kingdom in March 2017
  - Forecast and election result in France on April 23, 2017
  - Election forecast in Germany in August-October 2017
  - The weakness of financial institutions in Europe
  - Problems on the financial and real estate sectors of China

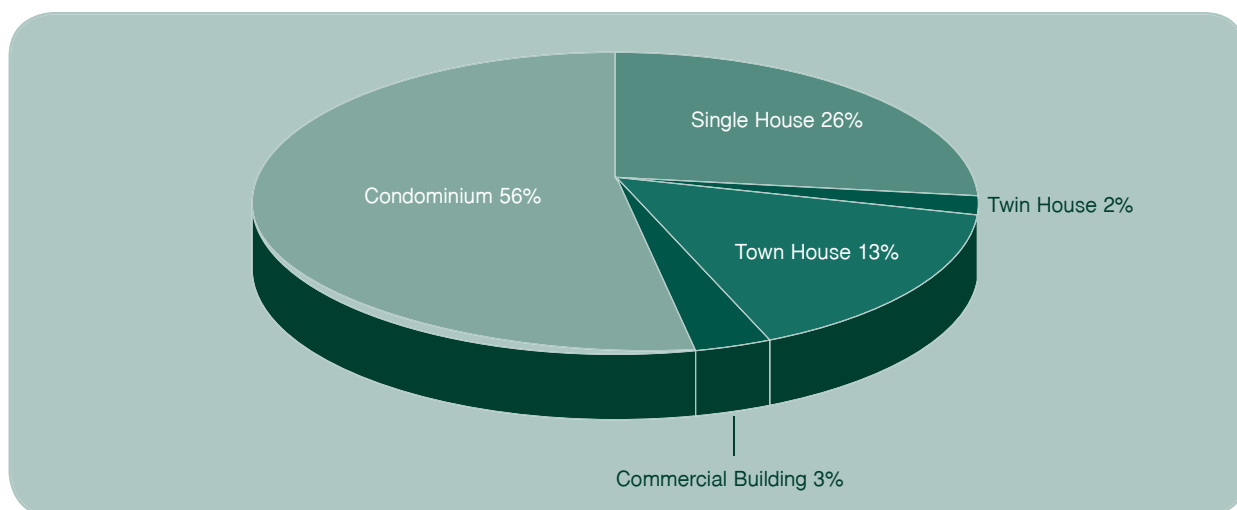
The economic outlook in 2017 is expected that the manufacturing production index will be expanded increasingly due to the recovery of the global economy, especially the economy in the United States of America, Europe, China and Japan. In addition, the domestic economy is recovered, especially the agricultural sector. The economic stimulus by spending and investment of public sector to develop the infrastructure and motivation on investment of the private sector shall support the economic growth of the country increasingly.

The prices of construction material are increasingly changeable. The details are as following. The most changeable price is the price of woods and wood products, which is risen to 4.5% compared by quarter-on-quarter, and 6.5% compared by year-on-year. Since imported wood price is high. The second of highest changing price is steel and steel products, which is increasingly at 0.6% compared by quarter-on-quarter, and 5.2% compared by year-on-year.

As a result the high price adjustment of steel on the global market, the prices of electricity and water supply equipments are high adjusted. The changeable rate is increasingly to 0.4% compared to quarter-on-quarter and 0.7% compared to year-on-year. The third of highest changeable price is plastic products on the type of tile which its price is unchangeable compared to quarter-on-quarter and compared to year-on-year. The price of sanitary wares is also unchangeable compared to quarter-on-quarter and compared to year-on-year. While the price of concrete products is changeable by decreasing to 0.4% compared to quarter-on-quarter and 0.2% compared to year-on-year.



### The completely built residences registered in Bangkok and Metropolitan areas



Source : Real Estate Information Center

The Real Estate Information Center of Government Housing Bank disclosed the newly complete built and registered residences in Bangkok and metropolitan area of 5 provinces (Nonthaburi, Prathumthani, Samut Prakarn, Samut Sakorn, Nakhonprathom) and found that, in 2016, all complete built and registered residences were totally 123,400 units, a decrease of 0.4% compared with the same period of 2015 which having 123,800 units.

### Project Types of the Company' and Other Entrepreneurs' Projects on the Similar Location

Area	Projects of the Company	Projects of Other Entrepreneurs	
		Project	Other Entrepreneurs
Rama 3	Le Rich Rama3	LPN Rama 3 The TRUST	L.P.N. Development Public Company Limited The Confidence Company Limited
Ratchadapisek	Le Rich Ratchada	The Kris	AQ Estate Public Company Limited
Bang Son	Rich Park@ Bangson station	BANGKOK HORIZON U delight	Chaophrayamahakorn Public Company Limited Grand Unity Development Company Limited
Tao Poon	Rich Park@ Taopoon Interchange	THE TREE Chewathai Interchange	Pruksa Real Estate Public Company Limited Chewathai Company Limited
Ratchapruek	The Rich Ville @Ratchapruek	Lapawan 19 Veridian Ratchapruek Casa presto Ratchapruek- Chaeng Watthana	Lapawan Company Limited Teerakamol Property Company Limited Quality Houses Public Company Limited
Sukhumvit 105	The Rich Bitz Home @Sukhumvit	105Le Nextra Flora Ville LPN Barring	Normboon Company Limited Flora Ville Group Company Limited L.P.N. Development Public Company Limited
Sai Ma	Rich Park@Chaophraya	Metro Riverfront D Condo Rattanaibet Supalai City Resort Pha Nang Klao Aspire Rattanaibet	Property Perfect Public Company Limited Sansiri Public Company Limited Supalai Public Company Limited Quality Houses Public Company Limited

Area	Projects of the Company	Projects of Other Entrepreneurs	
		Project	Other Entrepreneurs
Sathorn-Taksin	The Rich	Bright The Room Nye Nyx	Albright Holdings Company Limited Land & Houses Public Company Limited Sansiri Public Company Limited Sansiri Public Company Limited
Srinakarin	Rich Park @Triple Station	The Brase Rama 9 Lumpini Place Srinakarin- Hua Mak Station The Tree Sukhumvit 71- Ekamai	Sansiri Public Company Limited L.P.N. Development Public Company Limited Pruksa Real Estate Public Company Limited
Sukhumvit 3	The Rich @Nana	Asthon (Asoke) The Esse (Asoke) Noble (Ploenchit) HYDE 11	Ananda Development Public Company Limited Singha Estate Public Company Limited Noble Development Public Company Limited Grande Asset Hotels & Property Public Company Limited

#### The Potentiality on Competitions of the Company

The Company confidentially believes that its projects are able to compete with the projects of other entrepreneurs due to its potentiality on competition as follows:

- **The Project Location**

The Company has emphasized priority on the importance of places and the locations of the real estate project developments to be presented to consumers. The projects shall be located on good location, potentiality, near the significant attractions such as schools, department stores, hospitals, etc. The travel transportation is convenient. Many projects of the Company are near the electric train at present or scheduled to construction in the future, or nearby the entrance and exit of the expressway or the ring roads. Therefore, the Company ensures that its projects shall be responded by the customers.

- **The Unique Design of the Projects**

The Company has designed its projects by focusing on the design responding consumers' needs and life styles. The layout is fit with the area; the space is allocated to fully beneficial usage. In respect of responding on the market needs and changes, the Company's projects are designed by the well-known architects who have experience and be acceptable in business.

- **Customer Relationship Management**

The Company has determined the operation policy to maximize the customers' satisfaction by implementing the customer relationship management system to organize the customer groups both existing and new customers. All data bases of every customer are recorded. In addition, the customers shall be constantly communicated, invited to participate the Company's activities for creating long term relationship. As a result, the customers shall introduce and recommend the Company's projects to other consumers continuously.

# Risk Factors

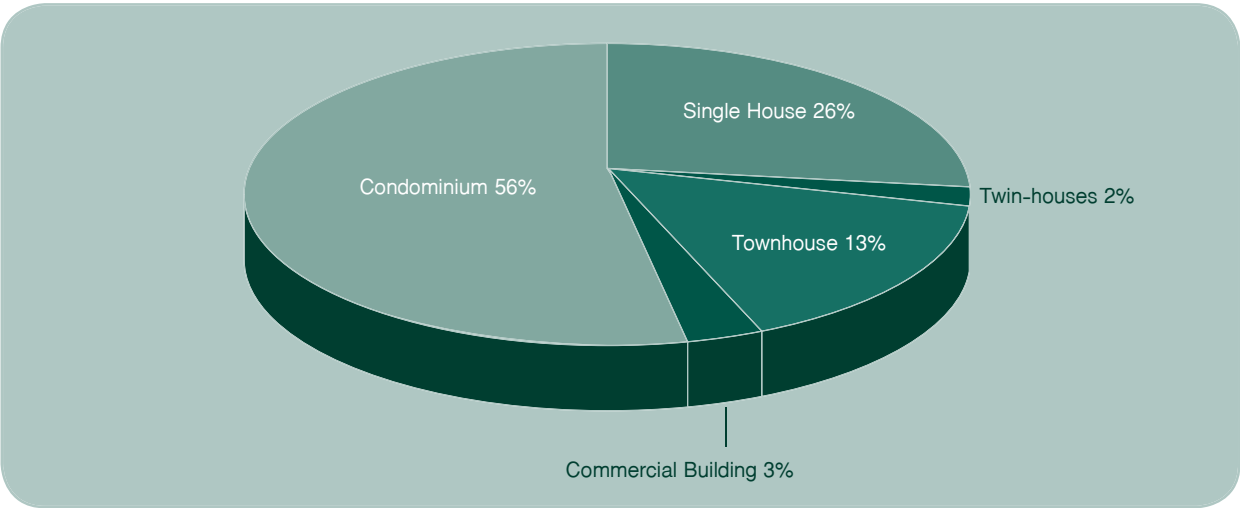
The risk factors on business operation of the Company, which might be significantly effected on its operation and performance, and risk prevention are summarized as following:

## Risk on Business Operation

### Risk from Operation in High Competitive Industry

The total number of newly completed and registered properties in 2016 in Bangkok area was 62,400 units, a decrease of 9% of the same period in 2015, and ones in overall 5 provinces of the metropolitan area was 61,000 units which increased of 10% from the same period in 2015. They were categorized into 69,700 units of condominium (56% of all newly completed and registered units), 31,900 sigle houses (representative of 26%), 16,400 townhouses (representative of 13%), 3,400 commercial buildings (representative of 3%), and 2,000 twin-houses (representative of 2%). The top 5 areas, which having newly completed and registered properties on horizontal zone in 2016, were Pathumthani district (3,800 units), Bangbuathong district (3,300 units), Samutsakorn (2,900 units), Bangplee (2,700 units), were Thanyaburi district (8,700 units), Muang Nonthaburi district (6,600 units), Samutprakarn district (5,900 units) which were 900 units of Baan Klong Suan of Baan Eua Arthorn project and the rest were private projects at Chatuchak district, and Bangrak (3,300 units). In 2016, there were 7 projects of the newly completed and registered Eua Arthorn condominium of the National Housing Authority, which having 113 condominiums with 5,200 units

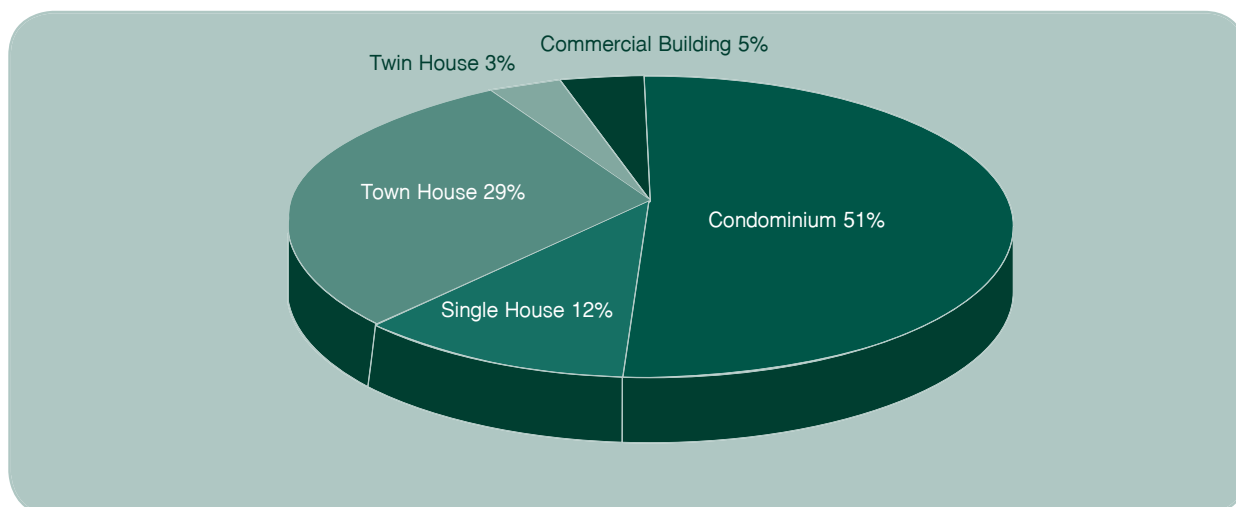
### The category of newly completed and registered properties in 2016



Source : Real Estate Information Center

The transferred units in Bangkok and metropolitan area in 2016 were categorized into 90,100 units of condominium (the most), which was in a proportion of 51% of transferred units of overall properties, 51,100 townhouses (the second) or (in proportion of 29%, 20,400 single-houses (in proportion of 12%), 8,900 commercial buildings ((in proportion of 5%), and the rest were 4,800 twin-houses.

The Units of Transferred Properties in 2016 (Totally 175,000 units)



Source : Real Estate Information Center

Before its investment on each project, the Company has feasibility studies of investment project such as project location in which is nearby the up and down of electric train station line, hospital, school, department store, and business areas. In addition, the Company has created commercial relationship such as with financial institutes for loans released to the project and minor customers buying the product of the Company, and confidence to consumers on its prior and after-sales services, etc. The market research on the project area is done to accumulate data such as the number of entrepreneur, the type of project, pricing and location of the competitors, including the satisfaction survey of customers and factors which they significantly consider on buying selection of property on the project area. The executives team shall ponder such feasibility study report extensively and consider the possibility of the project, including the returns and risks to be obtained prior commencing any projects before proposing to the Board of Directors for consideration on the investment of each project.

#### Risk from Having condominium as a Major Source of Revenue Recognition

The Company's major source of income derives from real estate development project. Since its founding on December 31, 2016 onwards, the Company has developed 16 projects in total, comprising of 13 condominium projects which already completed their sales. Such projects are Richy Tower Petchkasem project, Le Rich Rachada-Sutthisarn project, Le Rich @Aree Station project. The projects under construction consisted of The Rich @ Sathorn-Taksin project, Rich Park @Triple Station project, The Rich Nana, and Rich Park Loft@Laksi project. The revenue proportion from sales of condominium du 2013-ing 2014 exceeded 93.06% of the total revenue, which was relatively risk for the Company if the condominium market is saturated and deteriorated which in turn significantly affects the Company's business performance.

Nevertheless, the Company is not only professional in developing condominium projects, but also other projects such as the Richville Bangbuathong, a single-home project with a successful sold out. Presently, the Company has ongoing real estate development of townhouse/townhome projects: The Rich Bizhome Sukhumvit 105 and The Richville Rachapruerk. In 2016, its revenue recognition on vertical areas was in a proportion of 87%, 83.54%, while one on horizontal areas was 13%, 16.46% respectively. This enabled the Company to distribute its revenue recognition from other businesses besides the only condominium project. The Company's management executives strongly believe that their 14-year experience on real estate, including their skillful and experienced staffs will operate its developing projects as planned successfully and reach its consumers' demands.

**Proportion of Revenues from Condominium to the Total Revenue during 2014-2016 ( unit : million Baht )**

Project	2014	2015	2016
<b>Total Revenue from Property Sales</b>	<b>1228.66</b>	<b>507.48</b>	<b>553.17</b>
<b>Condominium</b>	<b>1115.94</b>	<b>441.53</b>	<b>462.13</b>
- Le Rich @Rama 3	25.29	11.86	6.2
- Le Rich @Ratchada-Sutthisan	27.49	-	-
- Le Rich @Aree Station	16.14	-	-
- Rich Park @Bangson Station	88.39	49.32	72.23
- Rich Park @Taopoon Interchange	958.62	307.7	90.53
- Rich Park @Chao Phraya	-	72.65	293.17
<b>Townhome</b>	<b>112.72</b>	<b>65.95</b>	<b>91.04</b>
- The Rich Biz Home @Sukhumvit 105	112.72	58.66	35.85
- The Rich Ville @Rachapruuek	-	7.29	55.19

Source : Richy Place 2002 Public Company Limited

**Risk from Operating Performance Depending on the Success of Projects Developing**

As of December 31, 2016, the Company had 5 projects under construction and during process of revenue recognition after ownership transfer, which were The Rich @Sathorn-Taksin, Rich Park @Triple Station, The Rich Biz Home @Sukhumvit 105 project, The Rich @Nana and The Rich Ville @Rachapruuek. The Rich @Sathorn-Taksin is expected to be complete and record the revenue recognition in 2017. The Rich Park @Triple Station, which was started construction in 2016, is forecasted to be complete its construction and ready for ownership transfer to customers as well as revenue recognition in 2018. While the Rich @Nana and Rich Park Loft @Laksi Station shall record its revenue recognition within 2019.

The value of overall 8 projects is Baht 15,827.82. However, in 2016, Rich Park @Chao Phraya, which its value was totally Baht 1,360 million as of December 31, 2016, had much revenue recognition in a proportion of 53% of the total revenues in 2016. The Rich @Sathorn-Taksin shall be complete and transferred the ownership to customers on the first quarter of 2017.

In addition, the Company may face the risk from not recognizing revenues as expected if there is uncertainty with regard to construction or success of project development. Such success depends on various factors; namely, sufficiency of the Company's cash flow, market and real estate situation, Thailand's economic status, cost of construction materials, buyers' confidence in terms of interest rate which is a significant factor in motivating their decision, etc.

However, the Company has strictly followed and studied the country's economic situation that can impact on various factors such as the changes on interest rate, inflation rate, adjustment in loan approval of commercial banks that issue measures to establish loan to value ratio, including real estate industry situation; for example, the issue permission of residential construction, a number of transferred condominium, progress of government projects such as electric train system, high-speed train and other factors affecting the completion of the project; namely, supply trend of consumers' residence and their confidence so that the Company can establish strategies that can be adjusted to changing circumstances and respond more effectively and instantly to the market's demand. The Company also set criteria and organize the feasibility study in considering each project development by carefully planning, studying and collecting relevant data starting product details, location, capital and return on investment.

**Risk from Failure to Achieve Performance Target due to No Ownership Transfer from Customers as Agreed in the Contract**

As of December 31, 2016, the Company had 1,020 units reserved/ made contract but did not transfer ownership, representing the total value of Baht 3,217.82 million of totally 7 projects, in which the major proportion came from Rich Park @Triple Station, The Rich Nana, and The Rich @Sathorn-Taksin project those were at the amount of Baht 1,906 million, Baht



512 million, and Baht 728 million, respectively. The Rich @Sathorn-Taksin shall be transferred in 2017 and the Company is on the process of waiting customers to inspect the room and coordinate with the financial institutes for customers to apply for loan in order to prepare for the ownership transfer.

**Units reserved/contracted but no ownership transfer as of December 31, 2016**

Project	Project Amount (Million Baht)	Total (Unit)	The Progress of Construction	Unit reserved/contracted but not transferred ownership		Period expected to transfer ownership
				Total (unit)	Amount (MB)	
<u>Condominium</u>						
- Le Rich @Sathupradit	1,062.00	422	100.00	-	-	2017
- Rich Park @Banson Station	1,396.95	803	100.00	10	17.50	2017
- Rich Park@Taopoon Interchange	1,801.59	735	100.00	4	9.93	2017
- Rich Park @Chaophraya	1,360.47	635	100.00	10	21.39	2017
- The Rich @Sathorn-Taksin	2,142.32	511	94.00	189	727.68	2017
- Rich Park@Triple Station	2,732.39	1,084	9.00	744	1,908.24	2018
- The Rich @Nana	4,134.10	413	-	60	517.61	2019
<u>Townhouse/Townhome/House with freedom design</u>						
- The Rich Biz Home @Sukhumvit 105	671	140	72.00	3	15.47	2017
- The Rich Ville @Ratchaphruek	572	173	35.00	-	-	2017
<b>Total</b>	<b>15,872.82</b>	<b>4,878</b>		<b>1,020</b>	<b>3,217.82</b>	

Source : Richy Place 2002 Public Company Limited

**Risk from Delay and Quality of Construction of Contractors and Lack of Labors**

Risks from the delay may result from lack of experience in terms of building contractors or from lack of labors or low quality work under standard. As a result, the Company is unable to control cost efficiently or affect the ownership transfer to miss the deadline as agreed. To minimize such risks, the Company has set its policy in selecting major building contractors by bidding on all projects, which must be at least 3 bidders of contractors. Then, the Company will consider various criteria such as experience, reputation and past performance of such bidders, especially their performance similar to the Company's project, the tidiness of building construction, punctuality in handling the completed project as well as considering readiness to operate and the financial status of building contractors.

However, from previous projects up until current projects, the Company has not relied on any particular distributors or building contractors since the Company has contacted with approximately 10 business partners who provided the Company with building materials and equipment and both parties have been in favorable relationship. The Company will not purchase building materials from any specific provider more than 30 percent of the total purchase or procurement value. Nevertheless, in a particular year, the Company may hire external building contractor which is considered a relatively high proportion compared to the total purchase or procurement value. However, it is deemed standard practice for real estate business having high values of payment paid to contractors depending on the project size. As for the hiring process, the building contractors must prepare guarantee letter giving to the Company for building trust and confidence in their performance. The Company, then, can select the external building contractor by allowing external contractors to bid for construction cost; therefore, there will not be dependence on a particular building contractors.

**Risk from Changeable on Loan Policy of Commercial Banks**

The increase and decrease of interest rate is the significant factor on lowering the buying ability of customers because main customers apply for housing loan from the financial institutes. Therefore, the increase of interest rate and terms of payment shall decrease the amount of loan from the financial institutes as well as the buying ability on residential property.

Moreover, the interest rate is the significantly factor on motivating customers to buy residential property. When the loan interest rate is increased, the decision on buying residential house of customers shall be more difficult which leads to slowdown on purchasing decision. However, the Company has monitored Thailand economic condition which effected to the interest rate and prepared the market plans to support the changes on interest rate and select the appropriate market plans to match the interest rate at that time in order to speed up the sales volume in case of unfavorable market condition. With its experience of over 14 years of property business, the Company has faced with the fluctuation of Thailand economic conditions effected to the real estate business but the Company is able to handle and manage such changes as well.

#### **Risk from the Influence of Major Shareholders on Defining the Management Policy**

As of May 4, 2016, the registered book was closed and found that Attaboongwong group was the major shareholders of the Company, or a proportion of 48.79 %, Ms. Sunee Sathatinan held shares of a proportion of 6.33 %, Mrs. Pichaya Tansod held shares of a proportion of 4.47 %, Mr. Karoon Chandragasu held shares of a proportion of 1.43%, Mr. Thanasal Muneepeerakul held shares of a proportion of 1.19%, Ms. Waranya Pinsam-ang held shares of a proportion of 1.30%, Mr. Chaiyasit Viriyamettakul held shares of a proportion of 1.12%, and general people held shares of a proportion of 35.37% of the paid-up capital. Therefore, the Company and minor shareholders might have risk from the Attaboongwong group on the control of almost voting cast of the agendas, not only appointment of directors or resolution on other matters those shall be required the majority of voting from the shareholders on the Meeting, except the voting on law or the Company's regulations which requiring three-fourth of shareholders' voting. Therefore, other shareholders may not be able to collect voting to balance the voting of Attaboongwong group on the proposed agenda. However, the Company has appointed 4 independent directors, which one is the Chairman and the 3 directors are the Audit Committee to be responsible on reviewing and considering possibly conflicts of interest and to ensure that the Company's operation is transparency.

#### **Risk from the Changes on Regulations and Law which Having Impacts to the Real Estate Business of the Company**

The changes on regulations related to the operating of real estate business are the factors affected on the cost of operation and its expenditures. In case of not monitoring and studying the regulations completely and up to date, it may cause the Company not complied with the new adjusted regulations and have impacts to its cost of operation due to the amendment to be correctness. The significant changes are such as Land Allocation Act, B.E. 2543, which its content is related to operation on project development of the Company; for example, the defining land allocation, defining the central area, organizing the community regulations, the assessment report of environmental impact and the result of inspection on the high building conditions. However, the Company has studied and followed up such Act, including the amended regulations and related rules such as the changes of regulations regarding to defining the beneficial area of land usage or other public transportations (maybe expropriated) in order that the Company has constantly conducted precisely and not have any problems in the future. Such actions make the Company adapt and correct its operation in time and unnecessary to modify its project plans in the future. In case of not monitoring the changes on the related regulations, it may cause the high expenditures to the Company.

However, the Company has studied and monitored the changes on other regulations, which may occur, continually in order to prepare for modification its operation on the property development projects in compliance with the changes of such regulations along with the study the market conditions constantly. Such preparation is ensured that the Company shall not be significantly affected by such changes.

## Information of Securities and Shareholders

### Registered Capital and Paid-up Capital

As of December 31, 2016, the Company had a total registered capital of Baht 785,399,982. The common share was 785,399,982 shares at par value of Baht 1.00 per share and the paid-up capital was totally Baht 785,399,982.

### Shareholders

The top ten of shareholders on the close of share registered book latest on May 4, 2016 as follows:

No.	Name	No. of Shares	% Holder
1	Dr. Apa Attaboonwong	280,500,000	35.714
2	Attaboon Asset Co., Ltd.	63,381,760	7.943
3	Mrs. Sunee Satatinun	49,676,660	6.325
4	Mrs. Pichaya Tansod	35,115,590	4.471
5	Mr. Somsak Attaboonwong	24,469,500	3.116
6	Mrs. Worapa Mon-arak	15,900,000	2.024
7	Mr. Karoon Chandragu	11,250,880	1.433
8	Ms. Waranya Pinsam-ang	10,168,950	1.295
9	Mr. Thanasal Muneepeerakul	9,310,670	1.185
10	Mr. Chaiyasit Viriyamettakul	8,806,400	1.121
	<b>Total</b>	<b>508,580,410</b>	<b>64.627</b>

### Other Securities Issuance

#### 1. Debenture

As of December 31, 2016, the Company had debenture, not redeemed at the amount of Baht 1,140 million, which details were as follows

##### 1.1 Debenture of Richy Place 2002 Public Company Limited No. 1/22015 Due B.E. 2560

<b>Name of Debenture</b>	: Debenture of Richy Place 2002 Public Company Limited No. 1/2015 Due B.E. 2560
<b>Issued Date</b>	: September 11, 2015
<b>Type of Debenture</b>	: Unsubordinated and Unsecured Debentures without Debenture holders' Representative in the Name-Registered Certificate
<b>No. of Offering Debenture</b>	: Not exceed ob Baht 350,000,000
<b>Tenor</b>	: 2 years
<b>Coupon</b>	: 5.10% per year (fixed interest rate)
<b>Interest Payment</b>	: March 11 , June 11, September 11, and December 11 of every year
<b>Maturity Date</b>	: September 11, 2017

**1.2 Debenture of Richy Place 2002 Public Company Limited No. 2/2015 Due B.E. 2560**

<b>Name of Debenture</b>	: Debenture of Richy Place 2002 Public Company Limited No. 2/2015 Due B.E. 2560
<b>Issued Date</b>	: September 28, 2015
<b>Type of Debenture</b>	: Unsubordinated and Unsecured Debentures without Debenture holders' Representative in the Name-Registered Certificate
<b>No. of Offering Debenture</b>	: Not exceed Baht 190,000,000
<b>Tenor</b>	: 2 years
<b>Coupon</b>	: 5.35% per year (fixed interest rate)
<b>Interest Payment</b>	: March 28, June 28, September 28, and December 28 of every year
<b>Maturity Date</b>	: September 28, 2017

**1.3 Debenture of Richy Place 2002 Public Company Limited No. 3/2015 Due B.E. 2563**

<b>Name of Debenture</b>	: Debenture of Richy Place 2002 Public Company Limited No. 3/2015 Due B.E. 2563
<b>Issued Date</b>	: November 27, 2015
<b>Type of Debenture</b>	: Unsubordinated and Unsecured Debentures without Debenture holders' Representative in the Name-Registered Certificate
<b>No. of Offering Debenture</b>	: Not exceed of Baht 100,000,000
<b>Tenor</b>	: 5 years
<b>Coupon</b>	: 5.50% per year (fixed interest rate)
<b>Interest Payment</b>	: February 26, May 26, August 26, and November 26 of every year throughout the tenor of debenture
<b>Maturity Date</b>	: November 26, 2020

**1.4 Debenture of Richy Place 2002 Public Company Limited No. 4/2015 Due B.E.2561**

<b>Name of Debenture</b>	: Debenture of Richy Place 2002 Public Company Limited No. 4/2015 Due B.E.2561
<b>Issued Date</b>	: December 21, 2015
<b>Type of Debenture</b>	: Unsubordinated and Unsecured Debentures without Debenture holders' Representative in the Name-Registered Certificate
<b>No. of Offering Debenture</b>	: Not exceed of Baht 300,000,000.
<b>Tenor</b>	: 3 years
<b>Coupon</b>	: 5.60% per year (fixed interest rate)
<b>Interest Payment</b>	: March 21, June 21, September 21, and December 21 of every year throughout the tenor of debenture
<b>Maturity Date</b>	: December 21, 2018

**1.5 Debenture of Richy Place 2002 Public Company Limited No. 1/2016 Due B.E.2561**

<b>Name of Debenture</b>	: Debenture of Richy Place 2002 Public Company Limited No. 1/2016 Due B.E.2561
<b>Issued Date</b>	: September 29, 2016
<b>Type of Debenture</b>	: Unsubordinated and Unsecured Debentures without Debenture holders' Representative in the Name-Registered Certificate
<b>No. of Offering Debenture</b>	: Not exceed of Baht 200,000,000.
<b>Tenor</b>	: 2 years 2 days
<b>Coupon</b>	: 5.10% per year (fixed interest rate)
<b>Interest Payment</b>	: March 29, June 29, September 29, and December 29 of every year throughout the tenor of debenture
<b>Maturity Date</b>	: October 1, 2018

## 1.6 Bill of Exchange

As of December 31, 2016, the Company had debt securities: short-term bill of exchange, which its outstanding balance was follows:

Amount	:	Not exceed of Baht 1,000 million <sup>1/</sup> at any period
Balance amount of the Bill	:	Baht 620 million
Interest Rate	:	Depending on the market conditions during issuance and offering a short-term bill of exchange on each time
Tenor	:	Not over 270 days starting on the issued date of the bill of exchange
Objectives	:	For working capital
Offering	:	Offering to specific and limited investors for issuing not over 10 bills of exchange, or offering to institutional and/or major investors
Condition	:	In case of the redemption of short-term bill, resulted of a decrease in accrual, the Company can issue additional short-term bill of exchange at the amount approved by the Board of Directors' meeting.

Remarks : <sup>1/</sup> According to the Board of Directors' meeting No. 14/2016 held on November 14, 2017

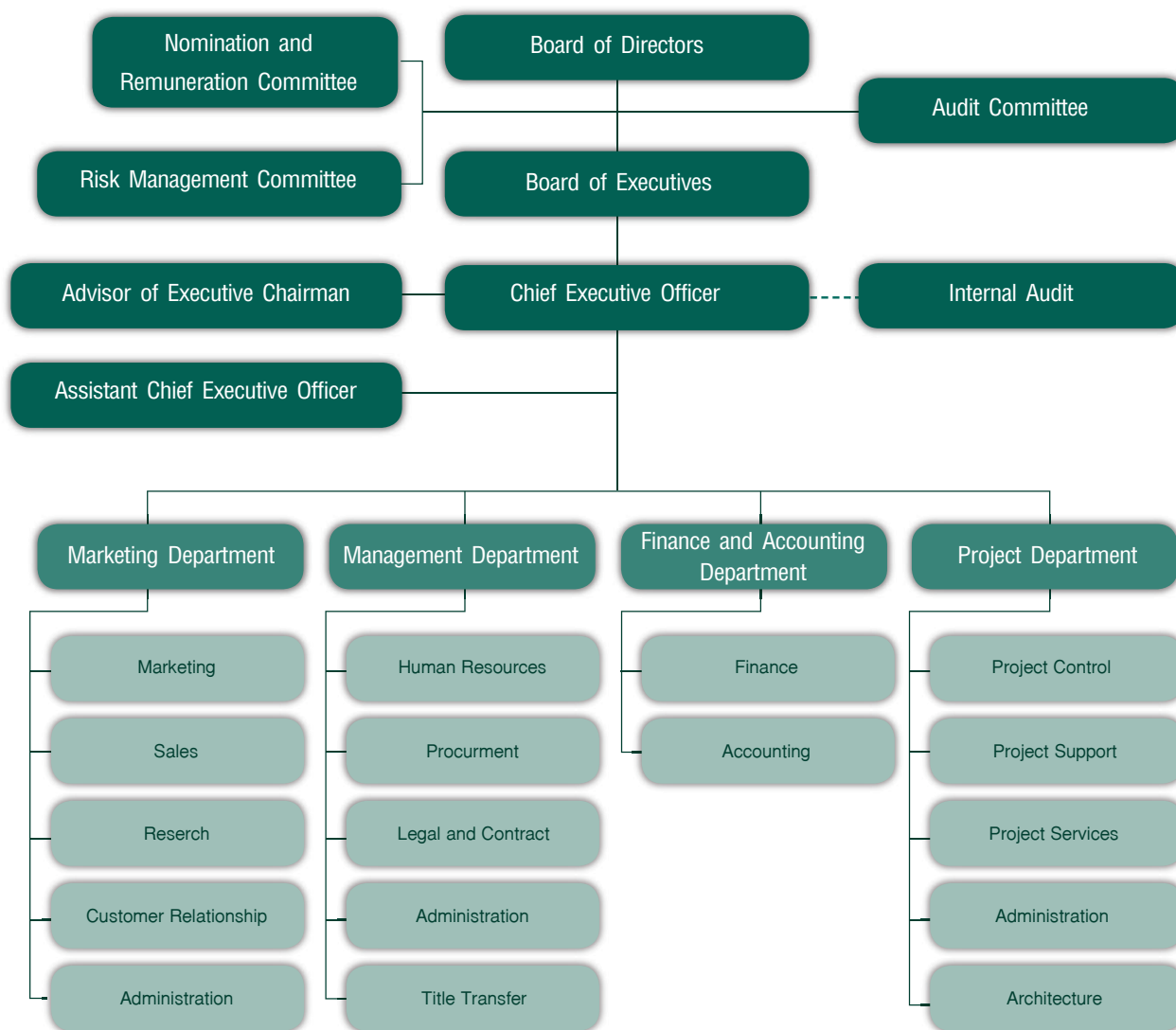
<sup>2/</sup> According to the Shareholders' Meeting No. 1/2015 held on April 29, 2015

## Dividend Policy

The Company has a dividend policy on paying out not less than 40.00% of its net income after deducting income corporate tax based on the separate financial statements and all provisional reserves required by law and by the Company. The dividend payment is subject to any effect of normal business operation significantly. However, such dividend payment is subject to change depending on the operation result and financial status of the Company, liquidity, business expansion plans, necessity, and suitability in the future, including other factors related to the Company's management for which the Board of Directors and/or shareholders deem appropriately. Such actions must maximize the most beneficial to shareholders.

# Management Structure

Management Structure as of December 31, 2016



Remark : \* The Company has engaged ACC Consult Service Co., Ltd. to be the internal auditor.



## The Board of Directors

As of December 31, 2016, the Board of Directors consisted of 11 members as follows:

Name	Position
1. Mr. Pranai Suwanrath	Chairman and Independent Director
2. Dr. Apa Attaboonwong	Vice Chairman
3. Ms. Sunee Sathatinan	Vice Chairman
4. LT. Gen. Samang Thongpan	Independent Director / Chairman of Audit Committee
5. Mr. Somchai Pienstaporn	Independent Director / Audit Committee
6. ASSOC. Prof. Suthus Ratanakuakangwan	Independent Director / Audit Committee
7. Mr. Somsak Attaboonwong	Director
8. Dr. Karoon Chandrangsu	Director
9. Mrs. Nonglak Wanthammapong	Director
10. Police Colonel Suvit Tansode	Director
11. Mr. Verapol Attaboonwong	Director

## Authorized Signatory

The Directors whose signatures are recognized as binding for the Company consist of the two jointly signatures of either Dr. Apa Attaboonwong, Ms. Sunee Sathatinan, or Mr. Somsak Attaboonwong together with the Company's seal.

### Terms, Authorities, and Responsibilities of the Board of Directors

- 1) The Board of Directors has responded to manage the Company in compliance with the laws, objectives and regulations of the Company as well as the resolutions of the shareholders' meeting with honesty, consideration of the benefits of the Company.
- 2) The Board of Directors has authorized to define the Company's objectives, direction, policies, business plans and budgets, and monitor the management or persons assigned to such operation in order to ensure that such management or persons implementing along with the policies defined by the Board of Director.
- 3) The Board of Directors has authorized to review and approve the policies and operation plans on big investments proposed by the sub-committee and/or the management.
- 4) The Board of Directors has authorized to appoint, assign, or suggest to the sub-committee or working groups to consider or execute any activities as appropriated by the Board of Directors.
- 5) The Board of Directors has authorized to monitor the operation outcome in accordance with the plans and budgets of the Company.
- 6) The Board of Directors has authorized to determine an adequate and effective internal control system by establishing the internal control team to follow up and coordinate with the Audit Committee

### The Authorities of the Board of Directors

The Board of Directors has authority to approve any issues of the Company under the law, regulations, and resolutions of the shareholders' meeting, including the approval of any transactions of the Company as following:

- 1) To define the Company's mission and review the Company's vision
- 2) The organization chart
- 3) Business plan and annual budget
- 4) To monitor and evaluation the operation performance both quarterly and annually
- 5) The budget on land purchase
- 6) The budget on any project investments
- 7) To consider and approve any significant issues related or appropriated and benefit to the Company

However, the following matters shall be carried out; the Board of Directors has proposed to the shareholders' meeting for approval:

- A) Any transactions are defined by law to be approved by the shareholders' meeting; and
  - B) Any transactions which the director has a conflict of interest and are defined under the law or regulations of the Securities and Exchange Commission or the Stock Exchange of Thailand to be approved by the shareholders' meeting.
- Under the decision making of the Board of Directors on the following matters, the Board of Directors shall carried out after approval by the shareholders' meeting with minimum 3 out of 4 of the total votes.
- C) Selling or Transferring the Company's business as a whole or significant parts to others
  - D) Buying or merging other companies
  - E) Amending or Terminating a contract relating to the lease as a whole or significant part of the Company, assigning other persons to operate the Company's business, or joint ventures with others by which are subject to share profit and loss
  - F) Changing or adding the Memorandum of Association or the Company's regulations
  - G) Increase, decrease, or issuance the Company's bond
  - H) Merging or ceasing the Company
  - I) Any activities under the Securities Exchange Act and/or announcements of the Stock Exchange of Thailand which required to be approved by the Board of Directors' meeting and shareholders' meeting with the above mentioned votes

However, the director who is a stakeholder or having a conflict of interest on any matters has no right to vote on such transactions.

Moreover, the Board of Directors is responsible to conduct business under the Act of Securities and Securities Market, regulations of the Stock Exchange of Thailand such as the related transaction on acquisition or disposal of asset under the regulations of the Stock Exchange of Thailand, or the notifications of the Office of the Securities and Exchange Commission, or any law related to the Company's business.

## The Executives

As of December 31, 2016, the Company had total 6 members of the Executive Board as follows:

Name	Position
1. Dr. Apa Attaboonwong	Chief Executive Officer / Acting of Director of Marketing Department
2. Ms. Sunee Sathatinan	Executive Director
3. Mr. Somsak Attaboonwong	Executive Director
4. Mrs. Saranthorn Srisunthorn	Director of Administration
5. Ms. Kantaluk Chanthipdissaya	Director of Finance and Accounting Department
6. Mr. Nimitr Inthakul	Director of Project Department

### Terms, Authorities, and Responsibilities of Chairman of the Executives Board

Chairman of the Executives Board has responded to execute and monitor the management align with the fundamental objectives of the Company. Chairman of the Executive Board shall conduct and be accountable on the Company's operation by herself/himself or assign other executives to act on his/her behalf. The duty and responsibilities of Chairman of the Executives Board are as follows:

- 1) To monitor and advise any matters of the operation and management of the Company daily;
- 2) To implement or carry out actions in accordance with the policy of operation plans and budget approved by the Board of Directors;
- 3) Be authorized on business operation to achieve the objectives, policy, regulations, agreements, assignments, including the resolutions of the Board of Directors' meeting and/or shareholders' meeting;
- 4) Having authority to issue rules, regulations, announcement, memorandum in order to implement according to the policy and benefits of the Company, as well as retaining working disciplines within the organization;
- 5) To monitor and evaluate the operation performance of the Company daily to prepare and prevent any risks incurred from both inside and outside factors;
- 6) Be authorized to comment on any legal activities related to the normal business operations such as selling and buying transactions, raw material procurement for production, expenditures on regular operation, investment, acquisition or distribution of tools, assets, or services for the Company's benefits as detailed in the management authority approved by the Board of Directors, including delegating his/her authority on such above activities for the flexibility on the Company's operation;
- 7) Having authority to carry out actions and be representative of the Company to present to externals on the related activities and normal business practices for the Company's benefits;
- 8) Having authority to approve an investment on fixed asset, loan, or other investments such as equity, bond, etc., for the amount not exceeding of Baht 1 million;
- 9) Having authority to approve the loan from the financial institutes at the amount not exceeding of Baht 100 million;
- 10) Having authority to approve the expenditures on the business operation and disposal of fixed asset per item at the amount not exceeding of Baht 10 million;
- 11) Having authority to approve any obligations, avail, warrant at the amount not exceeding of Baht 100 million;
- 12) To perform other functions assigned by the Board of Directors

The authority of any legal transactions, which might cause any conflict of interest between Chairman of the Executives Board and any stakeholders as defined under the law and notifications of the Office of the Securities and Exchange Commission, or the Stock Exchange of Thailand, is not covered by the authority of Chairman of the Executives Board to consider and vote for the said legal transactions either with one's own judgment or by acting person. In such case, such legal transactions shall be considered by the Audit Committee before presenting to the Board of Director and/or shareholder's meeting for approval (depending on circumstances) in accordance with the Company's regulations and law.

#### **Qualification of the Executives**

The Executives are certified to be ethics, competence, experiences on business administration with honesty and caution on management for the Company's benefits. They has intended on business execution, understanding and responsibilities to the public, and not being prohibited according to the notification no. korjor 8/2553 of the Securities and Exchange Commission regarding the attribution of trustworthiness of directors and executive officers of the Company, dated April 23, 2010.

### **Company Secretary**

The Board of Directors has realized the importance on promoting the good governance and conducting in compliance with the section 89/15 of the Securities and Exchange Act (No. 4), which is defined that the Board of Directors has to appoint the Company Secretary in order to prepare and archive the documents, maintain report of interest reports filed by directors or executives, and carry out other proceedings as prescribed by the Capital Market Supervisory Board, including coordinating, organizing the Board of Directors' meeting and shareholders' meeting, and assisting the directors and the Company to supervise matters pertaining to the relevant laws and regulations.

The Board of Directors has resolved to appoint Mrs. Saranthorn Srisunthorn to be the Company Secretary effectively on May 15, 2013 and be attended the Company Secretary Program (CSP), Class of 57/2014, held by Thai Institute of Directors Association (IOD) on June 10-11, 2014.

#### Remuneration of the Directors and the Executives

##### Director

The Company has defined the remuneration policy to the Board of Directors at the amount of Baht 8,000,000 by which the Nomination and Remuneration Committee considered, reviewed and compared such compensation of the directors with the related business. The remuneration criteria paid to the Board of Directors and sub-committee was as follows:

Position	Meeting Allowance/ time (Baht)
Chairman	25,000
Director	15,000
Chairman of the Audit Committee	15,000
Audit Committee	10,000

Position	Meeting Allowance/ time (Baht)
Chief Executive Officer	15,000
Executive Director	10,000
Chairman of Nomination and Remuneration Committee <sup>1/</sup>	15,000
Nomination and Remuneration Committee <sup>1/</sup>	10,000
Chairman of Risk Management Committee <sup>1/</sup>	15,000
Risk Management Committee <sup>1/</sup>	10,000

Remark : <sup>1/</sup> It was appointed by the Meeting of the Board of Directors No. 4/2013 held on August 14, 2013.

#### Remuneration in Cash

Name of Director	Remuneration of Directors in 2016 (Baht)					
	Board of Directors (The total of 5 meetings)	Audit Committee (The total of 4 meetings)	***Executives Board (The total of 7 meetings)	Nomination and Remuneration Committee (The total of 1 meetings)	Risk Management Committee (The total of 1 meetings)	Total Remuneration (Baht)
1. Mr. Pranai Suwanrath	50,000 (2/5)	-	-	-	-	50,000
2. Ms. Sunee Sathatinan	75,000 (5/5)	-	- (7/7)	-	-	75,000
3. Dr. Apa Attaboonwong	75,000 (5/5)	-	- (7/7)	-	-	75,000
4. Mr. Somsak Attaboonwong	75,000 (5/5)	-	- (7/7)	10,000 (1/1)	-	85,000
5. Mrs. Nonglak Wanhammapong	75,000 (5/5)	-	-	-	-	75,000
6. Police Colonel Suvit Tansode	75,000 (5/5)	-	-	-	10,000 (1/1)	85,000
7. LT. Gen. Samang Thongpan	60,000 (4/5)	60,000 (4/4)	-	15,000 (1/1)	-	135,000
8. Mr. Somchai Pienstaporn	75,000 (5/5)	40,000 (4/4)	-	-	-	115,000
9. ASSOC. Prof. Suthus Ratanakuakangwan	75,000 (5/5)	40,000 (4/4)	-	10,000 (1/1)	10,000 (1/1)	135,000
10. Dr. Karoon Chandransu	60,000 (4/5)	-	-	-	15,000 (1/1)	75,000
11. Mr. Verapol Attaboonwong	75,000 (5/5)	-	-	-	-	75,000
<b>Total</b>	<b>770,000</b>	<b>140,000</b>	<b>-</b>	<b>35,000</b>	<b>35,000</b>	<b>980,000</b>

Remark : \*\*\* The Executive Board, held the meeting on February 20, 2015, had unanimously resolved that all members of the Executive Board refused to receive the meeting allowance because they had been paid on their administration monthly

In 2015, the remuneration was paid to the Board of Directors and sub-committee as follows:

1.	Meeting Allowance for the Board of Directors and Sub-committee	980,000	Baht
2.	The pension to the Director for 11 members	3,860,000	Baht
	Grand Total	4,840,000	Baht

#### The Executives (including the Executives Board)

The Company has remuneration policy to motivate an employee by considering on the performance evaluation of the management in the form of Key Performance Index: KPI every year. Such performance shall be compared with the KPI defined as the objectives shown in the employment contract and/or operation plans proposed to the Chief Executive Officer and/or the Board of Directors, which such remunerations to employee and the management are differed according to the ratio derived from the revenues for each accounting period.

The Company paid the remuneration in 2016 for the salary and bonus to the executives, totally 6 persons, at the amount of Baht 9,676,894.

#### Other Remuneration

- None —

## Employees

As of December 31, 2016, the number of employees was totally 85 persons as classified into the following:

Department	Total Employees (person)
1. Marketing Department	36
2. Management Department	23
3. Finance and Accounting Department	10
4. Project Department	16
<b>Total</b>	<b>85</b>

In the period of past three years, the Company has never faced with any labor disputes.

#### Employees' Remuneration

The employees' remunerations of the Company (excluding the Executives) as of December 31, 2016 were classified into salary, wage, overtime, bonus, and other welfares which the details were as following:

Employees' Remuneration	2015	2016
Salary	20,926,965	32,803,511
Bonus and other compensations	10,383,288	4,964,631
<b>Total</b>	<b>31,310,253</b>	<b>37,768,142</b>

## Policy of Human Resource Development

The Company has much realized on developing the knowledge and competence of the directors, the executives, as well as employees in order to enhance their efficiency and quality of services. The training, seminar, courses held by Thai Institute of Directors (IOD) or the Stock Exchange of Thailand or other institutes are organized to increase their working abilities and able to apply such knowledge on their work. The remuneration policy is also appropriately provided to motivate its employees for working with the Company in the long term. In addition, the Company has regularly organized activities to create great relationship and unity within the organization for the management and employees such as birthday gift for an employee, CSR activities, New Year party and gifts, etc.

# Corporate Governance

## Corporate Governance Policy

For the transparency and beneficial contribution to the Company's business operation, the Company has policy to conduct in compliance with the Code of Best Practice in order to enhance the confidence to shareholders, investors, and all persons concerned. The Board of Directors has determined the corporate governance policy referred on the good governance practices for the listed companies of the Stock Exchanges of Thailand. This covers the good governance structure, guidelines of corporate governance practices, working structures, and policies in order to rigorously conduct under the corporate governance policy.

The Company has defined the code of corporate governance conduct to be the guidelines circulated to the directors, executives, and employees to conduct under the law, regulations, and related rules to ensure that the Company has carried on business with highest responsibility, transparency, and treatment to stakeholders equally, including management with integrity, efficiency and effectiveness. The corporate governance of the Company that has been constantly conducted is comprised of the 5 items namely the rights of shareholders, equitable treatment of shareholders, roles of stakeholders, disclosure of information and transparency, and responsibility of the Board of Directors (details of the conduct of corporate governance of the Company are viewed on the Company's website ([www.rp.co.th](http://www.rp.co.th))). Moreover, the Company has provided other regulations and operation manuals for the high level executives and employee to implement.

To ensure that all employees acknowledge, understand the regulations, rules including the code of business conduct, and precisely conduct as appropriately, the Company has assigned the Human Resources Department organizing the training to review such regulation, rules including the code of business conduct to all employees. In addition, the post test after training is provided to evaluate employees' understanding. In case of their score below the criteria, employees are supplementary trained until they pass the test.

The executives of each department shall monitor employees' operation in compliance with the corporate governance practices.

The conduct on the corporate governance policy of the Company is comprised of 5 chapters as follows:

### 1. Rights of Shareholders

The Company has recognized the importance of the rights of shareholders on their decision making on any significant changes of the Company and obtaining the Company's information accurately, completely, adequately, timely and equally for decision making in every subjects. Therefore, the Board of Directors has determined the policy as follows:

- 1.1 The Company shall send the invitation letter along with the meeting agenda sufficiently, which identify the objectives and reason together with the comments of the Board of Directors for each agenda for shareholder to consider entirely prior to the Meeting at least 14 days. If shareholders who unable to attend the Meeting can assign the Independent Director or other person to be a proxy to attend the Meeting by using the proxy form attached to the invitation letter.
- 1.2 The Company has policy to organize facilities conveniently to shareholders by providing the Meeting at a convenient place, having a map attached to the invitation letter, including setting the date and time appropriately and sufficient timeframe of the Meeting.
- 1.3 Prior the Meeting, the Company shall notify shareholders to the process of exercising their votes and the rights on expressing their opinions, as well as raising questions to the Meeting according to the agenda. During the Meeting, shareholders have rights equally to express their opinions and raise questions, which the Chairman of the Meeting shall provide sufficient time appropriately. The Director and the Executives concerned shall attend the Meeting to answer questions at the Meeting.
- 1.4 The communication channels are added to send and disclose information, news, and details to shareholders through the Company's website. Particularly, the invitation letter shall be noticed prior the Meeting for shareholder to download the meeting agenda conveniently and completely and having sufficient time to obtain information adequately prior receiving the actual printed documents from the Company



- 1.5 The Minutes of Meeting shall be recorded completely, accurately, and all significant questions and comments for shareholder to verify. The Company shall provide video record of the Meeting for reference. Besides, the Company shall disclose the Minutes of the Meeting through the Company's website for shareholder to consider, including submitting such minutes of the meeting to the Stock Exchange of Thailand within 14 days from the date of Annual General Shareholders' Meeting.
- 1.6 The dividend payment shall be paid by transferring to shareholders' bank account for their convenience to receive dividend on time (in case of having dividend payment) and prevent problems on check damages, loss, or delay.

## **2. Equitable Treatment of Shareholders**

The Company has conducted to shareholders equivalently; thus the policy is defined as following:

- 2.1 To facilitate minor shareholders to propose a nominee for selection to the Director or additional agenda prior the Meeting
- 2.2 To determine the criteria clearly in advance to consider whether the agenda proposed by minor shareholders shall be added or not, including defining the procedures for minor shareholders to propose a nominee to be the Director
- 2.3 On the Meeting, shareholders shall consider and exercise their vote on specified agenda without any changes on significant information or adding agenda without prior notification for shareholders' approval
- 2.4 To facilitate shareholder who be unable to attend the Meeting by appointing a person or the Independent Directors at least 1 person attending the Meeting be their proxy and exercise their vote. The details of the Independent Directors are identified on the invitation letter
- 2.5 To treat all shareholders equivalently, major or minor shareholders, Thai or foreign shareholders
- 2.6 To encourage the exercise of vote by using ballots on every agenda for transparency and accountability, in case of any disputes after the Meeting and on the agenda of election of Directors, shareholders have opportunity to exercise their right to appoint the Director individually.
- 2.7 To make shareholders ensure that the directors, executives, and employees including internal persons concerned shall not use or disclose the inside significant information that they know and non public for their own benefits, the Company has defined the guidelines for keep and prevention on using information in the written manual, and notified to all employees to comply with. Besides, the Company has strictly complied with the regulations of the Stock Exchange of Thailand by providing the directors and executives, after appointment, be responsible to report their securities holding and changing in compliance with the regulations and procedures set by the Securities Exchange Act of B.E. 2535.
- 2.8 In case of related transaction, the Company has regulated the terms and condition on related transaction in the power authority approval guidelines based on the rules of the Capital Market Supervisory Board, Notification No. TorChor 21/2551 Re: Rules on Connected Transaction. The Company shall consider the type and value of related transaction, and disclose to the Stock Exchange of Thailand, including rigorously proposing to the Board of Directors or shareholders depending on circumstances. The Company has disclosed the details of related transactions on the annual report, which such transactions were fairly done according to market price and normal business practices (fair and at arm's length), as well as reporting the necessity and reasons on such transaction.

## **3. Roles of Stakeholders**

The Company has realized and be aware of the rights of all stakeholders not only the internal stakeholders such as shareholders, employees, and the external stakeholders such as customers, trade partners, competitors, public sectors, and other agencies, including nearby communities concerned. With the supports of stakeholders, the Company enables to compete and create profit which is the long-term value to the Company. Besides, the Company has complied with the human rights principles by which any actions shall be considered of human dignity, freedom, and equity of human. The Board of Directors has defined the policy as follows:

### **3.1 The Conduct and Responsibility to Shareholders**

The Company has realized that shareholders are the ownership of the Company and the Company is responsible to create long-term value to shareholders by determining the guidelines for its employees to conduct as follows:

- 3.1.1 To perform duties with honesty and integrity, as well as, carefully making decision fairly to all shareholders and for the benefits of whole shareholders
- 3.1.2 To conduct its business complied with the corporate governance to ensure that the Company has good financial status and operation. The business status, operation results, financial information, accounting and other reports are presented regularly, completely, and actually.
- 3.1.3 To report the Company's direction in the future to shareholder equally both positive and negative based on the possibility, adequate and reasonable information.
- 3.1.4 Not taking benefits for oneself and others by using the internal information of the Company which not been disclosed to the public, or taking any actions causing the conflicts of interest to the organization.
- 3.1.5 The Company has treated all shareholders in the Meeting equally.

### **3.2 The Conduct and Responsibility to the Public Sectors**

The Company has operated its business with recognition of the importance on conducting to the law, regulations, and rules of the public sectors. In particular, the Company shall not predispose an officers to take any actions illegal and inappropriately on its transactions, but shall focus on creating good relationship on the extent appropriately and applicably such as meeting and discussion at the public places, congratulation on occasion, festival, or traditional events, etc. The guidelines are defined as below:

- 3.2.1 To perform properly when contacting with the officers or the public sectors
- 3.2.2 To be always aware that the laws, regulations, or rules of the public sectors, which properly having different conditions, procedures or practices, the Company has to acknowledge and strictly follow.

### **3.3 The Conduct and Responsibility to Employees**

The Company has recognized that all employees are the most valuable resources and the key factors to achieve its goals. Therefore, the Company has determined the policy fairly in terms of opportunity, compensation, appointment, as well as potentiality development by complying with the following:

- 3.3.1 To perform to the employees with respect of their prestige, dignity, and individual rights
- 3.3.2 To maintain the working environment be safety and healthy workplace to the life and property of employees regularly in order that employees enable to work effectively and safety. In 2014-2016, the Company has no record of employees who died or were injured from working in any way.
- 3.3.3 The appointment and transfer, as well as rewards and punishment, shall be conducted impartially and based on the knowledge, competence, and suitability of employees.
- 3.3.4 To pay more importance on development of knowledge and competence of employees frequently such as organizing training, seminar, and giving opportunity to all employees thoroughly; therefore, the Company recorded the statistics of employees' training, seminar as following:

The number of average hours for training per person	Cost of Training	Examples of Training Courses
72.00 hours	644,765	Communication skills and techniques for efficient coordination, Negotiation techniques on purchasing, Sales and Marketing Strategies, Good communication and coordination in the organization, Techniques on building and construction inspection, Relationship creation in the organization by HR class 7, Guidelines for the Accounting Standard No. 12 Income Tax,, Knowledge Management-KM, Significant summary on issues examined by Revenue Department, "NIDA" Academic Forum on "Identify the investment of public sectors", Professional sales techniques of the real estate, Problem analysis on accounting documents under the internal control and review the correctness of financial statements, Super salesman, etc.

- 3.3.5 To determine the remunerations to employees fairly, according to the market rate, business competition, work characteristic, operation performance, and employees' competence, including welfares provided more than required by law such as setting provident fund, annual health check-up, annual trip activity, 5S activity, other promoting activities to employees, encouraging employees to participating mini-marathon running to make employees relax and spend time for mutually attending activities.
- 3.3.6 Avoiding any actions inequitably violating the human rights of employees which might impact to the stability of employees' career.
- 3.3.7 Avoiding on infringing intellectual property rights, the Company has policy to carry on regarding on not violating any copyright or intellectual property. The Company has directions to conduct on such matters; for example, all employees are required to sign a memorandum of legal computer practices and intellectual property. The Company has set up the policy on using information technology policy and monitoring the use of software programs of employees to prevent any pirated use of software or not related to work.
- 3.3.8 Providing employees an opportunity to suggest or complain on working and determining the solutions for contribution of benefits to all parties and creating good relationship on working together.

### 3.4 The Conduct and Responsibility to Customers

The Company has engaged in the real estate development by motivating to have creative presentation, and product and services management to customers as standard and having ethical principles as follows:

- 3.4.1 To commit on supply, develop products and services to meet the customers' need
- 3.4.2 To deliver quality products and services under fairly conditions.
- 3.4.3 To provide customer accurate and sufficient information on the products and services to customers for their decision making; either advertisement or other media to promote the Company's products and services shall be reasonable and reality, not make them misunderstanding on the quality, quantity or the conditions of products and services.
- 3.4.4 To provide procedure or channels that customers being able to inform the Company on the problems or giving services inappropriately. As a result, the Company is able to prevent and promptly solve a problem to customers and take such information for further product and services improvement or development.
- 3.4.5 To keep the information and confidentiality of customers without disclosure or take benefits from such information incorrectly.

### **3.5 The Conduct and Responsibility to Trade Partners and Parties**

The Company has treated its trade partners and parties, which are partnership and factors to business success, with equality and mutually benefits. The guidelines on this conduct are as follows:

3.5.1 The Company has provided to procure products and services efficiently under the following principles:

- Competition on impartial information
- Having criteria on evaluating and selecting trade partners and parties
- Preparing the contract as appropriate and fair to both parties
- Providing the management system and monitoring to ensure that the conditions on the contract are executed and prevent fraud in all procedures of the procurement.
- Paying to supplies and trade parties on time under the payment terms agreed.

3.5.2 The Company has focused to develop and retain sustainably relationship with trade partners and parties with objectively, clear supplying the good quality products and services valuable to the payment and being reliable mutually.

3.5.3 To prohibit the Management and all employees to receive, both directly and indirectly, any benefits individually from the trade partner and parties.

3.5.4 Not using the information receiving from the procurement for one's benefit or others.

### **3.6 The Conduct and Responsibility to Creditor**

The Company has committed to operate its business with principles and discipline to establish reliability to the creditors. The Company has conducted with the terms of the contracts or conditions agreed as strictly. For repayment of loan, interest and guarantees, in case of non-compliance with the conditions as agreed, the Company shall notify the creditors in advance in order to jointly solve the problems.

### **3.7 The Conduct and Responsibility to Business Competitors**

The Company has operated the business for its success sustainably and been the leader under the competition in the industry with integrity and ethics. The guidelines to conduct to the competitors are as follows:

3.7.1 To conduct under the rules of good competitions

3.7.2 Not taking confidential information of the business competitors with the methods dishonesty or improperly for the benefits of the Company

3.7.3 No accusation or discredit its competitors

3.7.4 No taking any action that violating the intellectual property rights of others or business competitors

### **3.8 The Conduct and Responsibility to Overall Society**

The Company has realized the importance of the communities and social surroundings, as be the part of society to jointly promote the social and environment development sustainably. The Company has carried out the activities for communities and social continually, together with business operation under the responsibility to communities and social as follows:

3.8.1 To operate business by consideration of the environment significantly under the laws and regulations enforced related to the environment strictly

3.8.2 To determine the policy of the corporate social responsibility (CSR) clearly and conduct within the organization

3.8.3 To encourage the Company's employees to be aware of and responsible on the environment and social

3.8.4 To be respect to the local traditions, and culture of each communities where the Company run its business

3.8.5 To promote activities, held by the Company and cooperated with the public or private sectors, and communities, contributing to social, communities, and environment regularly, to make communities, where the Company locates, have good quality of life.

- 3.8.6 To participate on activities with communities surrounding the area where the Company runs its business appropriately
- 3.8.7 To respond promptly and effectively to any circumstances affected to the environment, communities, life, and property caused by the Company's operations, the Company shall cooperate entirely with the government officers and other related agents.
- 3.8.8 Besides, stakeholders can inquire for information, complain or notify any illegal clues, the accuracy of financial statements, deficient internal control systems, or unethical business through the Independent Directors or the Audit Committee. The information of complaints and clues shall be protected and confidential kept; the Independent Directors or the Audit Committee organize to verify the information and solutions solving (if have) and will report to the Board of Directors.

The Board of Directors has provided the channels for all stakeholders to contact/complain/inform any problems regarding offending the law, ethics, incorrectly financial reports, or deficiency internal system through various channels as follows:

1. The Company's website: stakeholders enable to complain or inform any illegal matters found through [www.rp.co.th](http://www.rp.co.th), on the investor relations page on the topic of information inquiries>complaint channel, then such information shall be sent to the Chairman of the Audit Committee.
2. To contact the Chairman of Audit Committee via email: [audit.committee.richy@rp.co.th](mailto:audit.committee.richy@rp.co.th)
3. To contact the Chairman of Executives Board via email: [richy.complain@rp.co.th](mailto:richy.complain@rp.co.th)
4. To contact the Company Secretary via email: [saranthorn.s@rp.co.th](mailto:saranthorn.s@rp.co.th)

Or mailing a letter to Richy Place 2002 Public Company Limited at 667/15 Attaboon Building, 7th Floor, Charan-sanitwong Road, Arun-amarin Sub-district, Bangkok Noi District, Bangkok 10700, the Company Secretary shall collect problems and report to the Board of Directors to find out solutions for such complains.

#### Action on violations / complaints and protection of protecting person whistle blowing or complaining

- Complainer or person who cooperates in the investigation shall choose not to appear themselves if such disclosure causes insecurity or any damages. In case of appearance, the Company is able to report a progress, inform the facts, or mitigate any damages easily and rapidly.
- The Company shall not reveal name, surname, address or any information, which can be identified, of a complainer or person who cooperates in the investigation and proceed to investigate the fact.
- The recipient must keep related information confidentially and will disclose as necessary by considering on the safety and damages of the complainer or person who cooperates in the investigation, give sources of information, or persons involved.
- In case that a complainer or person who cooperates in the investigation feel unsafe or may suffer any damages, he/she is able to request the Company to determine the appropriate directions to protect him/her. Or the Company shall define the protection policy to a complainer or person who cooperates in the investigation if it is likely to cause any troubles, damages, or insecurity.
- Those who suffer from any damages will be solved such damages through the appropriate and fairly processes.

In the past year, the Company has not received any complaints of fraud, or ethical misconduct, or any circumstances of negative reputation of the Company due to the administration of the Board of Directors. Additionally, none of the directors resign because of conducting the corporate governance of the Company incorrectly.

#### 4. Information Disclosure and Transparency

4.1 The Company has provided the report disclosing the securities holding, both directly and indirectly, of the directors and executives. Such details as of December 31, 2016 were as follows:

(unit : share)

No.	Name	Position	Total shares holding as of December 31, 2015	Total shares holding as of December 31, 2016	Total shares increase/decrease	Ratio of share holding (%)
1.	Mr. Pranai Suwanrath Spouse and minor children	Chairman	- -	- -	- -	- -
2.	Dr. Apa Attaboonwong Spouse and minor children	Vice Chairman / Chief Executive Officer	280,500,000 -	280,500,000 -	- -	35.71 -
3.	Ms. Sunee Sathatinan Spouse and minor children	Vice Chairman / Executive Director	49,676,660 -	49,676,660 -	- -	6.33 -
4.	LT. Gen. Samang Thongpan Spouse and minor children	Chairman of Audit Committee	- -	- -	- -	- -
5.	ASSOC. Prof. Suthus Ratanakuakangwan Spouse and minor children	Audit Committee	- 44,000	- 44,000	- -	- 0.01
6.	Mr. Somchai Pienstaporn Spouse and minor children	Audit Committee	- -	- -	- -	- -
7.	Dr. Karoon Chandrangsue Spouse and minor children	Director	11,250,880 -	11,250,880 -	- -	1.43 -
8.	Mr. Somsak Attaboonwong Spouse and minor children	Director	24,469,500 -	24,469,500 -	- -	3.12 -
9.	Police Colonel Suvit Tansode Spouse and minor children	Director	- 255,000,000	- 280,500,000	- -	- 35.71
10.	Mr. Verapol Attaboonwong Spouse and minor children	Director	421,850 -	421,850 -	- -	0.05 -
11.	Mrs. Nonglak Wanthammapong Spouse and minor children	Director	1,182,230 -	500,000 -	- -	0.00063 -
12.	Ms. Kantaluk Chanthipdissaya Spouse and minor children	Director of Finance and Accounting Department	6,600 -	6,600 -	- -	0.000008 -
13.	Mrs. Saranthorn Srisunthorn Spouse and minor children	Director of Administration Department	- -	- -	- -	- -
14.	Mr. Nimitr Inthakul Spouse and minor children	Director of Project Department	- -	- -	- -	- -

4.2 The Board of Directors has policy to disclose the financial information and other information related to the business and operation results accuracy, complete, sufficient, regularly, and in time that demonstrate the financial status and the actual operation as well as the future business.

4.3 The Board of Directors is committed to comply with the laws, rules, and regulations related to the information disclosure and transparency as strictly. The information shall be provided and disclosed through the Company's website both in Thai and English, mass media releases, publication of the Stock Exchange of Thailand for



shareholders and other related persons to receive the Company's information thoroughly and amend in compliance with the guidelines notified by the Stock Exchange of Thailand and the Securities and Exchange Commission.

- 4.4 On the Investor Relations function, the Company has not established specific section to handle but assigned Khun Saranthorn Srisunthorn, the Company Secretary, to be responsible on communicating significant information of the Company to investors, shareholders, including analysts and other interested persons, which can be contacted by phone no. 0-28861816-7.
- 4.5 The Company has organized the directors and high level executives to disclose the details of their conflict of interest and persons concerned which related to the conflict of interest of the Company's business management and operation, when one firstly appointed to be the director or high level executives and every time when changing the information of the conflict of interest, including the annual report at the year ended. The Company Secretary must sent such copy of report of the conflict of interest to the Chairman of Executive Board and Chairman of Audit Committee within 7 days from the date of receiving the report in compliance with the Securities Exchange Act, B.E. 2535, and to use such data for monitoring and preventing any conflicts of interest.
- 4.6 The Company has realized on the importance of the financial reports to present its financial status and real operation results on the fundamental accounting information of accuracy, completely and sufficient according to the accounting standard acceptable in general.
- 4.7 The Company shall disclose the details of each directors, the roles, and the responsibility of the Board of Directors and its sub-committee on the annual report (form 56-2) and the annual information form (form 56-1), the number of Meeting and the number of times each director attending the Meeting. In addition, the directors' and the top management's remunerations shall be disclosed on the annual report (form 56-2) and the annual information form (form 56-1).

## **5. Responsibility of the Board of Directors**

The Board of Directors has responded to shareholders on the business operation, and conducted complied with the corporate governance according to the laws, objectives, the Company's regulations, and the resolution of the Meeting.

### **5.1 The Structure of the Board of Directors**

#### **5.1.1 The Board of Directors**

##### **1) Elements of the Board of Directors**

The Board of Directors consists of the directors who have knowledge, competence, and experiences on business operation. They are responsible on determining the policies, vision, strategies, goal, objectives, business plans and budgets of the Company. Additionally, the Board of Directors has monitored and supervised the Executive to manage according to the specified policies as effectively and efficiently under the laws, objectives, regulations, resolutions of the Board of Directors' Meeting and shareholders' Meeting. With the responsibilities, integrity, concentration under the code of conducts, it can increase the economic value to its business and stability to shareholders. In 2016, The Board of Directors considered, reviewed, and approved the Company's vision, mission, and business strategies in order that the executives and employees have the same directions. Moreover, the Board of Directors is responsible to monitor the operation of the executives by requiring the progress report and operation results of the Company on every the meeting of the Board of Directors.

The Board of Directors consisted of at least 9 directors and being the Independent Directors not less than one of the three of the total directors. The Independent Directors are persons having qualification under the notices of the Capital Market Commission and the related notices of the Stock Exchange of Thailand. The directors, not less than one-half of the total directors, must be Thai residents.

Each director can take actions and independently use its discretion to considerably make a decision on matters which are questioned, give comments or dispute in case of disagreement on any impacts to the benefits of shareholders or stakeholders without being under the influence of others.

2) The Terms of the Board of Directors

On every the Annual General Shareholders' Meeting, the Director shall be retired by rotation at one third. In case that the number of the directors cannot be divided into three parts, then the number of the directors retired should be closely to one third. The directors, who retire on the first year and the second year after the conversion, shall ballot to be the director. For the subsequent years, the directors, who serve as the director longest, shall be retired. The retired direction shall be re-elected by voting at the Annual General Shareholders' Meeting.

Except resigning by their term, the Director shall retire by

1. Death
2. Resign
3. Lack of Qualification
4. To be retired by the resolutions of the shareholders' Meeting with the votes not less than three fourth of the total shareholders attending the Meeting and having voting rights, and shares amounting not less than one-half of the number of shares held by shareholders attending the Meeting and having voting rights.
5. The court ordered resignation

3) The Qualification of the Independent Director

1. Holding shares not exceeding one percent of the total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company, including shares held by related parties of an independent director
2. Being or has never been an executive director, employee, staff, advisor receives salary, nor controlling party of the Company, its parent company, subsidiaries, associates, same-level Richy Place 2002 Public Company Limited subsidiaries, major shareholder, or controlling parties of the Company, except retiring from such manner for at least two years prior the appointment.
3. Not being the person who has relationship by descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of the management, major shareholders, controlling party or the person who is in the process of nomination as the management or controlling party of the Company or its subsidiaries.
4. Has no or never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company which may harm an independent decision-making, including not being or never been a significant shareholder, or controlling party of any persons having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company, except disbanding from such manner for at least two years prior the appointment. Such business relationship is included the items notified by the Capital Market Supervisory Board, the notification no. TorJor 28/2551 on the topic of the Application and Approval on Offering New Issued Securities.
5. Being not or has never been an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not a significant shareholder, controlling party, or partner of the auditing firm which employs an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties

of the Company, except disbanding from such manner for at least two years prior the appointment.

6. Being not or has never been the professional service provider, including but not limited to legal consultant or financial advisor who received the service fee more than two million baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not a significant shareholder, controlling party, or partner of the aforementioned service firms, except disbanding from such manner for at least two years prior the appointment.
7. Being not a director who is nominated as the representative of directors of the Company, major shareholders, or any other shareholders related to major shareholders.
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares exceeding one percent of total voting shares of any other companies which operate the same and competitive business with the business of the Company, or its subsidiaries.
9. Being not any otherwise which unable to have an independent opinion regarding the business operation of the Company.
10. Being not the director assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of Company.
11. Being not the directors of its parent company, subsidiaries, or same-level subsidiaries, especially being the listed companies

4) Chairman of the Board

Chairman of the Board must be knowledge, competence, experience and appropriate qualifications. Chairman of the Board shall be responsible as the leader of the Board of Directors and serve as the Chairman of the Meeting of the Board of Directors and Annual General Shareholders' Meeting. Chairman of the Board is accountable to the Board of Directors on the management in accordance with the guidelines and policies of the Board of Directors.

5) Nomination

The Company places importance on nominee who have knowledge, competence, experiences, good working records, and leadership, wide vision, including ethics, as well as positive attitude towards the organization, enabling to dedicate his time to execute the benefits to the Company's operation sufficiently. Besides, the Board of Directors considers on the adequate qualifications and in compliance with the elements and the structure of the directors to the Company's strategy. The nomination is organized transparently and reliable to shareholders.

6) The Company Secretary

The Company Secretary is appointed by the Board of Directors and responds as described in the topic of scopes, authority, duties, and responsibilities of the Company Secretary.

5.1.2 Sub-Committee

The Board of Directors has appointed some members from the Board of Directors to be the Directors of the sub-committee to respond on assigned duties particularly. Each director of sub-committee shall have its term as same as the terms of the Board of Directors and respond on duties assigned by the Board of Directors.

The Board of Directors has policies to appoint 4 sub-committees namely the Audit Committee, the Executives Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.

## **5.2 Roles, Authorities, and Responsibilities**

Reference to the corporate governance, beyond to operating its business in accordance with the laws, objectives, and the regulation of the Company including the resolutions of the shareholders' meetings, the Board of Directors has determined the roles, duties, and responsibilities of the Board of Directors. The details are described on the topic of terms, authority, duties, and responsibilities of the Board of Directors.

## **5.3 The Meeting of the Board of Directors**

The Company has defined the Board of Directors' Meeting at least 4 times a year by arranging the date of the meeting throughout the year in advance and notified each member of the Board of Directors. In 2016, the Company held total 5 meetings of the Board of Directors. The Company has set the guidelines of the Board of Directors' meeting as follows:

- 1) The Board of Directors has determined in advance the normal frequency of meetings on quarterly basis. Other special additional meetings may be held as necessary and appropriate by notifying 7 days in advance prior the meeting. In addition, the number of the directors attending the meeting must be not less than one-half of the total directors on voting on the meeting, which shall be a quorum.
- 2) The meeting agenda is clearly determined in advance. Chairman of the Board of Directors and Chairman of the Executives Committee shall jointly consider the agenda of the Board of Directors' Meeting and define clearly agenda. The Company Secretary is responsible to send the invitation letter to the directors and ensures that the directors receive documents in advance and have sufficient time to study all pertinent information prior to attending the meeting and consider the agenda to give comments and voting.
- 3) The Board of Directors obtains sufficient, complete, continual, timely information prior every meeting. The Board of Directors is able to contact the Company Secretary directly and independently and the Company Secretary is responsible to advising the Board of Directors on the matters related to compliance with the laws and regulations.
- 4) The Chairman of the Board of Directors has allocated sufficient time for proposal of documents and information, and significant issues for discussion. The Chairman encourages and promotes each director to thoroughly give an opinion before summarizing comments from the meeting.
- 5) The Board of Directors has policies that the directors, who are non-executives, enable to hold a meeting mutually as necessary to discussion on the issues related to the management as attentively without attendance of the Executives and notify the resolution of such meeting to the Chief Executive Officer.
- 6) The Board of Directors promotes the Chairman of the Board of Directors to invite the senior executive to attend the meeting of the Board of Directors to provide additional information as the direct operator and has a chance to know the senior executive for its consideration on succession plans.
- 7) On consideration of agenda, the directors who have conflicts of interest on such agenda are prohibited to exercise their votes and not attend the meeting on that period.
- 8) On every meeting, the minutes of meetings are written recorded and kept the minutes of the meeting approved by the Board of Directors ready for examination by the directors and other related parties.

## **5.4 Merger or Segregation**

The Company has policy on merger or segregation of the directors in other companies in compliance with the best practices prescribed, or any recommendations by the regulatory agents. To provide each director to completely execute, the Company has considered on the number of companies the director being appointed. The director who is the executives shall not be the director in the listed companies not exceeding of 3 companies and the director who be non-executive shall be the director in the listed companies not exceeding of 5 companies.

## 5.5 Self-Evaluation of the Directors

The Board of Directors has provided the self-evaluation every year for one time. Such evaluation form is complied with the corporate good governance of the Company and scopes of duties and responsibilities of the Board of Directors in order to assess the performance, problems issues, or other obstacles on the previous year, including improving the performance of the Board of Directors to be efficiently. In 2016, the Company has provided 2 categories of evaluations as follows:

Type 1 : Self-evaluation of the Board of Directors

Type 2 : Self-evaluation of each director

### Evaluation Process

The Company Secretary will send both type of evaluation form to the Board of Directors to assess their annual performance. After the evaluation is complete, it will be send back to the Company Secretary to collect the evaluation results of each director and summarize such assessment of the Board of Directors, then report to the Board of Directors accordingly.

### Evaluation Criteria of the Board of Directors

- The percentage of scores results of 90 - 100, meant "excellent"
- The percentage of scores results of 70 - 89, meant "good"
- The percentage of scores results of 50 - 69, meant "moderate"
- The percentage of scores results of 0 - 49, meant "should be improved"

### The Evaluation Results of the Board of Directors

No.	Evaluation Topic	Evaluation Result (%)	Level
1	Structure and qualification of the Board of Directors	99.77	Excellent
2	Roles, duties, and responsibilities of the Board of Directors	97.85	Excellent
3	The Meetings of the Board of Directors	98.58	Excellent
4	Performance of the directors	99.03	Excellent
5	Relationship with the Management	99.09	Excellent
6	Self-development of the directors and development of the executives	97.35	Excellent
Overall average		98.53	Excellent

### The Self-Evaluation Results of Each Director

No.	Evaluation Topic	Evaluation Result (%)	Level
1	Structure and qualification of the Board of Directors	96.59	Excellent
2	The Meetings of the Board of Directors	97.20	Excellent
3	Roles, duties, and responsibilities of the Board of Directors	98.18	Excellent
Overall average		97.32	Excellent

Besides, the Board of Directors has evaluated Chief Executive Officer (CEO) by assessing various aspects such as the leadership on strategic setting, the implementation on strategic planning and financial operating results, relationship with the Board of Directors and external, management and relationship with employees, successor, product and services knowledge, and personal characteristic. Such evaluation form is adjusted from the sample of CEO evaluation pattern of the Stock Exchange of Thailand.

## Evaluation Results of CEO Performance

No.	Evaluation Topic	Evaluation Result (%)	Level
1	Leadership	99.24	Excellent
2	Strategic formulation	99.62	Excellent
3	Implementation toward strategy	100.00	Excellent
4	Strategic planning and financial operating performance	99.62	Excellent
5	Relationship with the Board of Directors	99.62	Excellent
6	Relationship with external parties	99.55	Excellent
7	Management and relationship with employees	99.62	Excellent
8	Successor	95.45	Excellent
9	Product and services knowledge	100.00	Excellent
10	Personal characteristic	99.24	Excellent
Overall average		99.20	Excellent

### 5.6 Remuneration of the Directors

The Company's policy on remuneration of directors is appropriate depending on the Company's operation results and in compliance with the similar business/industries, including the suitability of the duties and responsibilities of each director and executive. The Company considers carefully on the remuneration payment to the executives at the appropriate level and comparably with the same business to attract and retain the qualified executives. The executives get additional remunerations appropriately to the increasing assigned duties and responsibilities. The Company has provided the remuneration as clearly and transparently and been approved by the shareholders' meeting. The remuneration paid to the directors and the executives shall be disclosed accordance with the formats defined by the Office of the Securities and Exchange Commission.

### 5.7 Successor Plan

The Board of Directors realizes the importance on successor, especially in senior executive position which is Chief Executive Officer (CEO), for the purposed of maintaining the confidence of investors as well as employees in order to ensure that the Company's operation has been executed in time. Therefore, the Executives Board is assigned to consider the criteria and plan of successor.

### 5.8 Development of Directors

The Board of Directors has policies on promoting and facilitating to organize the training and develop related directors to be knowledgeable according to the corporate governance such as the directors, the Audit Committee, the executives, etc. in order to improve the performance continually. In case of changing or appointing new directors, the Management shall provide documents and information beneficially to the performance of new directors as well as introducing its nature of business and guidelines on business operation to new directors.

In 2016, the Company promoted the directors to attend the following training/seminar:

No.	Name	Position	Training Courses/Seminar in 2016
1	LT. Gen. Samang Thongpan	Independent Director / Chairman of Audit Committee	- Corruption in the organization, Dark actions but can be prevented
2	Mrs. Nonglak Wanthampong	Director	- Corruption in the organization, Dark actions but can be prevented

### 5.9 Internal Control



The Board of Directors has provided the internal control system covering all functions both finance and operations according with the laws, regulations and related rules. In addition, the Company has provides the system examination and balancing the power effectively and sufficiently to protect its assets continuously. The hierarchy of authorities and responsibilities of the executives and employees who are audited and balancing the power are determined, as well as the written guidelines on operations, having independent internal control section to audit the performance of overall functions to comply with the rules defined, including evaluating the effectiveness and sufficiency of the internal control on other functions of the Company. Therefore, the Company has employed ACC Consult Services Co., Ltd. to be the internal auditor who directly reports to the Audit Committee.

#### **5.10 Conflicts of Interest**

The Board of Directors has defined the policy regarding to the conflicts of interest to be the guideline for conducting as following:

- 1) Not using its authority to seek personal or closely person's benefits by either directly or indirectly actions
- 2) Immediately inform the Company if the following circumstances occurred:
  - Acceptance of being the director or advisor of other companies
  - The director and his/her family members involving or holding shares in any companies which may be beneficial effect or conflict of interest with the Company
  - Being a stakeholder either directly or indirectly on the contract signed with the Company which identifying the nature, name of the parties, and equity in the contract.
- 3) Avoiding a conflict of interest which may be incurred. If there is a conflict of interest, the director shall consider whether not to participating, giving an opinion, or abstain from voting on such agenda, or not receiving any documents on such related agenda, or resign from the director in case that such conflict is essential.
- 4) The director, who is the executive, must take great care to the conflicts of interest that may incurred during working while acting the management and the director whom shareholders are trustful.

#### **5.11 Supervising the Use of Internal Information**

The Board of Directors places great importance on the corporate governance and transparency, including the prevention on using internal information of the Company not disclosed to the public for individual benefits. The Company has defined the guidelines on using the internal information as described on the policy of supervising the use of internal information.

#### **5.12 Annual Report**

The Board of Directors is responsible to prepare the financial report and information shown on the annual report. The financial reports are prepared in accordance with the general accepted accounting principles by selecting the appropriate policies and constantly conducting, including prudent in preparation. Besides, the Company has determined to disclose sufficient information on the notes of the financial statements. The Board of Directors has assigned the Audit Committee to respond on the quality of the financial reports and give an advice to the Board of Directors.

## Sub-Committee

### Audit Committee

All members of the Audit Committee are knowledge and competence on accounting and finance, which are consisted of 3 members as follows:

Name	Position	The Number of Attending the Meeting
1. LT. Gen. Samang Thongpan <sup>/1</sup>	Chairman of the Audit Committee / Independent Director	4/4
2. Mr. Somchai Pienstaporn	Audit Committee / Independent Director	4/4
3. ASSOC. Prof. Suthus Ratanakuakangwan <sup>/1</sup>	Audit Committee / Independent Director	4/4

Remark : <sup>/1</sup> Being the Audit Committee who has knowledge and competence on accounting and finance as follows:

1. Lt. Gen. Samang Thongpan, graduated of Bachelor Degree of Accounting, Chulalongkorn University / Master Degree of Business Administration, National Institute of Development Administration / Financial Management (Finance Academy Ft. Benjamin Harrison, US. Army) / Resources Management (International Defense Resources Management Institute US. Navy) / National Defence College of Thailand Class 44 / Director Accreditation Program Class 20 of 2004 from Thai Institute of Directors.
2. Assoc.Prof. Suthus Ratanakuakangwan, graduated of Maitrise es Sciences Economiques (Gestion Industrielle)Universite' de Toulouse I, France / Master Degree of Economics (Industrial Management) / Director Accreditation Program Class 94 of 2012 from Thai Institute of Directors.

### Roles, Duties, Authorities and Responsibilities of the Audit Committee

- 1) To review the Company's financial reporting to ensure that it is accurate and adequate disclosed by cooperation with the auditor and the Management responsible on preparing the financial reports both quarterly and annual. The Audit Committee may suggest the auditor to review or monitor issues necessary and significantly during auditing the Company's account;
- 2) To review the Company's internal control system and internal audit system as appropriate and efficiently by participating the review with the auditor and the internal control persons;
- 3) To consider the independence of the internal audit units as well as approval on appointment, transfer, termination of the chief of an internal audit unit or other units related to the functions of internal audit;
- 4) To review the Company's compliance with the law on securities and exchange, the regulations of The Stock Exchange of Thailand, and the laws relating to the Company's business;
- 5) To consider, select and propose to appoint a nominee to be the Company's auditor and the audit fee by consideration of the independence, accountability, adequacy of resources on auditing of the auditor, and experience of a person assigned to audit the Company's account, as well as to attend a meeting with an auditor at least once a year, with no involvement of the management;
- 6) To consider on the disclosure of the Company's information, in particular, the connected Transactions, or transactions that may lead to conflicts of interest, accurately, completely and in compliance with the laws and regulations of The Stock Exchange of Thailand, including the necessity and reasonability of those transactions for the highest benefit of the Company;
- 7) To perform any other acts as assigned by the Board of Directors, with an approval of the Audit Committee;
- 8) To prepare the report of activities of the Audit Committee by disclosure in the Company's annual report, which signed by the Chairman of the Audit Committee;
- 9) To report the performance of the Audit Committee to the Board of Directors at least once a year;
- 10) To have authority to review and investigate matters as necessarily, as well as opinion independently from other professional advisors when deemed necessary by the Company's cost in order to perform the duties under its responsibility accomplished.

### The Executive Committee

The Executive Committee is consisted of 3 members as follows:

Name	Position	The Number of Attending the Meeting
1. Dr. Apa Attaboongwong	Chief Executive Officer	7/7
2. Ms. Sunee Sathatinan	Deputy Chief Executive Officer	7/7
3. Mr. Somsak Attaboongwong	Executive Director	7/7

### Roles, Duties, Authorities and Responsibilities of the Executive Committee

- 1) To prepare and propose the business policies, goals, business plans, business strategies and annual budget of the Company for the Board of Directors' approval;
- 2) To supervise and control the Company's operation to conform according to the business policies, goals, business plans, business strategies and budget that approved by the Board of Directors;
- 3) To determine the organization structure and authorities on management with covering the details of screening, employment, compensation, transfer, training, and termination of employees of the Company;
- 4) May delegate or assign either a person or many persons to take action on behalf of the Executives Committee as it deems appropriate and the Executive Committee can dismiss, change, or amend such authority;
- 5) To approve expenditures on the normal operations such as the procurement of assets, the investment expenditures for the Company's benefits, for example, an authority to approve the investment of fixed assets, lending or other investments such as equities, bonds, etc., in the amount of not exceeding Baht 500 million / an authority to approve on borrowing from the financial institutes, in the amount of not exceeding Baht 500 million / an authority to approve the expenses on operations and disposal of fixed assets (per item) in the amount of Baht 10 million / an authority to approve the obligations, aval, guarantee, in the amount of not exceeding Baht 500 million, etc.;
- 6) To perform any other acts as assigned by the Board of Directors.

Nonetheless, the authorization on approval of the Executives Committee shall not include any transactions that the Executive Committee, or person involved conflicts of interest, have conflicts of interest or other benefits on any matters to the Company, or assign any proxy to take action on the behalf of the Executive Committee on such transaction. In addition, transactions which must be approved by shareholders are the connected transactions, and the acquisition and disposal of significant assets of the Company to be in compliance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, or laws related to the Company's business.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is consisted of 3 members as follows:

Name	Position	The Number of Attending the Meeting
1. LT. Gen. Samang Thongpan	Chairman of Nomination and Remuneration Committee	1/1
2. ASSOC. Prof. Suthus Ratanakuakangwan	Nomination and Remuneration Committee	1/1
3. Mr. Somsak Attaboongwong	Nomination and Remuneration Committee	1/1

### Roles, Duties, Authorities and Responsibilities of Nomination and Remuneration Committee

- 1) To consider the qualifications of the Company's Director;
- 2) To screen and nominate a nominee who has knowledge, competence appropriate to the Company's business and

- propose nominee to be the director in case of vacancy to the Board of Directors or the shareholders' meeting for approval on appointment;
- 3) To consider the structure of remuneration of the directors such as compensation, bonus, meeting allowances and other benefits both in cash and others as agreed;
  - 4) To perform any other activities as assigned by the Board of Directors, in particular the nomination and remuneration.

#### Risk Management Committee

The Risk Management Committee is consisted of 4 members as follows:

Name	Position	The Number of Attending the Meeting
1. Dr. Karoon Chandransu	Chairman of Risk Management Committee	1/1
2. Mr. Suthus Ratanakuakangwan	Risk Management Committee	1/1
3. Ms. Kantaluk Chanthipdissaya	Risk Management Committee	1/1
4. Mr. Suvit Tansode	Risk Management Committee	1/1

#### Roles, Duties, Authorities and Responsibilities of Risk Management Committee

- 1) To review and present the risk management policy and the acceptable risks to the Board of Directors for approval;
- 2) To supervise on the development and the conduct under the guidelines of the risk management thoroughly organization;
- 3) To review the report of the risk management to monitor the significant risks and provide the organization to manage risks adequately and appropriately;
- 4) To present overall risks of the Company as well as the adequacy of the internal control system to manage important risks to the Board of Directors;
- 5) To advise the Company on the risk management and consider on information amendment related to the development of the risk management;
- 6) To have an authority to appoint the working group to evaluate and follow up the Company's risks;
- 7) To perform any other activities as assigned by the Board of Directors concerned to the risk.

### The Nomination and Appointment of the Directors and Senior Executives

The Company has determined the policy on the Board Diversity by defining the qualifications of the nomination committee, which should be diversity. A person who will be the director will be considered the skills necessary and the present directors don't have, as well as being professional, specialist, gender, etc.

#### The Nomination of the Directors

Reference to the Board of Directors' Meeting No. 4/2013 held on August 14, 2013, the resolution was to appointing the Nomination and Remuneration Committee to nominate and consider the structure of remuneration for the Company's directors, in particularly, by consideration of basic qualifications of the directors under the criteria defined by the related laws, as well as, other factors composed such as knowledge, competence, experiences related to the business, and others beneficial to the Company's operation, etc. to present to the Board of Directors or shareholders' meeting for approval on appointment (as the case maybe). The nomination of the directors has guidelines and procedures as follows:

1. The Company's directors must perform in compliance with the laws, objectives, and regulations of the Company as well as the resolution of the shareholders' meeting.
2. The Board of Directors is comprised of at least 5 directors, and not less than one-half of the directors must be resident in the Kingdom of Thailand. In addition, the directors must have qualifications according to the related laws defined.

3. On every the Annual General Shareholders' Meeting, the Director shall be retired by rotation at one third. In case that the number of the directors cannot be divided into three parts, then the number of the directors retired should be closely to one third. The directors, who retire on the first year and the second year after the conversion, shall ballot to be the director. For the subsequent years, the directors, who serve as the director longest, shall be retired. The retired direction shall be re-elected by voting at the Annual General Shareholders' Meeting.
4. The Nomination and Remuneration Committee shall screen and nominate a nominee who has knowledge, competence appropriate to the Company's business and consider the structure of remuneration for the Company's directors to propose to shareholders' meeting for approval.
5. The shareholders' meeting shall resolve to appoint the directors by decided by a majority of votes according to the guidelines and methods as following:
  - 5.1. A shareholder has one share equal to one vote.
  - 5.2. Each shareholder carries votes as described on the item 5.1 to elect one or more to be the Director.
  - 5.3. Director election was executed through cumulating voting from highest votes respectively till the total number of directors is completely elected on such election. In case the cumulating votes are equal and the remaining number of directors is limited, the Chairman of the Meeting has the casting vote.
6. In case that the position of director is vacant with other reasons other than the retire by rotation, the Nomination and Remuneration Committee shall screen and propose nominee having qualifications and not prohibited by the Public Law to be the director instead of the vacancy on the next meeting of the Board of Directors. If the term of directors is less than 2 months, such nominee elected be the director shall take action as the director only on the remaining term of the director he replace. Such resolution is consisted of the voting not less than three forth of the total number of remaining directors.
7. The shareholders' meeting may resolve to have either director retired before the expiration of his term with the votes of not less than three fourth of the number of shareholders attending the meeting and the number of shares not less than one-half of shares held by shareholders attending the meeting and have voting right.

#### **The Nomination of the Audit Committee**

The Audit Committee is consisted of 3 independent directors, and the term is according to the term of the director. The Company has policy on nomination of the Audit Committee/Independent Director, which have qualifications as follows:

1. Holds shares not exceeding one percent of the total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that shares held by related parties of an independent director shall be included.
2. Being or has never been an executive director, employee, staff, advisor receives salary, nor controlling party of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholder, or controlling parties of the Company, except retiring from such manner for at least two years prior the appointment.
3. Not being the person who has relationship by descent or legal registration under the status of father, mother, spouse, brothers and sisters, and children. The prohibitive persons also include spouses of daughters and sons of the management, major shareholders, controlling party or the person who is in the process of nomination as the management or controlling party of the Company or its subsidiaries.
4. Has no or never had business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company which may harm an independent decision-making, including not being or never been a significant shareholder, or controlling party of any persons having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company, except disbanding from such manner for at least two years prior the appointment. Such business relationship is included the items notified by the Capital Market Supervisory Board, the notification no. TorJor 28/2551 on the topic of the Application and Approval on Offering New Issued Securities.

5. Being not or has never been an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of Company, and is not a significant shareholder, controlling party, or partner of the auditing firm which employs an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company, except disbanding from such manner for at least two years prior the appointment.
6. Being not or has never been the professional service provider, including but not limited to legal consultant or financial advisor who received the service fee more than two million baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not a significant shareholder, controlling party, or partner of the aforementioned service firms, except disbanding from such manner for at least two years prior the appointment.
7. Being not a director who is nominated as the representative of directors of the Company, major shareholders, or any other shareholders related to major shareholders.
8. Do not operate the same and competitive business with the business of the Company, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares exceeding one percent of total voting shares of any other companies which operate the same and competitive business with the business of the Company, or its subsidiaries.
9. Being not any characteristic which is unable to have an independent opinion regarding the business operation of the Company.
10. Being not the director assigned by the Board of Directors to make decision in respect of collective decision on business operation of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling parties of Company.
11. Being not the directors of its parent company, subsidiaries, or same-level subsidiaries, especially being the listed companies
12. Not being the independent director for 9 consecutive years.

Moreover, the Independent Director appointed to be the member of the Audit Committee, at least one person, must be knowledgeable and experiences on the account or finance adequately to review the reliability of the financial statements. Additionally, the Company shall consider qualification on other fields such as business experiences, specialization associated with the business, ethics, etc.

The guidelines and procedures on appointment of the Audit Committee are in accordance with the guidelines and procedures of appointing the Company's director. The member of the Audit Committee retired by rotation shall be re-elected. In case that the position of the Audit Committee is vacant with other reasons other than the retire by rotation, the Board of Directors shall appoint nominee having fully qualifications to be the Audit Committee to make the number of members of the Audit Committee completely as specified by the Board of Directors. Such nominee elected to be the Audit Committee shall take actions for the remaining term of the member of the Audit Committee replaced and the Company has to notify such matter to the Stock Exchange of Thailand immediately when the Audit Committee retires or be retired before his term.

#### **The Nomination of the Executives Committee**

The Board of Directors shall appoint the Executive Committee by selecting the directors or the senior managements who enable to conduct on the matters related to normal business operations and the management, and determine the policies, business plans, budget, the management structure, including reviewing and monitoring the operating results of the Company according to the policies defined by the Board of Directors.

#### **The Nomination of Risk Management Committee**

The Board of Directors shall appoint the Risk Management Committee which is consisted of not less than 3 persons by electing the directors or the senior managements from various functions. The term of the Risk Management Committee is according to the term of the director and the Risk Management Committee must hold the meeting at least once a year. The quorum of the Risk Management Committee shall consist of not less than one-half of the members of the Audit Committee.

#### The Nomination of Nomination and Remuneration Committee

The Board of Directors shall appoint the Nomination and Remuneration Committee which is consisted of not less than 3 persons. The term of the Nomination and Remuneration Committee is according to the term of the director and the Nomination and Remuneration must hold the meeting at least once a year. The quorum of the Nomination and Remuneration Committee shall consist of not less than one-half of the members of the Audit Committee.

#### The Nomination of the Management

The Board of Directors and/or persons assigned by the Board of Directors shall consider and appoint the management from the employees having experience and competence on management in the related field.

#### The Corporate Governance of its Subsidiaries and Associates

As of December 31, 2016, the Company invested on one subsidiary as follow:

1. Richy Development 2016 Company Limited
 

Registered Date	: December 15, 2016
Registered capital	: 1,000,000 Baht
Type of share	: Common share
Total of shares	: 10,000 shares
Par Value	: 100 Baht
Ratio of investment	: 97%

#### The Supervising on the Use of Internal Information

The Company has policies and guidelines for the directors and the executives to use internal information of the Company not disclosed to the public for individual benefits, including selling and buying the securities as following:

- To educate the directors, as well as the managements on the responsibilities to report on the securities holdings of the directors, his/her spouse, and any minor child to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand by virtue of Section 59 and the punishment by the virtue of Section 275 of the Securities and Exchange Act B.E. 2535 (A.D. 1992)
- The Company has defined the directors and the managements to report on the changes of the securities holdings to the Office of the Securities and Exchange Commission by virtue of Section 59 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) within 3 day of the date of such transaction and send the copy of this report to the Company at the same day delivery to the Office of the Securities and Exchange Commission.
- The Company has policy for the directors and senior executives to notify the Company Secretary regarding on trading the Company's shares at least one day prior the trading. Then, the Company secretary will report such changing on securities holding of the directors and senior executives to the Board of Directors' meeting quarterly.
- The Company has defined that the directors, the managements, and related employees who can access the internal information which is significant and affected to the changes of the stock price must suspend the trading the Company's securities prior the disclosure of the financial statements or such internal information to the public for a period of one month and should wait at least 24 hours after disclosing to the public, including not revealing the significant information to other parties.

#### Audit Fee

The Company paid a total audit fee for 2016 of Baht 900,000 to Karin Audit Co., Ltd., the auditor of the Company, including person or related parties with the auditors and audit firm at which the auditors working for the previous year.

Additionally, the other compensation such as transportation, administration expenses was charged totally Baht 47,285.

The audit firm and auditor have no relationship or conflicts of interest with the Company/the Executives/major shareholders or persons related to such auditor. Besides, the auditor has independent and qualifications accepted to be the auditor of the Company and certified by the Securities and Exchange Commission.



# Corporate Social Responsibilities

The Company has carried out its business not for profit only but to be part of society to promote and support to make the social strengthening, transparency, and ethics as a whole. The Company fosters on the principles of Corporate Social Responsibility or CSR as follows:

## 1. Business Operation with Integrity and Responsibility to Social and Stakeholders

The Company aims to develop business growth along with promoting social responsibilities. The Company believes in fair and justified competition in accordance to the laws and ethics. The Company has counter measures to any unfair competition to customers; therefore, the Company has sales price setting policy of its products (houses or condominium units) by surveying the market price and setting its price that be fairly benefit to both the seller and buyer. Such price should be competed with competitors and valuable to customers. To promote the corporate social responsibilities on its business chain, the Company is always aware of the image and credibility on its business. Therefore, the Company has executed with its trade partners fairly. In the operation of real estate development, the Company essentially needs to deal business with contractors and construction management consultants. Hence, the Company believes that the trust of trade partners on the Company is the key factor on developing and sustainable growth of business. Through the entire business operation with trade partners, the Company has never broken the agreement that leads to lawsuit, or delays in installment as set in the contract. Moreover, the Company has organized campaign to promote and encourage the consciousness on social responsibilities through various activities such as promoting the executives and employees to purchase only copyright products and services, etc.

## 2. Respect to Laws and Human Rights

The Company has intentionally operated its business with transparency and anti-corruptions on all types of corruption and not supporting employees to be dishonesty successful. The Company has improved and arranged the audit on its internal management and business operation process to prevent any frauds, including transforming and cultivating employees' attitude, ethics and conscious belief on good action practices by conducting complied with the laws and not violating all legally rights.

## 3. Anti-Corruption

The Company has a policy not to encourage employees to accomplish its duties by corruption by defining 4 items of the anti-corruption policy as follows:

1. Creating of awareness, value, attitude to employees in order to conduct on the regulations with honesty and integrity;
2. Providing the efficient and effective internal control by auditing and balancing authorities appropriately;
3. Prohibiting the directors, the executives, and employees to take any actions on demanding or accepting any treasures or benefits for themselves or others which sent to encourage on any illegal actions;
4. Prohibiting the directors, the executives, and employees to give or propose treasures or benefits to outsiders to persuade such persons to take or avoid any illegal actions or frauds on their duties.

The Company has defined the guidelines for monitoring the implementation in accordance with the direction on preventing of the involvement in corruption as follows:

- 3.1 Providing the internal control audit to monitor the internal control system, risk management, and corporate governance, including the continually suggestions. The audit plans on quarterly were approved by the Audit Committee and reported such audit result significantly and recommendations to the Audit Committee.
- 3.2 The executives are assigned to respond on the test and risk assessment of fraud and corruption continuously in order to implement the fraud prevention and anti-corruption effectively. The fraud prevention and anti-

corruption measures are monitored, reviewed, and improved constantly. The result of assessment is presented to the Audit Committee and/or the Risk Management Committee, and reported to the Board of Directors, respectively, in timely and constantly. 3.3 Providing the channels of complaint both inside and outside the Company. For the inside channel, the Company has provided a complaint box for receiving any complaints within the organization. While, for the outside channel, a person can file a complaint through [www.rp.co.th](http://www.rp.co.th) on the channel of complaint or sending e-mail to the chairman of the Audit Committee via [audit.committee.richy@rp.co.th](mailto:audit.committee.richy@rp.co.th). To inspect the fact, the Company shall not disclose a person complaining and keep information confidentially. The information shall be disclosed as necessary by consideration of the safety and damages to the complainant. In case that a complainant feels unsafely and harmful, you can request the Company to establish protection measures.

- 3.4 If the Company inspects and finds that there is reliable evidence from the inspection information and complaint, which believe that such transaction or action may significant impact to the financial status and operation performance of the Company, including breach, illegal actions or business ethics, or prevention practices involving on the corruption or financial suspicion, or internal control system; the Audit Committee will report to the Board of Directors to undertake and solve such problems within the period the Audit Committee deems appropriately.

The Company has organized the training to its employees within the organization on the topic of anticorruption in order to review, study, and develop the information disclosure regarding to the fraud and anticorruption of the Company.

#### **4. Contribution on Community and Society**

The Company has recognizes the importance of developing the society and sustainable community to make it livable. Therefore, the Company has organized activities continually in conjunction with the business operation under the responsibilities to the community and society as a whole. Such practices are as follows:

1. The Company has the Corporate Social Responsibilities (CSR) policy distinctively and practiced throughout the organization by organizing social development activity on any area at least once a year.
2. The Company has encouraged the consciousness and responsibilities to both the environment and society to employees.
3. The Company is respect on the custom, tradition, and culture of each region where the Company operates its business.
4. The Company has organized activities independently or with the coordination with either government or private sectors for the community, society and the environment regularly in order to improve the quality of life for the community settled on the Company's premises.
5. The Company has participated on various activities with the communities around the Company's business locations properly.

In 2016, the Company held CSR activities by giving gifts, which were sport equipments and air-conditioning with free installation fee to the kindergarten school at Hua Mak School (Suan Luang District), to children on the Children Day.

#### **5. Encouraging All Level of Employees to Have Good Life, Be Volunteer and Awareness on Social Responsibilities Continually**

The Company has encouraged its employees to have positive consciousness and attitude, not supporting any frauds. The rewarding and compensation are provided appropriately when an employee works intentionally with effort, which reflected from success indication evaluation on working. The Company believes that appropriate compensation is key factor to prevent and reduce corruption. In addition, the Company sets up working group under the responsibility of Human Resources Department as a channel for employees to complain, inquiry, inform any suspicious transactions which violating the code of conduct as well as fraud. Such working group shall fairly and impartially listen to all parties along with keeping the information of informer confidentially in order to smooth investigation with no threats tolerated to a complainant.

## **6. Contribution on Environmental Preservation**

The Company is aware of the importance of management system with operation policy under the environmental standard, which considering on the significant environmental awareness and conducting in compliance with the laws and related prescribed environmental regulations strictly. For example, the Company has prepared legitimate report with Environmental Impact Assessment (EIA) to submit the applications for building constructions permission to the Office of Natural Resources and Environmental Policy and Planning for any condominium projects with over 80 units, or housing projects with more than 100 Rai of land or 500 units up. Besides, the Company has complies with the pollution protection measurements to control pollution which might have impacts to the environment during and after construction. A central sewage waste water system is installed in each project in order to treat sewage water before draining to public, including green areas so as to reduce global warming from the usage of air-conditioning, etc.

The Company has also organized the trainings complied with its environmental conservation policy to employees annually with its objectives to create and enhance awareness about the environment. The management has been assigned to contribute employees to take actions in accordance with the Company's policy.

## **7. Resource Usages Valuably**

Moreover, the Company has also promoted on using resources valuably by recycling such as using double-sided paper, turning off air conditioning or electricity during breaking hours or whenever the executives or employees not being in the office for a long time, walking up and down stairs, carpool. Even such activities may not clearly accumulate the number of energy usage or expenditures decreased, it encourages and cultivates on personal tendency to bring back on behaving on their daily life with family for being good citizens of society.

# The Internal Control and Risk Management

## The Internal Control

The Board of Directors has established the internal control system as appropriately and adequately, and provided the risk management systematically. The analyst and risk assessment on both internal and external factors, which affected to the business operation, are well implemented. The good governance is determined in compliance with the goals, objectives, laws, requirements concerned effectively. The anti-corruption policy is defined and communicated to all level of employees to conduct strictly. Such activities are reviewed and reported the audit results to the Board of Directors constantly.

The Board of Directors has mutually evaluated the internal system from the assessment report of the Audit Committee by using the assessment form of the adequacy of the internal control systems determined by the Securities and Exchange Commission, which complied with the direction of the internal control of the 5 elements as following:

### 1. The Organization and Environment

The Company has provided the internal control activities which composed of the review of the financial activities and operation according to the rules, regulations, related laws, as well as the supervision of the Board of Directors.

The Board of Directors, who has independent from the Executives, has regulated and reviewed the internal control system to achieve the organization's business plans effectively and efficiently. The Company has focused on the value of corporate good governance, the employee ethics, and defined those as one of the values of the organization that the employees strictly conducting.

### 2. The Risk Management

The Company has defined its vision, mission, and objectives for business plans in each year clearly, as well as the risk assessment related in order to drive the organization to achieve its goals as planned.

### 3. The Operation Control of the Management

The Company has defined the operation manuals for all functions as the reference on operation. The Executives Committee shall monitor and oversee in compliance with the Company's policy. Moreover, the Company has provided the prevention procedures against the corruptions on every operation activities, asset maintenance, and the usage of resources as efficiently.

### 4. The Information Technology System and Information Communication

The information technology and communication is developed to cover all the working procedures continually. Moreover, the information technology system is secure to ensure the employees at all level realize the significance of the risks and the internal control consistently.

### 5. The Follow-up System

The Company has held the to monitor and evaluate the internal control system to be executed completely, appropriately, and constantly.

## Risk Management

The Company's Board of Directors has appointed the Risk Management Committee consisting of the executive directors responsible for specifying policy and direction in comprehensively managing risks in every procedure of the business plan. Steps in establishing the business plan have been analyzed and indicated related risks in order to define the direction of risk management strategies.

Therefore, the Board's meeting of 1/2016 held on November 14, 2016 had reached the consensus with regard to the Company's internal control system consisting of 5 major components: the organization's internal control, risk management, monitoring of business operation, information system, information communication and follow-up system. The Board of Directors agreed that the Company have an appropriate and sufficient internal control system, in which every unit efficiently performed their duty in compliance with acceptable accounting standards such as the notice of the Office of the Securities and Exchange Commission (SEC), the regulations of the Stock Exchange of Thailand (SET) in preparing quarterly financial report, annual financial report on a regular basis. Moreover, the Company arranged and disclosed complete and sufficient information regarding financial budget in a timely manner, organized appropriate internal control system as well as adjust and modify to respond to changing situation in order that the Company achieved its established objectives and complied with relevant laws and regulations. However, there was no significant issue or problems found that affected the Company's business operation or the internal control system in doing business transactions with major shareholders, directors, executives or other related persons. The internal control system helps protect the Company's property from illegal and arbitrary use by the executives without prior approval. The independent directors and the Audit Committee agreed with the Board's decision while the Audit Committee will strictly monitor the issue of good corporate governance for the Company

The Company has organized sufficient and appropriate operation management and internal control system. The executives encourages employees to realize the necessity of such system by organizing the good corporate governance, specifying of roles and responsibilities as well as identifying rules, regulations, policies, level of authority and approval in a written document appropriately. Furthermore, the Company has established an independent unit to respond on the internal control, including follow up and evaluating such control, then reporting directly to the Audit Committee in order to verify operation activities to achieve the Company's overall goals and objectives. The results from past audit were revealed no significant errors that directly affected the internal control system. As for other issues regarding the internal control, the Board of Directors agreed on its sufficiency and appropriateness.

In 2016, the Company has set the whistle-blower policy to secure complainers, information providers who notify with regard to any frauds, illegal acts and ethics.

As for other issues of the internal control system, the Company's Board of Directors agreed on its sufficiency as well. Nevertheless, the Audit Committee was reported on additional observations with regard to evaluations audited by an independent expert from external organization which the Company kept going on. Moreover, Garint Audit Company Limited, The Company's Audit agency, was responsible on verifying the financial statements on a quarterly basis and in 2016, the agency had not found any errors regarding the Company's internal control system.

## Related Transactions

### Types of Relationship

The Company has related transactions with persons who may have conflicts of interest, which such related transactions are business activities among the shareholders and/or the Executives of the Company. In addition, it is included the transactions with the related companies, which persons having conflicts of interest are the shareholders and/or the Executives. The types of the relationship are concluded as following:

Persons having conflicts of interest	Type of Relationship
1. Dr. Apa Attaboonwong	<ul style="list-style-type: none"> <li>• Director</li> </ul>
2. Ms. Sunee Sathatinan	<ul style="list-style-type: none"> <li>• The Company's shareholder as of December 31, 2016, holding 35.71% of paid up capital</li> </ul>
3. ASSOC.Prof. Suthus Ratanakuakangwan	<ul style="list-style-type: none"> <li>• Director</li> </ul>
4. Mr. Verapol Attaboonwong	<ul style="list-style-type: none"> <li>• The Company's shareholder as of December 31, 2016, holding 6.32% of the paid-up capital</li> </ul>
5. Ms. Nonglak Wanthammapong	<ul style="list-style-type: none"> <li>• Independent Director</li> </ul>
6. Ms. Sathinee Attaboonwong	<ul style="list-style-type: none"> <li>• The Company's shareholder as of December 31, 2016, holding 0.05% of the paid-up capital</li> </ul>
7. Dr. Thanyanon Ratanakuakangwan	<ul style="list-style-type: none"> <li>• Director</li> </ul>
8. Ms. Darana Sathatinan	<ul style="list-style-type: none"> <li>• The Company's shareholder as of December 31, 2016, holding 0.00064% of the paid-up capital</li> </ul>
9. Mrs. Saranthorn Srisunthorn	<ul style="list-style-type: none"> <li>• Director's relatives</li> </ul>
10. Attaboon Asset Company Limited, operating business of space leasing	<ul style="list-style-type: none"> <li>• Director's relatives</li> </ul>
	<ul style="list-style-type: none"> <li>• The Executives</li> <li>• Dr. Apa Attaboonwong is the Director of Attaboon Asset Company Limited, and holds 19.08% of the paid-up capital as of December 31, 2016.</li> <li>• Ms. Nonglak Wanthammapong is the Director of Attaboon Asset Company Limited, and holding 20.85% of the paid-up capital as of December 31, 2016.</li> <li>• Mr. Pitipat Pornphromphat is the Director of Attaboon Asset Company Limited, and holds 18.35% of the paid-up capital as of December 31, 2016.</li> <li>• Mr. Somsak Attaboonwong is the shareholder of Attaboon Asset Company Limited, and hold 4.86% of the paid-up capital as of December 31, 2016.</li> <li>• Mr. Pichai Attaboonwong is the shareholder of Attaboon Asset Company Limited, and holding 19.98% of the paid-up capital as of December 31, 2016</li> <li>• Miss Sathinee Attaboonwong, is the shareholder of Attaboon Asset Company Limited, and holding 5.85% of the paid-up capital as of December 31, 2016.</li> <li>• Ms. Pitcha Tansod is the shareholder of Attaboon Asset Company Limited, and holding 9.87% of the paid-up capital as of December 31, 2016.</li> </ul>

## Types of Related Transactions

The Company had the related transactions from its business operations with persons having conflicts of interest, which summarized the types and value of the related transactions classified as follows:

No.	Persons having conflicts of interest	Type of Related Transactions	The Amount of Related Transactions (MB)		The Necessity and Reasonability, and the Comments of the Audit Committee
			2016	2015	
1.	Attaboon Asset Company Limited	<u>Office Rental Charges</u>	1.64	1.64	<p>The Company has rented the office space of Attaboon Building by signing the rental contract room No. 701, with the area of 541.67 sq.m., which details of the rental and service as below:</p> <p>1) The rental contract No. SorChor.001/57 LorWor. March 1, 2014 for 3 years effective on March 1, 2014 - February 28, 2017 with the monthly rental fee of Baht 75,833.80 (Baht 140/sq.m.q/month), by advance payment on the 5th of every month. Such rental rate is comparable to other tenants, whose rental price of Baht 160 per sq.m./ month.</p> <p>2) The service contract No. SorBor.001/57 LorWor. March 1, 2014 for 3 years effective on March 1, 2014 - February 28, 2017 with the monthly rental fee of Baht 60,856.62, by advance payment on the 5th of every month. Such service rate is comparable to other tenants, whose rental price of Baht 112.35 per sq.m./ month.</p> <p>The Audit Committee reviewed such transactions and found that it is reasonable and for the benefits to the business operation of the Company due to the fair conditions and reasonable prices.</p>
2.		<u>Cash Advance received from customers</u> The Value	0.74	-	<p>Attaboon Asset Company Limited signed the purchase contract on May 28, 2014 for buying the condominium at the Rich Park @Triple Station as follows:</p> <p>1) The purchase contract no. RK4 C59/377, room no.12/12 at the amount of Baht 2,030,000.</p> <p>2) The purchase contract no. RK4 C59/378, room no.12/13 at the amount of Baht 23,004,000.</p> <p>3) The purchase contract no. RK4 C59/380, room no. 12/14 at the amount of Baht 2,004,000</p> <p>4) The purchase contract no. RK4 C59/381, room no. 12/14 at the amount of Baht 2,004,000</p> <p>Ms. Pitcha Tansod, the shareholder, signed the purchase contract on July 12, 2016 for buying the condominium at the Rich @Bangna as follows:</p> <p>1) The purchase contract no. R2 C59/003, room no.0401B/09 at the amount of Baht 10,519,470.</p> <p>2) The purchase contract no. R2 C59/031, room no.0402A/10 at the amount of Baht 7,128,527.</p> <p>3) The purchase contract no. R2 C59/032, room no.0403A/11 at the amount of Baht 6,732,497.</p> <p>4) The purchase contract no. R2 C59/033, room no.0404B/12 at the amount of Baht 9,572,317.</p>



No.	Persons having conflicts of interest	Type of Related Transactions	The Amount of Related Transactions (MB)		The Necessity and Reasonability, and the Comments of the Audit Committee
			2016	2015	
3.		<u>Sales Income</u> The Value	3.40	-	<p>Ms. Pitcha Tansod, the shareholder, signed the purchase contract for buying the condominium at the Rich Park @Tao Poon Interchange as follows:</p> <p>1) The purchase contract no. RK2 C59/032, room no. 19/32 at the amount of Baht 3,407,00</p> <p>Mrs. Saranthorn Srisunthorn, the Executives, signed the purchase contract for buying the condominium at the Rich Park @Tao Poon Interchange as follows</p> <p>2) The purchase contract no. RK2 C59/037, room no. 25/11 at the amount of Baht 3,058,00</p> <p>The Audit Committee reviewed such transactions and found that it was normal business of purchasing condominium, which its price and conditions were regular and same as the general customers.</p>
4.	<p>Attaboon Asset Company Limited</p> <p>Attaboon Company Limited</p>	<p><u>Loans</u></p> <p><u>Loans</u></p>	<p>6.00</p> <p>4.00</p>	-	<p>The Company signed the contract no. L59/002 on November 30, 2016 to borrow money from Attaboon Asset Company Limited at the amount of Baht 6,000,000 with the interest rate of 4.3% annually and due payment on February 10, 2017. Such loan was the loan for the working capital.</p> <p>The Company signed the contract no. L59/001 on November 30, 2016 to borrow money from Attaboon Company Limited at the amount of Baht 4,000,000 with the interest rate of 7.4.3% annually and due payment on February 10, 2017. Such loan was the loan for the working capital.</p> <p>The Audit Committee reviewed such transactions and found that it was reasonable and for the benefits to the business operation of the Company due to the fair conditions. Additionally, there were no conflicts of interest and complied with the criteria or procedures of the related transactions. The interest rate and payment conditions are defined as normal practices.</p>
5.	K.C.S. & Associates Company Limited	<u>Project Management charges</u>	10.48	1.09	<p>The Company engaged K.C.S. &amp; Associates Company Limited to execute and manage the projects as follows:</p> <p>1) The management employment and construction control at the Rich @Sathorn Project effectively on September 1, 2015 at the value of Baht 9.43million. The contract shall be expired on May 31, 2017.</p> <p>2) The management employment and construction control at the Rich Park @Triple Station Project effectively on October 1, 2015 at the value of Baht 10.22 million. The contract shall be expired on November 30, 2017.</p> <p>The Audit Committee reviewed such transactions and found that it was reasonable, at the market rate, and for the benefits to the business operation of the Company.</p>

## The Necessity and Reasonability of the Related Transactions

The related transactions are engaged to the extent that such transactions are necessity and reasonability to serve the most benefits of the Company. The Audit Committee has jointly considered the related transactions on the necessity of the transactions and reasonability of the rate charged mutually, including disclosure the types and value of the transactions executed with other persons having conflicts of interest under the Notice and regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

## Criteria or Procedures on the Approval of the Related Transactions

The Board of Directors' Meeting No. 4/2013 held on August 14, 2013 resolved that the procedures on the related transaction was approved to be conducted according to the Notice of the Securities and Exchange Commission on the title of the Disclosure of Information and Other Acts of the Listed Company Concerning the Connected Transactions B.E.2546 and the Notice of the Board of SEC and the Capital Market Supervisory Board on the matters related to the case of connected transactions between the company and a person having conflicts of interest. The Audit Committee shall provide comments on the necessity of transactions, and the appropriate pricing of such transactions by considering the various conditions in compliance with the general business practices in the industry. The price comparison with the third parties or market price will be considered. In case that the Audit Commission is not expert on considering the matters of the related transactions, the Company shall provide the specialists, who are independent, to give an opinion on such connected transactions for decision making of the Board of Director, the Audit Committee, or the shareholders, as the case may be. The Directors, who are the stakeholders, shall be not entitled to vote on such items. Those related transaction must be also disclosed in the notes to the financial statements of the Company.

## Policy and the Tendency of the Related Transactions in the Future

For the tendency of the related transactions in the future, the Company's policy to engage in related transactions shall be classified as following categories:

### 1. The guarantor loans from financial institutes

The Company had assumed that after entering to the Listed Company on the SET; the Company negotiated with the financial institutes to release the guarantor obligations of the Company's directors and shareholders. However, such activities were approved or not depending on the considerations of such financial institutes.

### 2. The unit sales to the related persons

The tendency of the transactions of the unit sales to the related persons shall be possible occurred in the future. The Company shall conduct in accordance with the policy specified as clearly, fairly, and no conflicts of interest if such transactions are done.

### 3. The Company's office rental transactions to the related companies

The tendency of the transactions of the office rental transactions to the related companies shall be possible, in case of such transactions are occurred in the future the Company shall conduct in accordance with the policy specified.

In case that the related transactions mentioned above are occurred in the future, the Company shall comply clearly, fairly, and no conflicts of interest in compliance with the Securities and Exchange Act, and the rules, notices, announcement, or regulations of the Capital Market Commission Board and the Stock Exchange of Thailand, including the disclosure of the connected transactions, and acquisition or disposition of assets. The persons who are stakeholders or having conflicts of interest are not entitled to approve those related transactions. The Audit Committee shall give comments on such transactions and present to the Board of Directors and/or the Annual General Shareholders' Meeting, as the case may be, as the information for their consideration for transaction approval.

Besides, the Company has complied with the accounting standard. The information disclosure to the related persons or activities has been defined by the Federation of Accounting Professions. The Company shall disclose the relationship and details of the related transactions to the notes to the financial statements of the Company, including the annual information form (Form 56-1) and the annual report (Form 56-2) of the Company.

# Management Discussion and Analysis

## Performance Overview

Richy Place 2002 Public Company Limited (the Company) has operated the real estate development in the types of residences by focusing on developing potential areas and locations near communities, especially condominium along the electric train and community areas. The Company's main revenues derive from sales of house and land, condominium, both horizontal and vertical. The Company had completely developed 7 projects in the past, consisting of 1) Richy Ville @Bangbuathong project, 2) Richy Tower @Petchkasem-Sathorn project, 3) Le Rich @Rama 3 project, 4) Le Rich @Rachada-Sutthisarn project, 5) Le Rich @Aree Station project, 6) Rich Park @ Bangson Station project, and 7) Rich Park @ Taopoon Interchange project. Currently, the Company has 9 ongoing projects under construction which are 1) The Rich Biz Home @Sukhumvit 105 project, 2) Rich Park @Chaophraya project, 3) Rich Ville @Rachaphruek project, 4) The Rich Sathorn-Taksin project, 5) Rich Park @Triple Station, 6) The Rich @Nana, 7) Rich Park Loft @Laksi, 8) Le Viman, and 9) The Edge Collection.

Since 2011 onwards, the Company has recognized revenues from sales of real estate when the ownership has been transferred to the buyer after completing the payment and the costs of construction is recorded after completely transferring the ownership. For the property projects under construction, the cost of construction and other related expenditures will be recorded in asset costs of real estate development for sales until such projects are completed and already transferred to the buyer, then the Company shall recognize revenues of such items as mentioned items.

## Analysis of the Company's performance - Revenues

The Company's revenues are consisted of revenues from sales of real estates, interests, and other incomes. Major revenues are derive from sales of real estates. Ratio of revenue categories are described as follows:

**Table of Revenue Structure**

	Audited Financial Statements as of December 31					
	2014 (audited)		2015 (audited)		2016 (audited)	
	(MB)	%	(MB)	%	(MB)	%
Revenues from Sales of Properties	1,228.66	99.14	507.48	98.75	553.18	97.35
Other Incomes	10.72	0.86	6.44	1.25	15.06	2.65
<b>Total Revenues</b>	<b>1,239.38</b>	<b>100.00</b>	<b>513.92</b>	<b>100.00</b>	<b>568.24</b>	<b>100.00</b>

## Revenues from Sales of Properties

During 2014-2016, the revenues from sales of properties were recorded at Baht 1,228.66 million, Baht 507.48 million and Baht 553.18 million or representing 99.14%, 98.75%, and 97.35% of total revenues respectively

In 2015, the Company earned revenues from sales of properties at Baht 507.48 million, a decrease of Baht 721.18 million, or 58.70%, from 2014. This resulted from Rich Park @Chaophraya project, under the construction, which was 95.24% of the construction process. Therefore, the volume of ownership transfer for revenue recognition from Rich Park @Chaophraya project was not achieved the target.

In 2016, the Company had revenues from sales of properties at the amount of Baht 553.18 million, an increase of Baht 45.70 million, or 9.01%, from 2015. This resulted from the completeness and ownership transfer of Rich Park @Chaophraya project, and revenue recognition in 2016.

Table of Revenues from the Sales of Properties Classified on Projects

	Financial Statements (Audited)					
	2014		2015		2016	
	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)	Amount (MB)	Ratio (%)
<u>Revenues from sales of properties</u>						
<b>Condominium</b>						
- Le Rich @Rama 3	25.30	2.04	11.86	2.31	6.20	1.09
- Le Rich @Ratchada-Sutthisarn	27.49	2.22	-	-	-	-
- Le Rich @Aree Station	16.14	1.30	-	-	-	-
- Rich Park @Bangson Station	88.39	7.13	49.27	9.59	72.24	12.71
- Rich Park @Taopoon Interchange	958.62	77.35	305.58	59.46	90.53	15.93
- Rich Park @Chaophraya	-	-	75.14	14.62	293.17	51.60
<b>Townhomes</b>						
- The Rich Ville @Ratchaphruek	-	-	7.29	1.42	35.85	6.31
- The Rich Biz Home @Sukhumvit 105	112.72	9.09	58.34	11.35	55.19	9.71
<b>Total revenues from sales of properties</b>	<b>1,228.66</b>	<b>99.14</b>	<b>507.48</b>	<b>98.75</b>	<b>553.18</b>	<b>97.35</b>
Other incomes <sup>1/</sup>	10.72	0.85	6.44	1.25	15.06	2.65
<b>Total revenues</b>	<b>1,239.38</b>	<b>100.00</b>	<b>513.92</b>	<b>100.00</b>	<b>568.24</b>	<b>100.00</b>

Remark : <sup>1/</sup> Other incomes are revenues from a breach of contract, the changes of transfer contract, rental income, etc.

## Other Incomes

Other incomes are consisted of incomes from water-electricity meter installation, incomes from breach of contract, changes of the transfer contract, rental incomes etc. Incomes from breach of contract are deposits, contract fee, and down payments which customers have already paid and recognized as revenues due to contract termination, or the customers have not completed with the contract terms and conditions which in turn caused the cancellation of contract. In addition, incomes from breach of contract can occur when customers do not complete the property transfer procedure within the specified period and there are no further arguments from the customers. During 2014-2016, the Company recognized other incomes at the amount of Baht 10.72 million, Baht 6.44 million and Baht 15.06 million or equivalent to 0.85%, 1.25%, and 2.65% of the total revenues, respectively.

In 2016, the Company had other incomes at the amount of Baht 15.06 million, an increase of Baht 8.62 million or 133.85% compared with the year of 2015, resulting from the increase of revenues from the breach of contract.

Table of Other Incomes

No.	Detail	2014		2015		2016	
		MB	%	MB	%	MB	%
1	Incomes from water-electric meter installation	0.65	6.07	0.24	3.73	0.26	1.72
2	Incomes from contract changes	0.77	7.19	0.06	0.93	0.64	4.25
3	Incomes from breach of contract	4.74	44.26	2.71	42.08	8.07	53.58
4	Different yield from the units (rental room)	(0.21)	(1.96)	(0.03)	(0.46)	0.00	0.00
5.	Interests	0.12	1.12	0.10	1.55	0.08	0.50
6.	Miscellaneous	4.65	43.32	3.36	52.17	6.01	39.95
<b>Grand Total</b>		<b>10.72</b>	<b>100.00</b>	<b>6.44</b>	<b>100.00</b>	<b>15.06</b>	<b>100.00</b>

## Total Revenues

The Company had total revenues during 2014 — 2016 at the amount of Baht 1,239.38 million, Baht 513.92 million, and Baht 568.24 million, respectively.

In 2014, the Company had higher amount of total revenues of Baht 33.46 million, from 2013, or an increase of 2.77%, resulting from an increase of revenue recognition from Rich Park @Taopoon Interchange project at 77.35% of the total revenues. Therefore, the total revenues of this year were higher than the previous year and be from the profit generated on investing on securities.

In 2015, the Company had lower amount of total revenues of Baht 725.46 million, from 2014, or decrease of 58.53 %, resulting from decrease of revenues from sales of properties at the amount of Baht 721.18 million, or 58.70% compared with the previous year.

In 2016, the Company had higher amount of total revenues of Baht 54.32 million, from 2015, or an increase of 10.57 %, resulting from an increase of revenues from sales of properties at the amount of Baht 45.70 million, or increase of 9.01% compared with the previous year.

## Cost of Sales of Real Estate

Costs of sales of real estate are the costs of real estate development while the project is developed, which is recognized as the costs in the profit and loss statements and recorded to be the revenue recognition from sales of real estate, consisting of costs of sales, salary and welfares expenses of the construction department, utilities expenditures etc

In 2014-2016, the Company had costs of real estate sales with value at Baht 761.98 million, Baht 337.4 million and Baht 359.04 million respectively, representing the ratio of costs of real estate sales per revenues from real estate sales equal to 62.01%, 66.50%, and 64.91% respectively. It resulted of the cost of Rich Park @Chaophraya project, which the ownership transfer fees in 2016 were much and the cost of construction materials and the costs of expert labors were highly adjusted.

In 2014, the Company had the cost of sales of real estate decreased from 2013, which equaled to Baht 2.73 million or representing 0.35%. It resulted of the efficient cost management and the control of construction budget as planned.

In 2015, the Company had the cost of sales of real estate decreased from 2014, which equaled to Baht 424.50 million or representing 55.71% compared to 2014 resulted from the decrease of revenues from sales of property so that the cost was reduced. In 2016, the Company had the cost of sales of real estate increased from 2015, which equaled to Baht 21.57 million or representing 6.39%. It resulted of the high cost of Rich Park @Chaophraya project, which transferred the ownership in 2016, as well as the cost of construction materials and expert labor cost were highly adjusted.

**Table of Cost of Sales of Real Estate**

Cost of Sales of Real Estate	2014		2015		2016	
	MB	%	MB	%	MB	%
Cost of sales	757.08	99.36	330.03	97.80	354.95	98.86
Salary and welfares of the construction department	3.00	0.39	5.54	1.64	2.15	0.60
Utilities expenditures	0.35	0.05	0.45	0.13	0.45	0.13
Miscellaneous	1.55	0.20	1.45	0.43	1.49	0.41
Total costs of sales of real estate	761.98	100.00	337.47	100.00	359.04	100.00
Ratio of costs of sales of real estate to the ratio of revenues from sales		62.01		66.50		64.91

## Sales Expenditures

Sales expenditures consist of salary of salesman, commission fees, project management expenses, sales promotion expenses, specific business taxes, ownership transfer fees, common fees and sales operating expenses. Commission fees are money the Company pays to salesman and other employees based on the Company's total sales volume which will be paid on a quarterly basis. Project management expenses are fees from selling the Company's project paid to the project's sales agent. In addition, sales promotion expenses are comprised of advertising fees and booth activity expenses. Common fees are expenditures the Company pays for the fees of central areas for unsold units to the juristic of such condominium. Other sales operating expenses are signboard taxes and office expenditures as well as other consumables etc.

The Company recorded sales expenditures, during 2014-2016, equivalent to Baht 102.71 million, Baht 72.70 million and Baht 129.04 million respectively or representing the ratio of sales expenditures to the revenues from sales of real estate at 8.36%, 14.33%, and 23.30%, respectively.

In 2014, the Company's sales expenditures were reported at Baht 102.71 million, a decrease of Baht 0.13 million, or 0.13% from 2013. This resulted of the control of expenditure budget as annual planned so that the ratio of sales expenditures were decreased when compared with the previous year.

In 2015, the Company's sales expenditures were decreased to Baht 30.01 million, or 29.22% from 2014. This resulted of the decrease of advertising fees, taxes, ownership transfer fees compared with the previous year.

In 2016, the Company's sales expenditures were increased to Baht 56.34 million, or 77.50% from 2015. The major factor was from the launches of new project so that other expenditures were charged. The advertising and branding fees were increased to Baht 14 million and the sales management fees were also increased to Baht 16 million.

**Table of Sales Expenditures**

Cost of Sales of Real Estate	2014		2015		2016	
	MB	%	MB	%	MB	%
Salary and welfares of salesman	6.96	6.78	6.97	9.59	10.41	8.06
Utilities expenses from sales	1.03	1.00	1.08	1.49	1.47	1.14
Tax and business fees (sales)	9.62	9.36	0.31	0.43	3.08	2.39
Specific business taxes	39.11	38.08	16.26	22.37	17.93	13.90
Commission fees	3.47	3.38	3.97	5.46	3.33	2.58
Sales promotion expenses	2.27	2.21	2.66	3.66	3.27	2.54
Sales management expenses	3.40	3.31	3.82	5.25	16.15	12.52
Advertising and booth activities expenses	22.20	21.61	19.45	26.75	51.09	39.59
Common fees and office expenditures	5.70	5.55	5.47	7.52	1.14	0.88
Other expenses	8.95	8.71	12.71	17.48	21.17	16.40
Total sales expenditures	102.71	100.00	72.70	100.00	129.04	100.00
Ratio of sales expenditures to the revenues from sales		8.36		14.33		23.33

## Management Expenditures

The management expenditures were consisted of salary, welfare and benefits of employees, utilities expenses, services charges, and other management fees.

**Table of Management Expenditures**

Cost of Sales of Real Estate	2014		2015		2016	
	MB	%	MB	%	MB	%
Salary, welfares, and benefits of employees	43.33	67.37	33.80	65.84	27.60	68.41
Utilities expenses	0.87	1.36	0.85	1.65	0.75	1.86
Services charges such as audit fees	7.47	11.62	4.39	8.55	2.76	6.84
Meeting allowances	0.87	1.35	1.18	2.30	0.83	2.06
Other management fees	11.78	18.30	11.12	21.66	8.40	20.83
Total management expenditures	64.32	100.00	51.34	100.00	40.34	100
Ratio of management expenses to the revenues from sales		5.23		10.12		7.29

During 2014-2016, the Company recorded management expenditures equivalent to Baht 64.32 million, BAHT 51.34 million, and Baht 40.34 million, or representing the ratio of management expenditures to revenues from sales of real estate at 5.23%, 10.12%, and 7.29%, respectively.

In 2014, the Company's management expenditures were increased of BAHT 17.49 million from 2013 or equal to the increase ratio of 37.35%, because the Company had expenditures of registration to be on the listed companies in the Stock Market of Thailand as well as management expenditures, including the adjustment of employees' salary and employing more executives and employees to support the Company's business expansion.

In 2015, the Company's management expenditures were decreased of Baht 12.98 million or 21.43% from 2014 due to decrease of bonus and compensation for employees as well as the financial consultant fees compared with the previous year.

In 2016, the Company's management expenditures were increased of Baht 11.00 million or 21.43% from 2015 resulted of the proportion decrease of employees' bonus and compensation.

## Gross Profit and Ratio of Gross Profit

The Company's gross profits between 2014-2016 were recorded at BAHT 466.68 million, Baht 170.01 million, and Baht 194.44 million respectively, representing gross profit ratio of 37.65%, 33.08%, and 35.10% respectively. The increase of gross profit ratio was due to the adjustment on the cost of project development, such cost was fluctuated resulting from construction; for example, labor cost, material cost as well as high competition in the real estate business which caused on sales competition in order to motivate consumers.

## Net Profit and Ratio of Net Profit

During 2014-2016, the Company had the net profit equivalent to Baht 245.06 million, Baht 39.60 million, and 9.26 million respectively or representing net profit ratio of 19.77%, 7.71%, and 1.63% respectively compared with the total revenues.

In 2014, the Company's net profit increased to BAHT 33.73 million, equal to the increase ratio of 16.96% as a result of revenue recognition from Rich Park @Taopoon project which was the project with relatively high proportion of revenue recognition in 2014 or equivalent to 78.02% of total revenues from sales of all real estate and higher efficiency in cost management from reduction of financial costs.

In 2015, the net profit was recorded at Baht 39.60 million or equivalent to 7.71% of the total revenues. Nevertheless, the net profit decreased from 2014 due to a decline in revenues.



In 2016, the net profit was recorded at Baht 9.25 million or equivalent to 1.63% of the total revenues. The net profit decreased from 2015 due to an increase of sales expenditures from the previous of 77.50%. The key factors were from the launches of new projects increasingly; therefore, the other expenses were charged. The advertising and branding fees were increasingly to Baht 14 million, and sales management was risen to Baht 16 million.

## Ratio of Shareholders' Return on Equity

During 2014-2016, the Company had the ratio of shareholders' return on equity equal to 22.77%, 2.55%, and 0.61% respectively. In 2014, the ratio of shareholders' return on equity was decreased due to the increase of registered capital. In 2015, the ratio of shareholders' return on equity was dropped due to decrease of the Company's profit. In 2016, the ratio of shareholders' return on equity was declined due to lower profits of the Company.

## Analysis of the Company's Financial Status

### Assets

Main assets of the Company are consisted of current assets, especially costs of real estate project development at an average of 90 percent of the total assets. Costs of real estate project development include 1. Land, and 2. Project development. Both items are considered high value assets or equivalent to 90 percent of costs of real estate project development.

As of December 31, 2014-2016, the Company had total assets equivalent to Baht 2,204.04 million, Baht 4,391.53 million, and Baht 5,570.31 million, representing the increase ratio of 42.51%, 99.25%, and 26.84% respectively. The Company's total assets were continuously increasing depending on launching new project continually.

As of December 31, 2014, the Company recorded an increase of total assets compared to 2013, resulting from construction investment projects of Rich Park @Chaophraya, Rich Ville @Ratchaphruek, Rich Biz Home @Sukhumvit 105, and The Rich @Sathorn-Taksin.

As of December 31, 2015, the Company recorded the total assets equal to Baht 4,391.53 million, an increase of Baht 2,187.50 million or 99.25% from 2014. This resulted from an increase of cost of real estate development for more sales according to the Company's business expansion.

As of December 31, 2016, the Company recorded the total assets equal to Baht 5,570.31 million, an increase of Baht 1,178.78 million or 26.84% from 2015. This resulted from an increase of cost of real estate development for more sales according to the Company's business expansion.

The Company had no assets of the creditor since the revenues can be recognized when completing the ownership transfer of the condominium.

### Cost of Real Estate Development

Costs of sales of real estate before ownership transfer shall be recorded in the costs of real estate development in the Company's financial statements, and shall be recognized as costs of real estate sales in the profit and loss statements when the ownership transfer was completely done. Costs of real estate development are consisted of land cost, construction cost, costs directly related to project development, including interest loans that will be amortized to costs of sales at the revenue in a proportion of each project.

As of December 31, 2014-2016, the Company recorded costs of real estate development equal to Baht 1,870.28 million, Baht 4,083.46 million, and Baht 4,865.67 million, or representing 84.86%, 92.98%, and 87.35% of the Company's total assets, respectively

As of December 2014, the Company recorded costs of real estate development at the amount of Baht 419.88 million, representing 28.94% increasingly from 2013 resulting from work in progress of building projects: The Rich Biz Home @Sukhumvit 105, Rich Park @Chaophraya, The Rich Ville @Ratchaphruek, The Rich @Sathorn-Taksin, including completed construction of Rich Park @Taopoon Interchange.

As of December 31, 2015, the Company had costs of real estate development with the total value of Baht 4,083.46 million, an increase of Baht 2,213.18 million or 118.33% from 2014. This resulted from ownership transfer from vendors to develop new projects: Rich Park @Triple Station and The Rich @Nana.

As of December 31, 2016, the Company had costs of real estate development with the total value of Baht 4,865.67 million, an increase of Baht 782.21 million or 19.16% from 2015. This resulted from the following table of 14.7:

**Table 14.7: Costs of Real Estate Development on Project Classification**

Project	As of December 31 2014		As of December 31 2015		As of December 31 2016	
	MB	%	MB	%	MB	%
Le Rich @Rama3	131.83	7.05	126.72	3.10	122.83	2.52
Rich Park @Bangson Station	94.12	5.03	65.88	1.61	21.68	0.45
Rich Park @Taopoon Interchange	477.53	25.53	308.19	7.55	257.74	5.30
Rich Park @Chaophraya	279.74	14.96	768.84	18.83	667.87	13.73
Rich Park @Triple Station	-	-	843.72	20.66	732.00	15.04
The Rich @Sathorn-Taksin	404.12	21.61	468.75	11.48	1,111.14	22.84
The Rich @Nana	-	-	1,022.91	25.05	1,082.40	22.25
The Edge Collection	-	-	-	-	91.62	1.88
Rich Ville @Ratchaphruek	176.72	9.45	206.28	5.05	197.45	4.06
The Rich Biz Home @Sukhumvit 105	306.22	16.37	272.17	6.67	245.58	5.05
Rich Park @Laksi (Phahonyothin 59)	-	-	-	-	335.36	6.88
<b>Total costs of real estate development</b>	<b>1,870.27</b>	<b>100.00</b>	<b>4,083.46</b>	<b>100.00</b>	<b>4,865.67</b>	<b>100.00</b>

#### Cash Advance for Construction

The Company paid cash advance to building contractors for construction activities, by paying such amount prior to the beginning of construction. As of December 31, 2014-2016, the Company paid cash advance for construction equivalent to Baht 98.37 million, Baht 94.28 million, and Baht 125.53 million, or representing 4.46%, and 2.15%, and 2.25% of the total assets, respectively.

As of December 31, 2014, the Company's cash advance for construction was equal to Baht 47.67 million or 94.02% compared to 2013. The key factor of such increase was cash advance paid for the construction projects of Rich Park @ Chaophraya and The Rich @Sathorn-Taksin.

As of December 31, 2015, the Company paid cash advance for construction at the amount of Baht 94.28 million, a decline of Baht 4.09 million or 4.16% from 2014, resulting from the deduction of cash advance for construction projects of Rich Park @Chaophraya and The Rich @Sathorn-Taksin.

As of December 31, 2016, the Company paid cash advance for construction at the amount of Baht 125.53 million, an increase of Baht 31.25 million or 33.16 % from 2015, resulting from the additional construction of Rich Park @Triple Station in 2016.

#### Land Deposit

The Company recorded land deposits to the land owner to purchase land for its business operation. As of December 31, 2016, the Company paid land deposit at the amount of Baht 35.64 million or representing 0.64% of total assets.

As of December 31, 2014, the Company paid land deposits for new project operation of Baht 42 million which was on study process for development onward.

As of December 31, 2015, the Company recorded no land deposit.

As of December 31, 2016, the Company paid for land deposit for new project operation of Baht 35.64 million which was on study process for development onward.

## Equipments

Equipments are included office appliances, office furniture, computer, vehicles etc. These costs were calculated by the costs deducted by accumulated depreciation value. As of December 31, 2014-2016, the Company had total equipment value of Baht 12.92 million, Baht 9.47 million, and Baht 40.89 million, respectively.

As of December 31, 2014, the Company recorded the total equipment value at Baht 1.81 million or equivalent to 16.25%, resulting from purchase of office furniture for the Company's current office.

As of December 31, 2015, the Company had the total equipment value at Baht 9.47 million, a decline of Baht 3.45 million or 26.70% from 2014, due to calculation on the normal depreciation value.

As of December 31, 2016, the Company had the total equipment value at Baht 31.42 million, an increase of Baht 40.89 million, or 331.68% due to the completeness of sales office in 2016.

## Liabilities

Total liabilities of the Company are mostly 1) loans from financial institutions (including current and non-current type), and 2) loans from other people. In any particular year, the ratio of current liabilities to total liabilities of the Company is significantly changed but this did not affect its management of liabilities. However, the Company shall manage its liabilities in compliance with terms and conditions as stated in the loan agreement to manage its cash flow more effectively.

As of December 31, 2014-2017, the Company recorded total liabilities equal to Baht 661.50 million, Baht 2,837.50 million, and Baht 4,049.95 million, respectively, an increase of 329.02% from 2014, and 42.71% from 2015.

As of December 31, 2014, the Company had the total liabilities equal to Baht 661.50 million, a decline from Baht 275.58 million or 29.40% compared to 2013 because the Company repaid loans to financial institutions which in turn caused the decline of liabilities.

As of December 31, 2015, the Company recorded total liabilities of Baht 2,837.95 million, an increase of Baht 2,176.46 million or 329.02% from 2014 since the Company issued bonds with value equivalent to Baht 1,130 million, debentures value of Baht 940 million in order to acquire new land and invest in new project development. In addition, the Company had more construction creditors equal to Baht 14.35 million which was creditor of Rich Park @Chaophraya project as well as loans from financial institutions with the amount of Baht 38.63 million

As of December 31, 2016, the Company recorded total liabilities of Baht 4,049.95 million, an increase of Baht 1,211.99 million or 42.71% from 2015 since the Company borrowed increasingly from the financial institutes at the amount of Baht 1,208.53 million, the increase of advance payment from customers at the amount of Baht 167.11 million, and the increase of account payable for retention at the amount of Baht 25.80 million.

## Creditors

The key creditors of the Company were construction creditors and as of December 31, 2014-2016, trade account payables of the Company were recorded at Baht 21.52 million, Baht 10.71 million, and Baht 219.13 million, or equal to 0.98%, 2.32%, and 3.93% of total liabilities and shareholders' equity, respectively.

As of December 31, 2014, the Company's trade account payables were equal to Baht 98.00 million or representing a decline of 81.99% from 2013 result of the construction completion of Rich Park @Taopoon Interchange project in 2014.

As of December 31, 2015, the Company's trade account payables increased to the amount of Baht 101.71 million, an increase of Baht 80.19 million or 372.63% from 2014. Increased trade account payables were resulted of the construction charged of Rich Park @Chaophraya project.

As of December 31, 2016, the Company's trade account payables increased to the amount of Baht 219.13 million, an increase of Baht 117.42 million or 115.45% from 2015. The increased trade account payables were resulted of the construction charged for the projects of Rich Park @Triple Station and The Rich @Sathorn-Taksin.

## Long-Term Loans

The long term loans of the Company are borrowed from the financial institutions for its project development.

**Table of Long Term Loans**

Project	As of December 31 2014		As of December 31 2015		As of December 31 2016	
	MB	%	MB	%	MB	%
Long-term loans due within one year	410.77	86.88	-	-	-	-
Long-term loans from financial institutions (net)	62.01	13.12	511.41	100.00	1,719.93	100.00
<b>Total</b>	<b>472.78</b>	<b>100.00</b>	<b>511.41</b>	<b>100.00</b>	<b>1,719.93</b>	<b>100.00</b>

As of December 31, 2014, the Company recorded long-term loans equal to Baht 472.78 million, a decline of Baht 115.27 million or 19.60% from 2013, resulting from increased number of ownership transfer of Rich Park @Taopoon which enabled the Company to repay more loans.

As of December 31, 2015, the Company's long-term loans were equivalent to Baht 511.41 million, an increase of Baht 38.63 million or 8.17% from 2014. The increase of long-term loans from financial institutions was employed for new project development of the Company.

As of December 31, 2016, the Company's long-term loans were equivalent to Baht 1,719.93 million, an increase of Baht 1,208.52 million or 236.31% from 2015. The increase of long-term loans from financial institutions was employed for new project.

## Loans from other persons or related businesses

Loans are borrowed from other persons or related businesses in which the Company is the debtor and paid the interest at a different rate.

As of December 31, 2014, the Company had no loans from other persons or related businesses

As of December 2015, the Company had no loans from other persons or related businesses

As of December 2016, the Company borrowed money from other persons or related businesses at the amount of Baht 10.00 million with the interest rate of 4.30% per year. Such loans were used for the normal business operation and its due is on February 10, 2016.

## Advance Payment from Customers — General People

Money that the Company receives from buyers prior to the date of ownership transfer are deposits and contract fee which shall be recorded as advanced payments from customers and considered as revenues when ownership is transferred. Nevertheless, deposits and contract fee must be approximately 5-10% of the selling price depending on the policy of each project.

As of December 31, 2014, the Company had advanced payment from customers and general people equal to Baht 53.91 million, or representing 2.45% of liabilities and shareholders' equity. Advanced payment was dropped to Baht 27.67 million from 2013 or equivalent of 33.92%. Major factors were increased amount of ownership transfer from Rich Park @Taopoon Interchange project, as a result, advanced payment in terms of down payment, reserved payment, and contract fee had been converted to revenues from sales of real estate in profit and loss statements.

As of December 31, 2015, the Company recorded advanced payments from customers and general people equal to Baht 62.29 million, an increase of Baht 8.38 million from 2014, or representing 15.55%. Major factors were increasingly from receiving reserved payment, contract fee and down payment from projects which were not transferred ownership: Rich Park @Chaophraya and The Rich @Sathorn-Taksin project.

As of December 31, 2016, the Company recorded advanced payments from customers and general people equal to Baht 229.40 million, an increase of Baht 167.11 million from 2015, or representing 268.00%. Major factors were increasingly from receiving reserved payment, contract fee and down payment from projects which were not transferred ownership: The Rich @Sathorn-Taksin, Rich Park @Triple Station and The Rich @Nana, which shall be transferred in 2017, 2018, 2019, respectively.

#### **Advance Payment from Customers - Related Persons**

As of December 31, 2014, advanced payment from customers and related persons was amounted to Baht 2.99 million or representing 0.13% of liabilities and shareholders' equity. There were still advanced payments from Rich Park @Chaophraya project and The Rich @Sathorn-Taksin (details of payments from related persons can be seen from Section 2, No.12. in "related transactions").

As of December 31, 2015, advanced payments from customers and related persons was amounted to Baht 0.97 million, a decline of Baht 2.02 million, or representing 67.56% from 2014, due to ownership transfer of Rich Park @Chaophraya in 2015.

As of December 31, 2016, the Company received advanced payments from customers and related persons equally to Baht 5.03 million, an increase of Baht 4.06 million, or representing 418.30% from 2015, from the projects of The Rich @Sathorn-Taksin, The Rich @Nana, and Rich Park @Triple Station.

Table of Details of Payments of Projects on Processing as of December 31, 2016

Project	Values of Sales (1)	Number of transferred units	Values of ownership transfer(2)		Remaining of Values of Sales (3) = (1)-(2)		Accumulated due payment (4) = (5)+(6)		Accumulated payment (5)		Accumulated over due payment (6)		Balance of the amount of undue payment (6) = (3)-(4)	
	MB	Unit	MB	% of sales values	MB	% of sales values	MB	% of sales values	MB	% of sales values	MB	% of sales values	MB	% of sales values
Le Rich @Sathupradit	826.53	370	826.53	100	-	-	-	-	-	-	-	-	-	-
Le Rich @Ratchada-Suthisan	175.00	77	175.00	100.00	-	-	-	-	-	-	-	-	-	-
Le Rich @Aree	235.00	73	235.00	100.00	-	-	-	-	-	-	-	-	-	-
Rich Park @Bangson	1,378.97	784	1361.47	98.00	-	-	-	-	-	-	-	-	-	-
Rich Park @Taopoon	1,382.55	563	1,372.62	99.28	-	-	-	-	-	-	-	-	-	-
Rich Park @Chaothraya	390.72	162	369.33	94.53	21.39	5.47	0.12	0.07	0.12	0.07	-	-	21.27	5.44
Rich Paark @Triple Station	1,908.24	-	-	-	1,908.24	100.00	48.06	26.57	45.42	27.74	2.64	15.41	1,860.18	62.24
The Rich @Sathorn-Taksin	727.68	-	-	-	727.68	100.00	84.83	46.91	74.62	45.58	10.21	59.60	642.85	21.54
The Rich Ville @Ratchaphruek	62.50	20	62.50	100.00	-	-	-	-	-	-	-	-	-	-
The Rich Biz Home @Sukhumvit 105	248.29	48	232.82	100.00	-	-	-	-	-	-	-	-	-	-
The Rich @Nana	517.61	-	-	-	517.61	100.00	47.82	26.44	43.54	26.60	4.28	24.99	469.79	15.74
<b>Total</b>	<b>7,744.97</b>	<b>2,097</b>	<b>4,579.57</b>		<b>3,165.46</b>		<b>180.83</b>		<b>163.72</b>		<b>17.13</b>		<b>2,984.63</b>	

Remark 1. The Rich @Sathorn-Taksin - R1 No ownership transfer

## Shareholders' Equity and Ratio of Return on Shareholders' Equity

As of December 31, 2014, 2015 and 2016, shareholders' equity was recorded at the amount of Baht 1,542.53 million, Baht 1,553.58 million, and Baht 1520.37 million, or representing the proportion of 69.99%, 35.38%, and 27.29% of liabilities and shareholders' equity, respectively. The increase in shareholders' equity was resulted from the increase of the Company's net profits and its capital.

As of December 31, 2015, shareholders' equity was equal to Baht 11.04 million, or representing 0.72% increasingly from 2014. This was due to the fact that the Company paid dividend to shareholders in form of cash and shares on May 29, 2015, with the ratio of Baht 0.14 per share.

As of December 31, 2016, shareholders' equity was equal to Baht 33.21 million, or representing 2.14 % , decreasingly from 2015. This was resulted from cash dividend payment to shareholders in on May 29, 2016,

### Liquidity Analysis

(Unit : Million Baht)

	2014	2015	2016
Cash flow from operating activities	(415.71)	(1,019.32)	(716.59)
Cash flow from investment activities	(150.16)	135.36	(37.39)
Cash flow from financial activities	567.72	888.71	753.91
Net increase of cash flow (decrease)	1.85	4.75	(0.07)

### Cash Flow from Operating Activities

During 2014-2016, the Company had cash flow from operating activities equal to Baht (415.71) million, Baht (1,019.32) million, and Baht (716.59) million, respectively.

In 2014, the Company had cash flow from operating activities with the amount equal to BAHT (415.71) million since the Company had invested money in new project development: Rich Park @Chaophraya project, Rich Ville @Ratchaphruek project, and Satorn-Taksin project, including land deposit at the amount of Baht 42 million and the rest was other expenditures used in normal business operations.

In 2015, the Company recorded cash flow from operating activities with the amount equal to Baht (1,019.32) million since the Company spent Baht 221.99 million for land deposit; the rest was spent for other expenditures in normal business operations.

In 2016, the Company had cash flow from operating activities with the amount of Baht (716.59) million since the Company spent such money to invest on new property project development: The Rich @Sathorn-Taksin, Rich Park @Triple Station, and land deposit at the amount of Baht 35.64 million; the rest was spent for other expenditures in normal business operation.

### Cash Flow from Investment Activities

In 2014, the Company's cash flow from investment activities was recorded at Baht (150.16) million which was used to buy equipment and revenues gained from selling IPO shares were spent in buying on temporary capital.

In 2015, the Company had cash flow from investment activities equivalent to Baht 135.37 million since the Company sold its temporary capital to invest on new project development.

In 2016, the Company had cash flow from investment activities equivalent to Baht (37.39) million since the Company sold its temporary capital to buy equipment and invest on its subsidiaries.

### Cash Flow from Financing Activities

In 2014, the Company had cash flows from financing activities at the amount of Baht 567.72 million, resulting from capital increase of Baht 687.99 million. Moreover, the Company recorded additional cash flows from loans from financial institutions at the amount of Baht 685.00 million, including some loan payments during such year.



In 2015, the Company reported cash flows from financing activities at the amount of Baht 888.71 million because the Company issued bonds worth Baht 130 million as well as issued debentures with the value of Baht 940.00 million .

In 2016, the Company reported cash flows from financing activities at the amount of Baht 753.91 million because the Company issued bonds worth Baht 620 million as well as issued debentures with the value of Baht 1,140.00 million for developing its existing projects and additional new projects in 2016.

## Ratio of Liabilities to Shareholders' Equity

In 2014, the Company recorded the ratio of liabilities to shareholders' equity at 0.43 times and the ratio of interest liabilities to shareholders' equity at 0.31 times since the Company repaid loans to financial institutions from money received from ownership transfer of condominium as well as the Company's capital increase during 2014.

In 2015, the Company had the ratio of liabilities to shareholders' equity at 1.83 times and the ratio of interest liabilities to shareholders' equity at 0.93 times, an increase of 0.62 times from the previous year because the Company issued bonds with the total amount of Baht 1, 130 million and debentures value at Baht 940 million, resulting in an increase in its liabilities and interest liabilities.

In 2016, the Company had the ratio of liabilities to shareholders' equity to 2.66 times and the ratio of interest liabilities to shareholders' equity at 1.88 times, because the Company issued bonds with the total amount of Baht 620 million and debentures value at Baht 1,140 million, resulting in an increase in its liabilities and interest liabilities.

## Audit Fee

On the fiscal year of 2013, the Company paid the audit fee to the Company's auditor; that was, Grand Thornton Company, at the amount of Baht 760,000. Besides such audit fee, the Company did not have to pay other service fees to the auditor. In addition, the Board of Directors' meeting held on February 28, 2014 had resolution to pay the audit fee for the accounting year of 2014 with the total amount of Baht 858,560 and in 2016, the Company signed the contract with Karin Audit Company Limited with the audit fee of Baht 720,000 and in 2016 the audit fee was Baht 900,000..

## Key Factors and Influences effected to the Financial Status and Business Operation in the Future

Risk factors, which effected to the performance and financial status, are continuously from economic situation, interest rate. They are impact on the demands of residence and be either positive factor which supports the business growth or negative factor that slows down the business. These factors; however, are the outcome of financial policy of the Bank of Thailand. Nevertheless, under current economic and political situation, such factors may result in lower interest rate, which supports the real estate business.

Land procurement for project is potentially caused of risk because of the difficulty on land procurement such as electric train line, government's projects or transportation convenient for urban citizen, which in turn, resulting in higher cost of real estate development and slower decision making in part of the consumers, especially in Bangkok area.

Other related factors include higher costs of business operation such as labor cost, cost of construction materials, fuel price, transportation expenditures which in turn, can affect the project delivery of contractors and the development of real estate business. Although various risk factors have a direct impact on the Company's business operation, in 2014, however, there were some supporting factors such as the decline of interest rate on money policy and in accordance with the strictly housing loan approval for good interest rate and scrutinizing customers. As a result, it might not cause on bubbles in the real estate market. Moreover, real estate entrepreneurs established the management strategy emphasizing on efficiency and planning, resulting in lower capital investment, higher competitive advantages compared with other competitors in the same industry as well as ability to meet market demands.

The Annual General Meeting of Shareholders in 2016 held on April 25, 2016 passed the resolution to issue and offer bonds, not exceed of Baht 3,000 million by authorizing the Chairman of the Board of Directors to define and change conditions and details related to the issuance and offering of each type/kind of each offering, including the power to implement any actions which were necessary and related to the issuance and offering such bonds to be complete and be complied with the laws defined.

The Annual General Meeting of Shareholders No. 1/ 2017 held on February 28, 2017 passed the resolution on dividend payment in term of cash and securities at the amount of Baht 4.97 million, Baht 0.0063 per share and stock dividend of 32.72 million shares at ratio 24 existing shares to 1 new share dividend at the par value of 1 Baht, the total amount of Baht 32.72 million. Moreover, the Meeting approved to issue the warrant no. 1 (W1) and warrant no. 2 (W2) to buy its common shares to shareholders subscribing and receiving such allocating shares according to their proportion (Right Offering), and excess right at the number of 314.16 unit at the ratio of one new common share per 2 units of warrant by classify the warrants into RICHY - W1 and RICHY - W2 without charges. In addition, the approval of increase on the registered capital at the amount of Baht 503.97 million with par value of 1 Baht was done. Therefore, the registered capital was changed from Baht 785.40 million to Baht 1,289.36 million with the par value of 1 Baht and amendment of Memorandum of Association, Clause 4, was approved in compliance with the increase of registered capital of the Company.

# Independent Auditor's Report

To the Shareholders of Richy Place 2002 Public Company Limited

## Opinion

I have audited the financial statements of Richy Place 2002 Public Company Limited and its subsidiary, which comprise the consolidated and separate statements of financial position and as at December 31, 2016, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Richy Place 2002 Public Company Limited and its subsidiary and Richy Place 2002 Public Company Limited as at December 31, 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Consideration of allowance for doubtful belong to deposit receivable for WORA's project and estimate obligation of lawsuit

The Company has deposit of the purchase and sales agreement with non - related company since 2015, then the Company has cancelled the contract and filed a lawsuit against the seller in relation to refund the deposit with interest rate 7.50% per annum and the seller has against to Civil Court, the seller claim that they followed by the contract they did not breach agreement, once the buyer breach agreement the seller can cancel the contract and keep all the deposit that buyer provided

And the seller has not to refund amends by buyer's request. Furthermore seller has filed a lawsuit against for the amends from buyer that buyer breach the agreement amount of Baht 144.20 million with interest rate 7.50% per annum. The Company has not estimated obligated that might occur from this case in the financial statement. Currently the case is under consideration at court. The consideration of allowance for doubtful of this deposit and the estimation obligation might occur if the Company loses the lawsuit will have significant for auditing. Because amount of deposit account as December 31, 2016, is of Baht 145 million that have a significant with financial statement, was calculated to 2.78 % of total assets that not sure that the Company would receive back and not sure about the damage that may happen from this case. The method of my auditing including consideration financial position and the expect amount will be received from seller for that deposit; require the lawyer confirmation's opinion, and lawyer consultation of audit firm.

**Cost of property developing for sale and allowance for decreasing of inventory valuation**

The consideration of property developing cost is the significant judgmental which effects to inventory valuation in statement of financial position and gain recognition when occur the sale transactions. Moreover, the net realizable value of inventory requires management to make subjective judgement and estimates. It's the significant to auditing because of as at December 31, 2016, inventory amounting to Baht of 4,865.67 million, by 93.32 % of total assets, so I focused on this area.

The audit procedure are included test of transaction cost increasing by check with accounting evident such as invoices, interest capitalized, evaluate and test sale pricing and discount, subsequence sale and discount, and also site survey to ensured that inventory physical are not abandoned and continuing construction.

## **Other**

The financial statements of Richy Place 2002 Public Company Limited, which comprise statements of financial position and as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2015, which have been presented herewith for comparative purposes were audited by another auditor in my firm, whose report dated on February 29, 2016 expressed an unqualified opinion.

## **Other Information**

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Kannika Wipanurat

(Ms. Kannika Wipanurat)

Certified Public Accountant (Thailand) No. 7305

Karin Audit Company Limited

February 28, 2017



# Statements of Financial Position

Richy Place 2002 Public Company Limited

At as 31 December 2016

		(Unit : Baht)		
		Consolidated	Separate	
		financial statements	financial statements	
Notes		31 December 2016	31 December 2016	31 December 2015
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	5	18,036,045	17,776,045	18,100,118
Temporary investments - net	6	-	-	921,993
Account Receivable - Subsidiary	21	-	338,640,943	-
Account receivable - net	7	528,769	528,769	3,783,991
Accounts receivable,refundable deposit - net	8	145,000,000	145,000,000	149,000,000
Costs of property development for sale - net	9	4,865,672,929	4,530,370,194	4,083,460,353
Prepaid construction costs		125,528,594	125,472,349	94,275,131
Advances for material purchases		5,435,932	4,901,423	898,901
Deposits for land purchases	10	35,644,000	35,644,000	-
Other current assets		18,308,403	18,308,403	9,793,164
<b>Total Current Assets</b>		<b>5,214,154,672</b>	<b>5,216,642,126</b>	<b>4,360,233,651</b>
<b>NON CURRENT ASSETS</b>				
Restricted deposits with banks	11	5,174,992	5,174,992	5,086,625
Investments in subsidiaries	12	-	249,925	-
Investment property - net	13	6,665,665	6,665,665	4,412,494
Equipment - net	14	40,889,649	38,346,223	9,472,236
Intangible asset - net	15	1,419,148	1,419,148	2,103,489
Unused asset of operation	9	283,662,912	283,662,912	-
Deferred income tax assets	16	17,576,936	17,576,936	9,859,218
Other non current assets		768,636	678,636	363,890
<b>Total Non Current Assets</b>		<b>356,157,938</b>	<b>353,774,437</b>	<b>31,297,952</b>
<b>TOTAL ASSETS</b>		<b>5,570,312,610</b>	<b>5,570,416,563</b>	<b>4,391,531,603</b>

The accompanying notes from an integral part of these financial statements.

## Statements of Financial Position (Cont.)

Richy Place 2002 Public Company Limited

At as 31 December 2016

		(Unit : Baht)		
		Consolidated	Separate	
		financial statements	financial statements	
Notes		31 December 2016	31 December 2016	31 December 2015
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdraft	17	1,403,611	1,403,611	9,958,865
Bills of exchange	18	620,000,000	620,000,000	1,129,756,500
Accounts payable for construction		208,075,091	208,075,091	31,044,918
Other payables		11,057,044	11,057,044	70,667,088
Short-term loans from related companies	21	10,000,000	10,000,000	-
Long term - Debentures maturing within 1 year	20	540,000,000	540,000,000	-
Loan from financial institutions	19	1,719,932,727	1,719,932,727	511,407,618
Advances received from customers - general customers		229,401,705	229,401,705	62,291,556
Advances received from customers - related parties	21	5,031,653	5,031,653	970,800
Accrued expenses		20,851,937	20,799,902	26,672,963
Accrued income tax		1,532,897	1,532,897	4,117,584
Retentions payable		69,156,952	69,070,789	43,357,317
Other current liabilities		9,969,311	9,719,311	3,780,234
<b>Total Current Liabilities</b>		<b>3,446,412,928</b>	<b>3,446,024,730</b>	<b>1,894,025,443</b>
<b>NON CURRENT LIABILITIES</b>				
Debentures	20	600,000,000	600,000,000	940,000,000
Employee benefits obligation	22	3,533,659	3,533,659	3,928,707
<b>Total Non Current Liabilities</b>		<b>603,533,659</b>	<b>603,533,659</b>	<b>943,928,707</b>
<b>TOTAL LIABILITIES</b>		<b>4,049,946,587</b>	<b>4,049,558,389</b>	<b>2,837,954,150</b>

The accompanying notes from an integral part of these financial statements.

# Statements of Financial Position (Cont.)

Richy Place 2002 Public Company Limited

At as 31 December 2016

(Unit : Baht)			
	Notes	Consolidated	Separate
		financial statements	financial statements
		31 December 2016	31 December 2016
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital - common shares at Baht 1 par value			
Registered - 985,400,000 shares in year 2015 and			985,400,000
Registered - 785,399,982 shares in year 2016		785,399,982	785,399,982
Issued and fully paid - up - 785,399,982 shares		785,399,982	785,399,982
Premium on share capital		476,302,298	476,302,298
Retained earnings			
- Appropriated legal reserve		39,566,000	39,566,000
- Unappropriated		218,368,015	218,797,166
Other components of shareholders'equity		729,728	-
<b>Total Shareholders' equity</b>		<b>1,520,366,023</b>	<b>1,520,795,174</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,570,312,610</b>	<b>5,570,353,563</b>
			<b>4,391,531,603</b>

The accompanying notes from an integral part of these financial statements.

# Statements of Comprehensive Income

Richy Place 2002 Public Company Limited

For the years ended 31 December 2016

(Unit : Baht)			
Notes	Consolidated	Separate	
	financial statements	financial statements	
	2016	2016	2015
Revenues from sales of property	553,179,725	553,179,724	507,481,056
Costs of property sold	(359,043,349)	(359,043,348)	(337,474,557)
<b>Gross profit</b>	<b>194,136,376</b>	<b>194,136,376</b>	<b>170,006,499</b>
Interest income	75,540	75,540	96,068
Other income	14,986,137	14,986,137	6,336,664
<b>Profit before expenses</b>	<b>209,198,053</b>	<b>209,198,053</b>	<b>176,439,231</b>
Selling expenses	(129,037,202)	(128,905,730)	(72,698,475)
Administrative expenses	(40,343,407)	(40,045,728)	(51,343,073)
<b>Total Expenses</b>	<b>(169,380,609)</b>	<b>(168,951,458)</b>	<b>(124,041,548)</b>
<b>Profit before financial cost and income tax</b>	<b>39,817,444</b>	<b>40,246,595</b>	<b>52,397,683</b>
Financial costs	(24,064,416)	(24,064,416)	(4,384,434)
<b>Profit before income tax</b>	<b>15,753,028</b>	<b>16,182,179</b>	<b>48,013,249</b>
Income tax	16 (6,497,186)	(6,497,186)	(8,408,395)
<b>Profit for the years</b>	<b>9,255,842</b>	<b>9,684,993</b>	<b>39,604,854</b>
<b>OTHER COMPERHENSIVE INCOME :-</b>			
<b>Item that will never be reclassified to profit or loss</b>			
Profit from actuarial estimates.			
For employee benefit plans - net taxes	729,728	729,728	-
<b>TOTAL OTHER COMPERHENSIVE INCOME FOR THE YEAR</b>	<b>729,728</b>	<b>729,728</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR.</b>	<b>9,985,570</b>	<b>10,414,721</b>	<b>39,604,854</b>
<b>Basic earnings per share</b>			
Income (unit : Baht)	0.01	0.01	0.05
Weighted average number of common share (unit : shares)	785,399,982	785,399,982	785,399,982

The accompanying notes from an integral part of these financial statements.

## Statements of Changes in Shareholders' Equity

Richy Place 2002 Public Company Limited

For the years ended 31 December 2016

		Consolidated financial statements						(Unit : Baht)	
		Retained Earnings			Other components of shareholders' equity				
		Issued and		Premium on	Appropriated	Unappropriated	Unrealized gain (loss) For employee benefit plans.	Total other components of shareholders' equity	Total Shareholders' equity
Notes	Share Capital	Paid-up Share Capital	Share Capital						
<b>Balance as at 1 January 2016</b>	785,399,982		476,302,298	39,081,000	252,794,173	-	-	-	1,553,577,453
Appropriation for legal reserve	-	-	-	485,000	(485,000)	-	-	-	-
Dividends	-	-	-	-	(43,197,000)	-	-	-	(43,197,000)
Comprehensive income for the year	-	-	-	-	9,255,842	729,728	729,728	729,728	9,985,570
<b>Balance as at 31 December 2016</b>	<b>785,399,982</b>		<b>476,302,298</b>	<b>39,566,000</b>	<b>218,368,015</b>	<b>729,728</b>	<b>729,728</b>	<b>729,728</b>	<b>1,520,366,023</b>

The accompanying notes form an integral part of these financial statements.

# Statements of Changes in Shareholders' Equity

Richy Place 2002 Public Company Limited

For the years ended 31 December 2016

		Separate financial statements						(Unit : Baht)
	Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Retained Earnings		Other components of shareholders' equity		
				Appropriated for legal reserve	Unappropriated	Unrealized gain (loss) For employee benefit plans.	Total other components of shareholders' equity	Total Shareholders' equity
<b>Balance as at 1 January 2015</b>		714,000,000	476,302,298	37,000,000	315,230,319	-	-	1,542,532,617
Increase in ordinary shares	23	71,399,982	-	-	-	-	-	71,399,982
Dividend		-	-	-	(99,960,000)	-	-	(99,960,000)
Appropriated for legal reserve		-	-	2,081,000	(2,081,000)	-	-	-
Comprehensive income for the year		-	-	-	39,604,854	-	-	39,604,854
<b>Balance as at 31 December 2015</b>		785,399,982	476,302,298	39,081,000	252,794,173	-	-	1,553,577,453
<b>Balance as at 1 January 2016</b>		785,399,982	476,302,298	39,081,000	252,794,173	-	-	1,553,577,453
Dividend	24	-	-	-	(43,197,000)	-	-	(43,197,000)
Appropriation for legal reserve		-	-	485,000	(485,000)	-	-	-
Comprehensive income for the year		-	-	-	9,684,993	729,728	729,728	10,414,721
<b>Balance as at 31 December 2016</b>		785,399,982	476,302,298	39,566,000	218,797,166	729,728	729,728	1,520,795,174

The accompanying notes form an integral part of these financial statements.

# Statements of Cash Flows

Richy Place 2002 Public Company Limited

For the years ended 31 December 2016

(Unit : Baht)			
	Notes	Consolidated	Separate
		financial statements	financial statements
		2016	2015
<b>Cash flows from operating activities</b>			
Income before income tax		15,753,028	16,182,179
<b>Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:</b>			
Depreciation and amortisation		5,560,306	5,560,306
Profit (loss ) on disposal of fixed assets		(298)	(298)
Unrealized gain on change in value of temporary investment		2,108	(2,648)
Realized gain on change in value of temporary investment		(231,192)	(1,562,171)
Provision for employee benefits obligation		334,680	698,830
Interest income		(75,540)	(96,068)
Interest expense		24,064,416	4,384,434
<b>Income from operations before changes in operating assets and liabilities</b>		45,407,508	56,987,098
<b>Decrease (increase) in operating assets:</b>			
Account Receivable - Subsidiary		-	(338,640,943)
Account receivable		3,255,222	(3,783,991)
Account receivable - deposit for purchase agreement		4,000,000	(149,000,000)
Cost of property development for sales		(985,788,905)	(1,016,484,016)
Prepaid construction costs		(31,253,463)	4,095,498
Advances for purchases of construction materials		(4,537,031)	2,228,360
Deposits for land purchases and condominium		(35,644,000)	42,000,000
Other current assets		(7,488,167)	(2,716,257)
Other non - current assets		(404,745)	(99,500)
<b>Increase (decrease) in operating liabilities:</b>			
Accounts payable		117,472,164	80,192,605
Advances received from customers		171,171,002	6,360,976
Accrued expenses		(6,916,043)	(12,111,663)
Retentions payable		25,799,635	(8,415,589)
Other current liabilities		6,189,077	3,449,701
<b>Net cash provided from (used in) operating</b>		(698,737,746)	(997,296,778)
Income tax payment		(17,848,071)	(22,026,864)
<b>Net cash provided from (used in) operating activities</b>		(716,585,817)	(1,019,323,642)

The accompanying notes from an integral part of these financial statements.



## Statements of Cash Flows (Cont.)

Richy Place 2002 Public Company Limited

For the years ended 31 December 2016

		(Unit : Baht)		
		Consolidated	Separate	
		financial statements	financial statements	
	Notes	2016	2016	2015
Cash flows from investing activities:				
		(88,367)	(88,367)	(86,625)
		-	(249,925)	-
		(233,300,000)	(233,300,000)	(1,029,000,000)
		234,451,077	234,451,077	1,168,153,869
		(2,253,171)	(2,253,171)	(116,844)
		(36,010,334)	(33,466,906)	(1,207,191)
		(284,748)	(284,748)	(2,469,367)
		2,000	2,000	-
		96,948	96,948	96,068
Net cash provided from (used in) investing activities		(37,386,595)	(35,093,092)	135,369,910
Cash flows from financing activities				
		(103,108,016)	(133,409,261)	(101,319,347)
		(8,555,254)	(8,555,254)	9,958,865
		(509,756,500)	(509,756,500)	30,000,000
		10,000,000	10,000,000	-
		200,000,000	200,000,000	940,000,000
		1,938,684,070	1,938,684,070	410,866,734.00
		(730,158,961)	(730,158,961)	(372,237,430)
		(43,197,000)	(43,197,000)	(28,560,018)
Net cash provided from (used in) financing activities		753,908,339	723,607,094	888,708,804
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(64,073)	(324,073)	4,755,072
CASH AND CASH EQUIVALENTS AT BEGINING OF THE YEARS	5	18,100,118	18,100,118	13,315,046
CASH AND CASH EQUIVALENTS AT END OF THE YEARS	5	18,036,045	17,776,045	18,070,118

### Additional disclosure of cash flow information :

- 1) In year 2016, the Company capitalized interest expense as a part of cost of inventory amounting Baht 111.74 million
- 2) Account recieveable - relate parties and Account payable - bills of exchange amount Baht 270 million is as a result of the purchase lands of its subsidiary
- 3) During 2016, The Company has classified the land that not development because the project was stopped with amount of Baht 283.66 Million.

The accompanying notes from an integral part of these financial statements.

# Noted to Financial Statements

Richy Place 2002 Public Company Limited

31 December 2016

## 1. GENERAL INFORMATION

1.1 The Company was incorporated as a limited company under The Civil and Commercial Code of Thailand on 18

November 2002 in the name of Richy Place 2002 Company Limited. The Company changed its status to a public company and registered the change of its name to “Richy Place 2002 Public Company Limited” on 27 September 2013. The Company is engaged in the development and sale of property and condominiums. The Company’s registered office is located at 7th Floor ,667/15 Ataboon Building., Charansanitwong Rd., Bangkoknoi, Bangkok.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENT

### 2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis (except where otherwise disclosed in the accounting policies).

### 2.3 Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded to the nearest thousand or million unless otherwise stated.

### 2.4 Significant accounting judgment and estimates

The preparation of financial statements in conformity with TFRS at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows:

#### *Deferred tax asset*

The company and subsidiaries recognize deferred tax asset when it is probable that future taxable profits will be available against which the temporary differences can be utilized. On which deferred tax assets have not been recognized as the Company's management considers that there is uncertainty whether the Company will have sufficient future taxable income to utilize such items and/or they might not be used to offset taxable income in the future.

#### *Post - employment benefits obligations*

The Company's obligations in respect of post-employment benefits are performed by an independent actuary using the projected unit credit method. The important actuarial assumptions are discount rate, long-term salary increase rate, mortality rates, and turnover rates.

#### *Provision and contingent liabilities*

The company and subsidiaries has contingent liabilities from legal lawsuit. The management considers that the company and subsidiaries do not have material liabilities thus there is no provision has been recorded in the financial statements.

### 3. PRINCIPLES OF CONSOLIDATION PREPARATION

The financial statement has been prepared on a historical cost basis, except as otherwise disclosed specifically.

#### 3.1 The consolidated financial statements include the financial statements of Richy Place 2002 Public Company

Limited and its subsidiary as follows:

Name of Companies	Type of business	(Unit : Baht)		Percentage of direct and indirect holdings (%)	
		Paid-up share capital			
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Richy Development 2016 Co., Ltd	Property development for sale	250,000	-	99.97	-

The Board of Directors meeting No. 5, 2016 held on December 13, 2016, has approved the Company and subsidiary by share capital of Baht 1 million with the objective of property development the Company had already paid for the first paid-up shares in the amount of Baht 0.25 million on December 15, 2016, the date of incorporation.

#### 3.2 The consolidated financial statements include only subsidiary which are controlled by Richy Place 2002 Public Company Limited. Significant inter-transactions and balances have been eliminated.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 New financial reporting standards

*(a) Financial reporting standards that became effective in the current year*

During the year, the Group have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

*(b) Financial reporting standards that will become effective in the future*

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Group believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarized below.

*TAS 27 (revised 2016) Separate Financial Statements*

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

## 4.2 Basis of Consolidation

The consolidated financial statements relate to the Company and its subsidiaries.

### *Subsidiaries*

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. If subsidiaries of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to their financial statements in preparing the consolidated financial statements.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any revenue and expense, are eliminated in full in preparing the consolidated financial statements.

## 4.3 Revenues and Expense recognition

Revenues from sales of land and houses and condominium units are recognized when the construction is completed and the ownership is respectively transferred to the buyers.

Other income and expenses are recognized on an accrual basis.

## 4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## 4.5 Current investments

Investments in trading securities are stated at fair value. Changes in fair value of these securities are recorded as gains or losses in the statements of comprehensive income.

## 4.6 Costs of property development

Costs of property development are presented at costs or net realizable value whichever is lower. Costs of property development included land cost, construction costs and expenses directly related to the development projects, including interest expense incurred from financing loan interest. These will be amortized to costs of sales based on the percentage of space sold of each project.

#### 4.7 Borrowing costs

Interest expense incurred from loans to finance the acquisition and the development of the project is capitalized as cost of each project. The Company will cease the capitalization of interest when the project is completed or suspended until the further development is resumed.

#### 4.8 Land held for development

Land held for development consists of the cost of land and other related expenses for the acquisition of land based on the actual cost incurred. The value is presented at cost less allowance for impairment (if any).

#### 4.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

#### 4.10 Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

#### 4.11 Equipment

Equipment is stated at costs less accumulated depreciation and allowance for impairment of assets (if any). Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use.

The Company depreciates equipment by the straight - line method over their estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimate useful lives of the assets are as follows :

Building improvement	5	years
Office equipment	5	years
Computer equipment	3	years
Sale Office	2.5 - 3	years
Vehicle	5	years

Expenditures for addition, renewal and betterment are capitalized. Repair and maintenance costs are recognized as expenses when incur.

#### 4.12 Intangible assets

Intangible assets (Software) are stated at cost less accumulated amortization. Amortization of intangible assets is calculated by reference to their costs on a straight-line basis over the estimated useful lives of 3 years.

#### 4.13 Impairment

The Company reviewed the estimated value of assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment loss is determined, if the book value of an asset exceeds its recoverable amount, and recognized in the statement of income.

#### 4.14 Operating Lease

Lease of asset which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payment under an operating lease is recognized as an expense on a systematic basis over the lease period.

#### 4.15 Employee benefits

##### *Short-term employment benefits*

Salaries, wages, bonuses, contribution to the social security and provident fund, are recognised as expenses when incurred on the accrual basis.

##### *Post-employment benefits (Defined benefit plan)*

The Company has obligations in respect of the severance payment it must make to employee upon retirement under the labour law. The obligations under the defined benefits plan are determined by actuary, using the projected unit credit method.

Actuarial gains or losses for the computation of post-employee benefits are presented in other comprehensive income.

#### 4.16 Income tax

The income tax expense for the year comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

##### *Current income tax*

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of earlier years.



#### *Deferred income tax*

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts corresponding items used for income tax computation purpose. Deferred income tax is measured at the tax rate that are expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

#### 4.17 Segment reporting

Segment results that are reported to the executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 4.18 Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

#### 4.19 Basic earnings per share

Basic earnings per share are determined by dividing the income for the year by the weighted average number of ordinary shares outstanding during the year.

#### 4.20 Use of accounting estimates

The preparation of the financial statements requires management to make estimates and assumption that affect the reporting amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The actual result may differ from those estimates.

#### 4.21 Provisions for liabilities and expenses and contingent assets

Provisions are recognized in the financial statements when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

-Critical accounting estimates, assumption judgments and risk management of capital.

*Critical accounting estimates, assumption judgments and risk management of capital.*

*Allowance for declining values of houses and condominium units and land held for development.*

The Company and its subsidiaries treat cost of property development projects and land held for development as diminution when the management judges that there have been significant or prolonged declines in the fair value below cost. The management determines the devaluation of such cost of property development projects and land held for development based on net realizable value. The determination of what is “significant” and such devaluation requires the management to exercise judgment.

*Equipment and intangible assets*

In determining depreciation and amortisation of equipment and intangible assets, the management is required to make estimates of the useful lives and salvage values of its equipment and intangible assets and to review estimated useful lives and salvage values when there is an indication of change.

*Impairment of assets*

The Company and its subsidiaries consider allowances for impairment of assets when there is an indication that an asset may be impaired. When there has been a significant decline in the fair values of assets, the management will determine the estimated recoverable amount.

*Leases*

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment as to whether significant risk and reward of ownership of the leased asset have been transferred, taking into consideration the term and condition of the arrangement.

*Post-employment benefits under defined benefit plans*

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality table for the country. Actual post-retirement costs may ultimately differ from these estimates.

*Fair value estimation*

The Group estimates fair value for available for sale investments, investment property and long-term borrowings from financial institutions. The different levels of fair value estimation have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group disclose the method for assessment the fair value of above detail in the relate note.

#### *Contribution to Housing Estate Juristic Persons Fund*

The Company and its subsidiaries have estimates the contribution to Housing Estate Juristic Persons Fund using the rate specified by the regulator and the budgeted public utilities costs as a basis for the calculation.

#### *Litigation*

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has exercised judgment to assess the results of the litigation and recorded certain provision as at the end of reporting period. However, actual results could differ from the estimates.

#### *Deferred tax assets*

Deferred tax assets are recognized based on an assessment of the probability of future taxable income against which the deductible temporary differences can be utilized. In addition, management's judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

#### 4.22 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debts.

### 5. CASH AND CASH EQUIVALENTS

	(Unit : Baht)		
	Consolidated	Separate	
	31 December 2016	31 December 2016	31 December 2015
Cash	601,827	601,752	595,925
Cash at banks			
- Saving account	-	-	-
- Current account	17,434,218	17,174,293	17,504,193
Total	18,036,045	17,776,045	18,100,118

Deposit at bank - saving bears interest at floating interest rates which are set by banks.

6. TEMPORARY INVESTMENTS - NET

	(Unit : Baht)		
	Consolidated	Separate	
	31 December 2016	31 December 2016	31 December 2015
Temporary investments	-	-	921,993
Investments in trading securities consisted of :			
Investments in equity			
Cost	-	-	919,345
Market price	-	-	921,993
Unrealized gain on change in value	-	-	2,648

Trading securities investments are open-ended funds. As at December 31, 2016 and 2015 they are carried at fair value at quoted prices in active markets for identical assets which were Level 1.

7. ACCOUNT RECEIVABLE AND NOTES RECEIVABLE

	(Unit : Baht)		
	Consolidated	Separate	
	31 December 2016	31 December 2016	31 December 2015
<b>Account receivables and Notes receivables</b>			
Check Advance	528,769	528,769	3,783,991
<b>Total</b>	<b>528,769</b>	<b>528,769</b>	<b>3,783,991</b>

#### 8. ACCOUNTS RECEIVABLE, REFUNDABLE DEPOSIT-NET

As the Board of Directors meeting held on July 28, 2015 the Board of Directors approved the purchase "WORA" condominium at Sukhumvit Road 49 from Woraluk Property Public Company Limited worth 945 million baht, the price is reasonable. According to an appraisal by Agency for Real Estate Affairs Co., Ltd. independent appraiser approved by the SEC, which has assessed the property is worth 1,131 million baht or 83.55 percent of the appraised value. And the acquisition of such projects is beneficial to the company. Can enhance the operations of the Company in the future. The company paid at the amount of 145 million baht on July 29, 2015 and amount of 650 million baht on the date of transfer (within September 28, 2015) and 150 million baht on the date of transfer of ownership by the Aval dated January 29, 2016. The Company did not transfer ownership and common property from the seller which due on September 25, 2015, due to seller breach the agreement.

Subsequently, on 31 March, 2016 the Company filed a lawsuit against the seller in relation to refund the purchasing deposit for claim of Baht 145 million plus interest at a rate of 7.5% per annum since 6 October 2015, and a plaintiff for damages from deposit payment of Baht 145 million and other damages of 8.87 million. In addition the Company submitted the injunction to the court to order land department to suspense seller to re-sell WORA condominium of 109 rooms which is equivalent to the claims, or order the seller to submit letter of guarantee to the court, or other judgement by the court.

On May 25, 2016 the seller submitted petition to the court to reject the injunction to order land department to suspense seller to re-sell WORA condominium of 109 rooms, due to seller did not breach the agreement, and buyer did not file the lawsuit against the seller to transfer the property, and due to buyer filed the lawsuit to claim an indemnity regardless of the ownership of the property, thus the 109 rooms of WORA project should not be suspense.

On May 30, 2016 the seller submitted the deposition and made a counter charge to the Civil court that seller did not breach the agreement however buyer breach the agreement therefore seller has right to terminate the purchasing agreement and seize the purchasing deposit, and there is no claim liability to buyer. In addition seller made a counter charge to the Civil court to claim damage from buyer, totaling of Baht 144.2 million plus interest at a rate of 7.5% per annum from the filing date until buyer paid the claim.

On October 17, 2016 the court investigated the injunction and found that the seller sold the land and construction, then the company withdrawn the lawsuit. The Court fixes the day for settlement of issues on 29-31 March, 2017, and 4, 5, and 7 April, 2017.

However, the management and their legal counselor believe that the Company will be refunded full amount purchasing deposit and claims, and no damages payment to the seller's counter charge therefore the company did not record and provision for deposit loss.

9. COSTS OF PROPERTY DEVELOPMENT – NET

	(Unit : Baht)		
	Consolidated	Separate	
	31 December 2016	31 December 2016	31 December 2015
Work in process	3,563,895,341	3,229,877,839	2,653,001,449
Capitalized borrowing costs	208,670,972	207,322,739	96,934,913
Finished goods	1,093,106,616	1,093,106,616	1,333,523,991
Costs of property development - net	4,865,672,929	4,530,307,194	4,083,460,353

Changes in property development costs during the year ended 31 December 2016 and 2015 as follows:

	(Unit : Baht)	
	Consolidated	Separate
Balance as at 31 December 2015	4,083,460,353	4,083,460,353
<u>Add</u> Costs of construction	1,420,826,196	1,085,460,461
<u>Less</u> Costs of sales	(354,950,708)	(354,950,708)
Classify to unused asset of operation	(283,662,912)	(283,662,912)
Balance as at 31 December 2016	4,865,672,929	4,503,307,194

Company and its subsidiaries have brought the land with property to mortgage for overdraft (Note17) Long-term loans from bank (Note19) and bank guarantee (Note31).

As 2016, company and its subsidiaries have recorded cost of loans to 111.74 million baht (Separate financial statement of 2015: 96.93 million baht) to be a cost of the real estate development.

The projects of the Company are as follow:

	Consolidated	Separate	
	December 31, 2016	December 31, 2016	December 31, 2015
Number of projects on hand at beginning of periods	9	9	7
Number of the new projects	2	1	2
Number of the end projects	-	-	-
Number of projects on hand at ending of periods	11	10	9
Amount of sale contracts (Million Baht)	7,947.88	7,947.88	4,930.22
Percentage of amounts of sale contracts per projects on hand	47.31%	51.92%	32.91%

#### 10. DEPOSITS FOR LAND

(Unit : Baht)

	Consolidated	Separate	
	31 December 2016	31 December 2016	31 December 2015
Deposits for land	35,644,000	35,644,000	-
Total	35,644,000	35,644,000	-

Deposits for land amount of Baht 35.65 million, its paid to buy the land for the projects of townhome development. The company defined for transferring of ownership when paid in full amount.

#### 11. RESTRICTED DEPOSITS WITH BANK

The consolidated and separate financial statement as at 31 December 2016 the Company has fixed deposits with a local bank totaling Baht 5.17 million and 5.17 million, respectively (Separate financial statement as at 31 December 2015 : Baht 5.09 million) are restricted for usage as they have been pledged as collaterals for bank overdraft.

#### 12. INVESTMENT IN SUBSIDIARIES

(Unit : Baht)

		Percentage of Direct and Indirect Holdings (%)		Separate			
				At Cost		Dividend	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Richy Development 2016 Co., Ltd.	Real estate development for sale	99.97	-	249,925	-	-	-
Total Investment In Subsidiaries				249,925	-	-	-

#### 13. INVESTMENT IN PROPERTY-NET

The consolidated and separate financial statement as at 31 December 2016 and 2015 Investment in property amounting to Baht 6.67 million and 4.41 million respectively, is for the land for construction of club house which is under construction. This will be for rent to generate rental income in the future.



#### 14. EQUIPMENT – NET

(Unit : Baht)

	Consolidated					
	Building improvement	Office equipment	Computer equipment	Sales office	Vehicle	Total
<u>At Cost</u>						
Balance as at December 31, 2015	3,099,170	8,846,817	1,697,163	5,254,547	5,000	18,902,697
Additions	-	5,680,916	373,683	29,955,733	-	36,010,332
Transfer in / Transfer out	-	-	-	-	(5,000)	(5,000)
Balance as at December 31, 2016	<u>3,099,170</u>	<u>14,527,733</u>	<u>2,070,846</u>	<u>35,210,280</u>	<u>-</u>	<u>54,908,029</u>
<u>Accumulated depreciation</u>						
Balance as at December 31, 2015	1,158,438	4,625,871	1,068,372	2,574,731	3,049	9,430,461
Depreciation for the year	619,835	1,856,016	376,776	1,738,342	249	4,591,217
Depreciation for the assets disposed / transferred	-	-	-	-	(3,298)	(3,298)
Balance as at December 31, 2016	<u>1,778,273</u>	<u>6,481,886</u>	<u>1,445,148</u>	<u>4,313,073</u>	<u>-</u>	<u>14,018,380</u>
<u>Net book value</u>						
As at December 31, 2016	<u>1,320,897</u>	<u>8,045,847</u>	<u>625,698</u>	<u>30,897,207</u>	<u>-</u>	<u>40,889,649</u>
<u>Depreciations included in the statement of comprehensive income for the</u>						
As at December 31, 2016						<u>4,591,217</u>
<u>Fully depreciated assets</u>						
As at December 31, 2016						<u>2,939,908</u>

(Unit : Baht)

	Separate					
	Building improvement	Office equipment	Computer equipment	Sales office	Vehicle	Total
<u>At Cost</u>						
Balance as at December 31, 2014	3,215,058	9,104,778	1,858,903	8,163,723	5,000	22,347,462
Additions	46,803	423,309	56,276	979,555	-	1,505,943
Disposal	(8,403)	(602,125)	(169,872)	(3,888,731)	-	(4,669,131)
Transfer in / Transfer out	(154,288)	(79,145)	(48,144)	-	-	(281,577)
Balance as at December 31, 2015	3,099,170	8,846,817	1,697,163	5,254,547	5,000	18,902,697
Additions	-	5,680,916	373,683	27,412,307	-	33,466,906
Transfer in / Transfer out	-	-	-	-	(5,000)	(5,000)
Balance as at December 31, 2016	3,099,170	14,527,733	2,070,846	32,666,854	-	52,364,603
<u>Accumulated depreciation</u>						
Balance as at December 31, 2014	562,443	3,648,732	1,005,105	4,210,324	2,049	9,428,653
Depreciation for the year	634,934	1,582,085	281,262	2,170,168	1,000	4,669,449
Depreciation for the assets disposed	(38,939)	(604,946)	(217,995)	(3,805,761)	-	(4,667,641)
Balance as at December 31, 2015	1,158,438	4,625,871	1,068,372	2,574,731	3,049	9,430,461
Depreciation for the year	619,835	1,856,015	376,776	1,738,342	249	4,591,217
Depreciation for the assets disposed	-	-	-	-	(3,298)	(3,298)
Balance as at December 31, 2016	1,778,273	6,481,886	1,445,148	4,313,073	-	14,018,380
<u>Net book value</u>						
As at December 31, 2015	1,940,732	4,220,946	628,791	2,679,816	1,951	9,472,236
As at December 31, 2016	1,320,897	8,045,847	625,698	28,353,781	-	38,346,223
<u>Depreciations included in the statement of comprehensive</u>						
As at December 31, 2015						4,669,449
As at December 31, 2016						4,591,217
<u>Fully depreciated assets</u>						
As at December 31, 2015						1,866,967
As at December 31, 2016						2,939,908

15. INTANGIBLE ASSET – NET

	(Unit : Baht)
	Consolidated /Separate
	Computer software
<u>Cost :</u>	
Balance as of January 1, 2015	1,445,677
Increase / Transfer in	2,469,367
Sale / Transfer out	-
Balance as of December 31, 2015	3,915,044
Increase / Transfer in	284,748
Sale / Transfer out	-
Balance as of December 31, 2016	4,199,792
<u>Accumulated Amortization :</u>	
Balance as of January 1, 2015	913,847
Amortization charge	897,708
Write off / Transfer out	-
Balance as of December 31, 2015	1,811,555
Amortization charge	969,089
Write off / Transfer out	-
Balance as of December 31, 2016	2,780,644
<u>Book value</u>	
Balance as of December 31, 2015	2,103,489
Balance as of December 31, 2016	1,419,148
<u>Amortization expense included in the statements of comprehensive income for the years:-</u>	
Balance as of December 31, 2015	897,708
Balance as of December 31, 2016	969,089

## 16. DEFERRED EXPENSE

Deferred tax asset as at 31 December 2016 and 2015 are as follows:

	(Unit : Baht)	
	Consolidated / Separate	
	31 December 2016	31 December 2015
Deferred income tax asset	17,576,936	9,859,218

The movements in deferred tax asset as at 31 December 2015 are as follows:

	(Unit : Baht)			
	Consolidated/ Separate			
	Recognised as income (expense)			
	1 January	Statement of	Shareholders'	31 December
	2015	income	equity	2015
<b>Deferred income tax asset:</b>				
Aadvances received from customers	7,658,329	778,215	-	8,436,544
From employee benefits obligation	645,975	776,699	-	1,422,674
Total	8,304,304	1,554,914	-	9,859,218

The movements in deferred tax asset as at 31 December 2016 are as follows:

	(Unit : Baht)			
	Consolidated/ Separate			
	Recognised as income (expense)			
	1 January	Statement of	Shareholders'	31 December
	2016	income	equity	2016
<b>Deferred income tax asset:</b>				
Aadvances received from customers	8,436,544	8,433,660	-	16,870,204
From employee benefits obligation	1,422,674	(715,942)	-	706,732
Total	9,859,218	7,717,718	-	17,576,936

Income tax recognized in the statement of income for the year ended 31 December 2016 and 2015 are as follows:

	(Unit : Baht)	
	Consolidated/ Separate	
	For the years ended	
	31 December	
	2016	2015
Current income tax	14,214,904	9,963,307
Deferred tax from temporary differences	(7,717,718)	(1,554,912)
Total	6,497,186	8,408,395

#### 17. BANK OVERDRAFT

The consolidated and separate financial statement as at 31 December 2016, the Company has bank overdraft facility with a bank for Baht 22 million and Baht 12 million. (Separate financial statement as at 31 December 2016: Baht 12 million) These bear interest at the rate MOR and MRR, respectively, and are collateralized by land and constructions and by fixed deposit.

#### 18. ACCOUNT PAYABLE – PROMISSORY NOTE

	(Unit : Baht)		
	Consolidated	Separate	
	31 December 2016	31 December 2016	31 December 2015
Bill of Exchange	620,000,000	620,000,000	30,000,000
Aval Promissory Note	-	-	1,099,756,500
Total	620,000,000	620,000,000	1,129,756,500

The consolidated and separate financial statement as at 31 December 2016, the Company has issued bill of exchange of 40 Aval of Baht 620 million, (Separate financial statement as at 31 December 2016: Baht 30 million and promissory notes for the purpose of land purchase totaling of Baht 1,099.76 million) discount rate 4.30% - 4.40% p.a. due in January - March 2017 for the purpose of business expansion and working capital

## 19. LOANS FROM FINANCIAL INSTITUTIONS - NET

As at 31 December 2016 and 2015, the Company has loans from financial institutions as follow:

	(Unit : Baht)	
	Consolidated / Separate	
	31 December 2016	31 December 2015
Loans from financial institutions	1,719,932,727	511,407,618

Movements in the loans from institutions during the year are as follow:

	(Unit : Baht)
	Consolidated /Separate
Beginning balance as at 1 January 2016	511,407,618
<u>Add</u> Additional borrowings	1,938,684,070
<u>Less</u> Repayments	(730,158,961)
Ending Balance as at 31 December 2016	1,719,932,727

As at 31 December 2016 and 2015, the Company had unused credit facilities for loans from financial institutions as follows:

			(Unit : Million Baht)	
			31 Dec	31 Dec
Credit facilities	Interest rate	Repayment	2016	2015
* Baht 376.06 million (For Construction and Land purchase)	MLR+ 0.75% PA	The principal is repayable within 72 months from the date of signing the agreement (11 April 2012)	135	135
* Baht 261.5 million (For Equipment instalment)	MLR % PA	The principal is repayable within 31 months from the date of signing the agreement (21 May 2013)	160	170
* Baht 691.01 million	MLR + 0.75% PA	The principal is repayable within 72 months from the date of signing the agreement (15 November 2013)	137	557
* Baht 858.86 million	MLR - 1.00% PA	The principal is repayable within 48 months from the date of signing the agreement (29 December 2014)	647	748
* Baht 1,654.36 million	MLR - 0.5% PA	The principal is repayable within 72 months from the date of signing the agreement (25 December 2015)	945	1,643
* Baht 1,450.00 million	MLR - 1.50% PA	The principal is repayable within 48 months from the date of signing the agreement (19 December 2016)	883	-

The Company has several loan agreements with financial institutions. The loans bear interest rate at market rate. The payback periods are based on the loan agreements. The loans are collateralized by the projects' land and constructions.

All the Company's land for each project has been mortgaged as collaterals for loans with the guarantee of the Company's director.

As the loan repayment schedule will be paid as proportionate to real estate sales. The Company therefore presented the loans from financial institutions as Current Liabilities.

Under the term of the loan agreement, the Company shall maintain Debt to equity ratio is not over than 3.5:1, which is computed on the financial statement for the year ended 31 December (D/E means Net interest bearing debt/Shareholders' equity) and shall pay prepayment fee at 2% of the outstanding loan etc.

## 20. DEBENTURES

According to The Annual General Meeting of Shareholders of 2016 on April 25, 2016, shareholder have a resolution to sell and issue bond with amount 3,000 million baht (Three billion baht).

As at December 31, 2016, the Company with having registered and bond holder's representative debentures as follow:

(Unit : Baht)							
Consolidated /Separate							
Debenture No.	Issuance Date	Maturity Date	No. of units	Total Amount	Interest rate per annum (% p.a.)	Term of interest payment	Outstanding balance as at December 31, 2016
1	11 Sep 15	11 Sep 17	350,000	1,000	5.10	September and December	350,000,000
2	28 Sep 15	28 Sep 17	190,000	1,000	5.35	September and December	190,000,000
3	27 Nov 15	26 Nov 20	100,000	1,000	5.50	August and November	100,000,000
4	21 Dec 15	21 Dec 18	300,000	1,000	5.60	September and December	300,000,000
5	29 Sep 16	1 Oct 18	200,000	1,000	5.10	March, June ,September and December	200,000,000
							1,140,000,000
Current portion of long term debentures							(540,000,000)
Total							600,000,000

## 21. TRANSACTIONS WITH RELATED PARTIES

The Company has some significant accounting transactions with its related parties which basis for execution of the transactions might be different from the basis used for transactions with unrelated parties.

### Type of Relationship

Related Parties	Relationship
Richy Development 2016 Co., Ltd.	Subsidiary
Ms. Apa Ataboonwong	Managing director and shareholder
Lt.Gen. Mrs. Samang Thongpan	Chairman of Audit Committee
Ms. Sunee Satatinun	Director and shareholder
Mr. Somsak Ataboonwong	Director and shareholder
Mrs. Nongluk Wanathumpong	Director and Shareholder
Assoc.Prof. Suthat Ratanakuakangwan	Director
Mrs. Supamart Pinsumang	Shareholder
Mrs. Worapha Molarrak	Shareholder
Mrs. Nion Munipirakul	Shareholder
Mrs. Kultamas Nitcharoj	Shareholder
Ms. Pornrapat Aksornwanich	Shareholder
Ms. Jarinee Krongyungyuan	Shareholder
Mr. Pichai Ataboonwong	Shareholder
Mr. Werapol Ataboonwong	Shareholder
Ms. Somporn Mewerasom	Shareholder
Mrs. Pimwanree Preansathaporn	Relative audit committee
Dr. Thanyanon Ratanakuakangwan	Relative director
Ms. Sathinee Ataboonwong	Relative shareholder
Ms. Saranthon Srisoontorn	Management
Ataboon Asset Co., Ltd.	A related company with joint director
Ataboon Co., Ltd.	A related company with joint director
KCS and Associate Co., Ltd.	A related company with joint director



Significant transactions with related parties for the years ended 31 December 2016 and 2015 are as follows :

		(Unit : Thousand Baht)		
Transactions with related parties	Pricing policy	Consolidated	Separate	
		For the year ended	For the year ended	
		31 December	31 December	
		2016	2016	2015
Revenues from sale of property	Market price	6,465	6,465	16,726
Head office rental expense				
Ataboon Asset Co., Ltd.	Baht 75,834 per month	910	910	910
Common charge				
Ataboon Asset Co., Ltd.	Baht 60,857 per month	730	730	730
Project Management expense				
KCS and Associate Co., Ltd.	Mutually agreed	10,486	10,486	257
Interest expense	5.525% per annum	-	-	77
<u>Management benefits</u>				
Current employment benefits		7,757	7,757	7,075
Post - employment benefits		424	424	269
Total		8,181	8,181	7,344

On 1 March 2014, the Company entered into office rental and service agreements with a related company for 3 years from 1 March 2014 to 28 February 2017 with monthly rental and services fee as specified in the agreement.

Significant balances with related parties as at 31 December 2016 and 2015 are as follows:

		(Unit : Baht)		
		Consolidated	Separate	
		31 December	31 December	31 December
	Pricing policy	2016	2016	2015
<u>Advances received from customers</u>				
Ataboon Asset Co., Ltd.	Market price	741,000	741,000	970,800
Mrs. Pitchaya Tansod	Market price	4,290,653	4,290,653	-
Total		5,031,653	5,031,653	970,800
<u>Revenues from sale of property</u>				
Mrs. Pitchaya Tansod		3,407,000	3,407,000	-
Ms. Saranthon Srisoontorn		3,058,000	3,058,000	-
Total		6,465,000	6,465,000	-

Transactions with related parties presented in the statement of financial position as at December 31, 2016 and December 31 2015 are as follows :

		(Unit : Baht)		
	Pricing  policy	Consolidated	Separate	
		31 December 2016	31 December 2016	31 December 2015
<u>Account Receivable - Subsidiary</u>				
Advance of subsidiary	Subsidiary	-	338,640,943	-
Total		-	338,640,943	-

Company charged interest to its subsidiaries by the same rate with paying loans of capital amount 338.64 million baht because it is a loans that company have borrowed for buying the land of subsidiaries.

Company has transferred a contractual right to buy and sell the land to its subsidiaries with a building and a cost of project, the company has not pay and recorded this transaction in account “Other receivable - Subsidiaries” repayment condition, the subsidiary will repay to the Company when finish the project development and transfer the ownership to the client.

					(Unit : Baht)
	Pricing policy	Consolidated/ Separate			
		1 January			31 December
		2016	Increase	Decrease	2016
<u>Loads from Relate parties</u>					
Ataboon Asset Co., Ltd.	Joint director	-	6,000,000	-	6,000,000
Ataboon Co., Ltd.	Joint director	-	4,000,0000	-	4,000,000
Total		-	10,000,000	-	10,000,000

On 31 December 2016, short - term loans and Accrued interest from relate parties amount 2 issues for normal operations of the Company. The interest bears at the rate of 4.3% p.a. and has maturity date on 10 February 2017. However, the Company has refunded all of the loans.

## 22. EMPLOYEE BENEFITS OBLIGATION

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

The statement of financial position obligations was determined as follows:

	(Unit : Baht)	
	Consolidated / Separate	
	31 December 2016	31 December 2015
Present value of employee benefit obligation unfunded	3,533,659	3,928,707

Movement in the present value of the defined benefit obligations:

	(Unit : Baht)	
	Consolidated / Separate	
	31 December 2016	31 December 2015
Provision for employee benefits - beginning	3,928,707	3,229,877
Current service cost and interest cost	555,180	698,830
Liabilities fell from the payment of employee retirement.	(220,500)	-
Actuarial (gains) losses in other comprehensive Income	(729,728)	-
<b>Provision for employee benefits - ending</b>	<b>3,533,659</b>	<b>3,928,707</b>

Actuarial loss recognized in other comprehensive income:

	(Unit : Baht)	
	Consolidated / Separate	
	31 December 2016	31 December 2015
Current service cost	499,874	556,200
Interest cost	55,306	142,630
<b>Total</b>	<b>555,180</b>	<b>698,830</b>

Principal actuarial assumptions at the reporting date for the years ended 31 December 2016 and 2015 are as follow:

	2016	2015
	Thai Mortality Table 2008	Thai Mortality Table 2008
Mortality rate		
Discount rate	4.62%	4.62%
Average increasing salary rate	5.00%	5.00%
Retirement age	55 years	55 years

Assumptions regarding future mortality are based on published statistics and mortality tables.

## 23. SHARE CAPITAL

At the Annual General Meeting of Shareholders of 2015 held on 29 April 2015. The shareholder has significant resolved as follow:

1. Approved of an increase of capital from the existing registered capital of 714,000,000 Baht to the new registered capital of 785,400,000 Baht by issued 71,400,000 shares at the par value of 1 Baht per share, in order to accommodate the stock dividend payment. The Company has registered its increase of paid-up share capital with the Ministry of Commerce on May 29, 2015.
2. Approved of an increase of capital from the existing registered capital of expand a business of general mandate. By an increase of capital of 200,000,000 Baht from registered Capital 785,400,000 Baht to the new registered capital of 985,400,000 Baht. The Company has registered its increase of paid-up share capital with the Ministry of Commerce on May 12, 2015.

3. Approve to consider the allocation of the newly issued shares as follows:

3.1 To allocate newly issued shares of not exceeding 71.40 million shares, with a par value of 1 Baht, to accommodate the stock dividend payment. The shares shall be allocated to existing shareholders at the ratio of 10 existing shares to 1 dividend stock. In case any shareholder holds merely a fraction of the current shares after such allocation, the dividend shall be paid in cash in the amount of Baht 0.10 per share. (Issued shares 71,399,982 shares.)

3.2 Issuance of new shares of not exceeding 200 million shares, with a par value of 1 Baht, to raise capital and facilitate future business expansion through general mandate approach. Currently, there is no issuance.

At the Annual General Meeting of Shareholders of 2016 held on 25 April 2016. The shareholder has significant resolved as follow:

Approved of a decrease of capital from the existing registered capital of 985,400,000 Baht to the new registered capital of 785,399,982 Baht. The Company has registered its decrease of paid-up share capital with the Ministry of Commerce on May 11, 2016.

#### 24. DIVIDEND

At the Annual General Meeting of Shareholders of 2016 held on 25 April 2015. The shareholders has approved the Profit Allocation and Dividend payment from the 2015 operation by the legal reserve of 1,981,000 Baht and approved the dividend payment of 0.055 Baht per share amount 43,196,700 Baht dividend paid on 25 May 2016.

At the Annual General Meeting of Shareholders of 2015 held on 29 April 2015. The shareholders has approved the Profit Allocation and Dividend payment from the 2014 operation by the legal reserve of 12,200,000 Baht and approved the dividend payment of 0.14 Baht per share following:

1. To pay cash dividend at the rate of 0.04 Baht per share
2. To pay dividend by ordinary shares at the par of 1 Baht in the ratio of 10 current shares per 1 dividend share. In case of a fraction share, the company will pay dividend in cash at the value of 0.10 Baht per share. (Issued shares 71,399,982 shares at the par of 1 Baht)

#### 25. LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

#### 26. PROVIDENT FUND

The Company and its staff have established a contributory Provident Fund. This Provident Fund has already been registered under the Provident Fund Act, B.E. 2530. Under the Fund plan, staff has to contribute to the fund at the specific rate and will be entitled to receive the fund when staff is no longer member in accordance with regulation of the fund.

## 27. EXPENSES BY NATURE

	(Unit : Baht)		
	Consolidated	Separate	
	For the years ended	For the years ended	
	31 December	31 December	
	2016	2016	2015
Construction costs	1,420,826,197	1,085,460,462	2,557,445,719
Changes in costs of property development projects	1,065,875,488	730,509,753	(857,812,010)
Salaries, wages and other employee benefits	41,943,026	41,623,041	33,317,815
Depreciation and amortization	7,847,728	7,847,728	5,396,564
Rental expense	2,794,400	2,794,400	1,640,285
Sale promotion expenses	71,058,012	71,058,012	25,793,757
Office expenses	3,329,378	3,329,378	2,911,408
Other taxes and duties	1,729,514	1,715,208	908,894
Specific business tax	17,934,337	17,934,337	16,258,687

## 28. FINANCIAL INSTRUMENT

### 28.1 Risk management

The Company does not have policy on financial instrument speculation for profit or for trading.

### 28.2 Interest rates risk

Interest rate risk is the risk that interest rates may change in the future which will affect the results of operations and cash flows. The Company has assets and liabilities with interest rate risk as follows :

	Consolidated/ Separate			
	Amount (Baht)		Interest Rate (%)	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
<u>Financials Liabilities</u>				
Account payable	620,000,000	1,129,756,500	4.30 - 4.40	4.30 - 4.50
Loan form financial Institution	1,719,932,727	511,407,618	5.10 - 7.90	5.53 - 8.25
Bond	1,140,000,000	940,000,000	5.10 - 5.60	5.10 - 5.60
Total	<u>3,479,932,727</u>	<u>2,581,164,118</u>		

### 28.3 Non - compliance risk

Non-compliance risk is the risk that customers do not comply with condition in purchase and sale agreements that may cause damages to the Company. Management believes that the Company does not have significant risk in respect of non-compliance since the Company holds policy to hedge risk by arranging down payment at the rates of 10% of purchase and sale agreement and ownership is transferred to customers when payments are completed in accordance with such agreements.

### 28.4 Exchange rate risk

The Company does not have risk from the fluctuation of exchange rate in the foreign currencies since it does not have trading business in foreign currencies.

### 28.5 Fair value

The financial assets and liabilities are mainly classified as short term. Long-term loans from commercial banks bear interest at the market rates. The management believes that book values of such financial assets and liabilities are not significantly different from fair values.

## 29. SEGMENTAL REPORTING

The Company has carries on business in the single geographic area in Thailand. The business segment in property development is as follow.

(Unit : Million Baht)								
Consolidated								
for the years ended 31 December								
	High rise		Low rise		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Sale	452.01	428.07	90.65	65.63	10.13	13.77	552.79	507.47
Cost of sale	285.87	274.04	63.88	52.07	8.50	11.35	358.25	337.46
Gross margin	166.14	154.03	26.77	13.56	1.63	2.42	194.54	170.01
Net profit							9.26	39.60

(Unit : Million Baht)

	Separate							
	for the years ended 31 December							
	High rise		Low rise		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Sale	452.01	428.07	90.65	65.63	10.13	13.77	552.79	507.47
Cost of sale	285.87	274.04	63.88	52.07	8.50	11.35	358.25	337.46
Gross margin	166.14	154.03	26.77	13.56	1.63	2.42	194.54	170.01
Net profit							9.68	39.60

### 30. COMMITMENTS

30.1 As at 31 December 2016, the Company has commitments agreement as follow:

	(Unit : Million Baht)		
	Consolidated/ Separate		
	Contract Amount	Payment	Outstanding
Construction agreement	2,517.04	1,303.14	1,303.15
Purchase and sale lands agreement	178.22	36.64	142.58

30.2 The Company has commitments for payment of operating lease as at 31 December 2016 as follow:

	(Unit : Thousand Baht)
	Consolidated/ Separate
Within	
1 year	136.69
Over 1 year	-
Total	136.69

### 31. BANK GUARANTEE

As at 31 December 2016 and 2015, the Company has commitment in respect of bank guarantee for public utilities project to a government institute in amount of Baht 41.14 million baht and 61.04 million baht, respectively for commitments under normal business.



### 32. LITIGATION

During 2007, the Company was sued to be the Co-defendant with three others to pay the damage totalling Baht 43.75 million. On 29 April 2011, the Court of First Instance ordered the Company to pay for damages amounting to Baht 1 million with interest rate at 7.5% per annum from 29 November 2008 up to the payment date. On 6 September 2012, the Appeal Court ordered the Company to place collateral for the amount that would pay according to the judgment of the Court of First Instance plus additional interest for next 2 years from order date which Deves Insurance Co., Ltd who pledged the guarantee. The Company believes that there is no any damage from such case since the Co-defendant No.1 provided the indemnity letter to the plaintiff instead on behalf of the Company on 1 April 2011.

On 8 October 2013, the Court of Appeal judged the Company and Co-defendant No.2 to pay Baht 2,000,000 to the plaintiff and the Co - defendant No.3 to jointly pay Baht 900,000. The petition of this case is in the process of filing with the Supreme Court. The Company believes that there is no any damage from such case because the Company can reimburse any damages from Co-defendant No. 2 in accordance with construction agreement.

### 33. CAPITAL MANAGEMENT

The primary objectives of the Company's and subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2016, debt to equity ratio in the consolidated financial statements is 2.83: 1 (Separate financial statements: Debt-to-equity ratio is 2.66:1).

### 34. DEBENTURES

Resolved to propose to the Extra - Ordinary Shareholders' Meeting of 2016 on April 25, 2016 to consider the issuance and offer of debentures with an aggregate principal amount, at any time, not is exceeding Bath of 3,000 million. By assign authority to Chief Executive to determine or change condition and details that involve with issue and offer for selling for each/for each time and assign authority to process the necessary things that involve to issue and sell these bonds to complete by the law.

The Company has issued bond for selling with limit to the institution's investors or/and the major investors for five times with amount 1,140,000,000 Baht (One thousand one hundred and forty million baht),so still have amount for issue the bonds to 1,860,000,000 Baht (One thousand eight hundred and sixty million baht).

On 1 March 2016, Company has issued the bonds not exceed 360,000 units with total amount no more than 360,000,000 Baht (Three hundred and sixty million baht), redemption schedule at 2,020 B.C. interest rate fix at 5.60% (Six point five zero) per annum, these bonds are issued selling to institution's investors and/or investors who have ASIA PLUS LTD. as a distributor, Company has assigned KRUNGTHAI BANK PUBLIC COMPANY LIMITED, to be a registrar of land.

### 35. EVEN AFTER FINANCIAL STATEMENT

The Board of Directors' Meeting No.1/2017 of RICHY Place 2002 Public Company Limited ("the Company") held on 28 February at the Company's headquarter has resolved to approve following agenda;

1. Approved the allocation of profits derived from operational results for the year 2016 for cash dividend and stock dividend payments approximately Baht 37,699,199 (or approx. 397.41% of net profit), details as follows.
  - 1.1 Cash dividend payment at the rate Baht 0.0063 per share (Totaling Baht 4,974,200).
  - 1.2 Stock dividend will be paid in the amount of not exceeding 32,724,999 newly issued ordinary shares at the ratio of 24 existing ordinary shares to 1 newly issued ordinary share (Ordinary shares : 785,399,982 shares). The par value of the newly issued ordinary share is Baht 1 per share, totaling Baht 32,724,999 or equivalent to Baht 0.0417 per share. In case that any shareholder holds the indivisible share remaining after such allocation, cash will be paid instead of the stock dividend at the rate of Baht 0.0417 per share.  
And the dividend payment date will be on May 25, 2017
2. Approved the issuance of the warrants to purchase ordinary shares of the Company No. 1 ("RICHY-W1") and issuance of the warrants to purchase ordinary shares of the Company No. 2 ("RICHY-W2") to the existing shareholders' who subscribe for the capital increase ordinary share proportionately to their shareholding (Right Offering) and their excess right. The total unit of warrant of are not more than 314,159,992 units with the subscription ratio of 1 new shares allotted to 2 unit of Warrants divided into RICHY-W1 and RICHY-W2 with no offering price
3. Approved the increase of the Company's registered capital for another Baht 503,964,987, divided into 503,964,987 shares at the par value of Baht 1.00, from the existing registered capital of Baht 785,399,982 to Baht Company's registered capital of Baht 1,289,364,969, divided into 1,289,364,969, shares at the par value of Baht 1.00 and the amendment to the Company's Memorandum of Association so as to reflect the capital increase
4. Approved the allotment of 503,964,987 shares at the par value of Baht 1.00, be made as follows;
  - 4.1 Consider the allotment of capital increase ordinary shares not more than 157,079,996 shares at the par value of Baht 1.00 to existing shareholders proportionately to their shareholding ("Right Offering"), the details of the allotment are as follows:
    - 4.1.1 The subscription ratio is 5 existing shares to 1 new ordinary share, any fraction will be disregarded. The offering price is Baht 1.40 per share
    - 4.1.2 Any unsubscribed shares from the subscription of the existing shareholders by way of rights issue (Unsubscribed Shares) will during the subscription period will be re-allot to the shareholders, who wish to subscribe such Unsubscribed Shares in excess of their entitlement (Excess Rights), in proportion to their shareholding at the same offer price.

4.1.3 The Board of Directors or the Executive Committee or their authorized person(s) is authorized to re-allot the Unsubscribed Shares to the shareholders who wish to subscribe such unsubscribed shares in excess of their entitlement until no new shares remaining unsubscribed shares.

4.1.4 In the case of the number of the Unsubscribed Shares are not fully subscribed by the shareholders, the Company will re-allot such Unsubscribed Shares to all shareholders who subscribe the Unsubscribed Shares in excess of their entitlement as per their demand specified in the subscription form for excess rights.

4.1.5 If the number of the Unsubscribed Shares is less than the number of the shares subscribed by the shareholders through excess rights, the Unsubscribed Shares will be re-allotted in proportion to the shareholding of each of shareholders who subscribed the Unsubscribed Shares in excess of their entitlement. Such re-allotment will be carried out until no new shares remaining unsubscribed.

If there are new shares remaining unallotted after the subscription through right offering and excess rights, such unallotted shares are subject to the capital reduction by cancelling such unallotted new shares.

In any cases, the allotment of new shares by way of excess rights shall not cause any of the Company's shareholders who subscribe the new shares in excess of their entitlement to trigger the mandatory tender offer requirements (Tender Offer) as provided in the Notification of the Capital Market Supervisory Board No.

Tor.Jor. 12/2554 Regarding Criteria, Terms and Procedures in Acquiring Securities for Business Take Over or to violate the restriction of foreign shareholding as provided in the Company's Articles of Association.

4.2 Consider the allotment of capital increase ordinary shares not more than 157,079,996 shares at the par value of Baht 1.00 to reserve for the exercise of the Warrants No.1 (RICHY-W1) which are issued and offered to the existing shareholders who subscribe and are allotted the new shares by way of rights issue.

4.3 Consider the allotment of capital increase ordinary shares not more than 157,079,996 shares at the par value of Baht 1.00 to reserve for the exercise of the Warrants No.2 (RICHY-W2) which are issued and offered to the existing shareholders who subscribe and are allotted the new shares by way of rights issue.

4.4 Consider the allotment of capital increase ordinary shares not more than 32,724,999 shares at the par value of Baht 1.00 to reserve the stock dividend

5. Set the record date which is used to determine the shareholders' rights to be allotted the new ordinary shares and warrants No.1 (RICHY-W1) and warrants No.2 (RICHY-W2) be fixed on 4 May 2017, provided that the Company will gather the shareholders' names in accordance with Section 225 of the Securities and Exchange Act B.E. 2535 by closing the share register book on 8 May 2017.

The Company's shareholders meeting will be held on April 25, 2017 for approval the above.

36. RECLASSIFICATION

Company has reclassification some transactions in financial statement as of 2015 for matching with the classification transaction as present that have no effect with net profit or Shareholders' equity that have reported

37. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2017.

# ANNUAL Report 2016

รายงานประจำปี 2559

*Rich in living* | มุ่งมั่นในการสร้างสรรค์ สังคมเปี่ยมสุข



## บริษัท ริชี่เพลซ 2002 จำกัด (มหาชน)

667/15 อาคารอรรถกุญจน์ ชั้น 7 ถ.เจริญสุขุมวิท แขวงอรุณอมรินทร์  
เขตบางกอกน้อย กรุงเทพฯ 10700

[www.rp.co.th](http://www.rp.co.th)



ริชี่เพลซ



RICHYPLACE | [www.rp.co.th](http://www.rp.co.th)