

BUILD THE FUTURE



BUILD THE FUTURE

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BUILD THE FUTURE

For over the past 17 years, The Platinum Group has progressively grown from wholesale of fashionable products as The Platinum Fashion Mall and become the world renowned wholesale center of fashionable products being recognized as a must-visit destination among visitors from all countries. Nowadays, The Platinum Group has successfully achieved an impressive milestone and will carry on to another business segment.

At present, The Platinum Group is a leader of the real estate developer that perfectly offering all lifestyles supplied by a varied business sectors i.e., space rental and service which

include The Platinum Fashion Mall, The Neon Night Bazaar and our latest shopping mall which has been opened in the beginning of 2019 - The Market Bangkok, as well as hotel business. Currently, Novotel Platinum Pratunam Hotel is favored among tourists due to the functions that meet all lifestyles, including business purposes. All these businesses namely Novotel Platinum Pratunam or space rental business of The Neon Night Bazaar and the most recent business opened in the early of 2019 - The Market Bangkok are the outputs of strong vision that foresee the sustainability to build a vigorous foundation that we have been nurtured for over 17 years toward appropriate path.

Today, we have in place our establishment which is strong and stable, ready to move forward and carry on the project in the future, for example, hotels in Bangkok and regional provinces, office space for rent to highlight the progressive milestone of the Platinum Group, building confidence and sustainability in the future.





Vision

To be the leader in commercial property development sector with mixed-use development to cover residential, office and hotel together with full support for entrepreneur, social and environment by making the optimum return to shareholders, encouraging work life balance to employees, and looking for corporate partners to achieve the sustainable growth.

Mission

- To support "Pratunam Trading District" development as a central strategic location for the country
- To continue and strengthen wholesale and retail shopping center management in all market segments
- To promote the holistic view of mixed-use property development to meet business requirement for local and South East Asia
- To encourage the entrepreneurship, strategic partner engagement, and responsible for social, community, environment, and shareholders for sustainable growth
- To develop personnel potentiality in preparation for business expansion and encourage the employees to align with the business engagement strategy and the encouraging the novelty or new ideas to generate new innovation

Goal

- To develop the Platinum Fashion Mall as "The Best Wholesale Fashion Hub of ASEAN" within 10 years
- To grow both wholesale and retail business at least 1 center within 3 years
- To expand the hotel business at least 3 hotels within 3 years
- To expand the office business at least 1 building within 3 years

Consolidated Financial Highlight

(Unit : Million Baht)

| | 2017 | 2018 | 2019 |
|---|-------|-------|-------|
| Consolidated Financial Highlight | | | |
| Statement of Comprehensive Income | | | |
| Revenue from Operation | 1,923 | 2,034 | 2,334 |
| Total Revenue | 2,059 | 2,117 | 2,465 |
| Cost of Operation | 710 | 727 | 1,146 |
| Total Gross Profit | 1,213 | 1,307 | 1,188 |
| Profit for the Period (Equity Holder of the Company) | 772 | 785 | 715 |

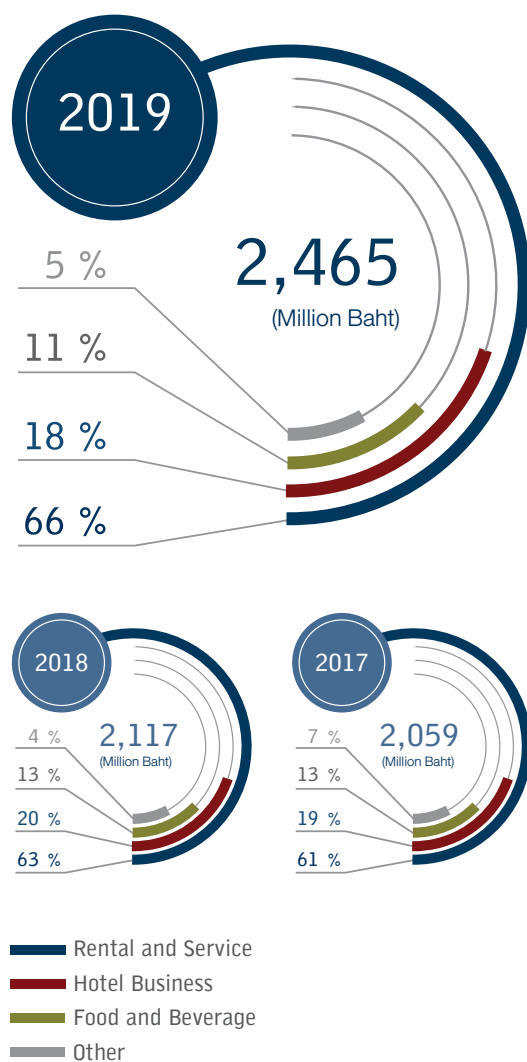
Consolidated Financial Status

| | | | |
|---------------------------------|--------|--------|--------|
| Total Assets | 10,491 | 11,318 | 11,684 |
| Total Liabilities | 1,757 | 2,357 | 2,568 |
| Total Shareholders' Equity | 8,734 | 8,961 | 9,116 |
| Issue and Paid-up Share capital | 2,800 | 2,800 | 2,800 |

Consolidated Financial Ratio

| | | | |
|-------------------------|------|------|------|
| Gross Profit Margin (%) | 63.1 | 64.3 | 50.9 |
| Net Profit Margin (%) | 37.5 | 37.1 | 29.0 |
| ROA (%) | 7.6 | 7.2 | 6.1 |
| ROE (%) | 9.0 | 8.9 | 7.8 |
| Debt to Equity (time) | 0.20 | 0.27 | 0.28 |

Revenue Breakdown

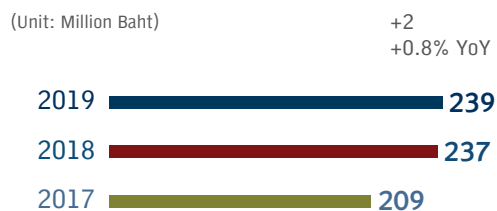


Gross Profit

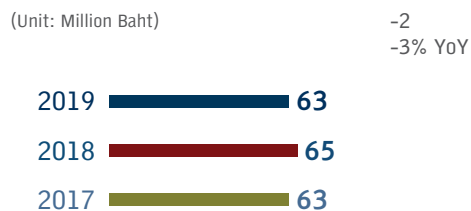
Gross Profit from Rental and Service Business



Gross Profit from Hotel Business



Gross Profit from Food & Beverage Business





The Company - with the Board of Directors, the Management and employees - strongly commits to develop future projects and expand other investment opportunities in strict adherence to the guidelines of sustainable development in business operations which prioritizes morality

Message from the Chairman

Dear Shareholders,

The Thai economy, as a whole, in 2019 encountered various challenges as a result of the world economic recession, the strength of the Thai Baht, the postponement of budget approval procedures and the impact of the drought crisis. The Thai economy grew by only 2.4 percent in 2019 as opposed to 4.2 percent in 2018. Despite these challenges, The Platinum Group Public Company Limited ("the Company") continued to develop and broaden its business, providing for continued growth. In February 2019, the Company opened a new shopping center - The Market Bangkok. Currently, construction is underway on the Holiday Inn Resort on Samui Island with the official opening scheduled for 1st Quarter of 2021.

In 2019, the Company had a total revenue of Baht 2,465 Million, an increase of Baht 348 Million representing 16 percent growth. Net profit amounted to Baht 715 Million,

a decrease of Baht 70 Million or 9 percent, compared to the previous year, respectively. Despite a decrease in net profit, the Company - with the Board of Directors, the Management and employees - strongly commits to develop future projects and expand other investment opportunities in strict adherence to the guidelines of sustainable development in business operations which prioritizes morality, ethics and responsibility of all stakeholders to generate satisfactory returns to shareholders and promote a quality work experience for employees.

Finally, on behalf of The Platinum Group Public Company Limited, I would like to express my appreciation to shareholders, customers, financial institutions, trading partners and all stakeholders for your support in the Company's operation as always.



Mr. Palakorn Suwanrath

Chairman of the Board of Directors



The Company opened The Market Bangkok - a new shopping center with total area of 30,832 square meters for markets. The Holiday Inn Resort at Samui is undergoing development and construction, and is scheduled to be ready for commercial operation in the first quarter of 2021

Message from the Chairman of the Executive Committee

Dear Shareholders,

In 2019, the Thai economy expanded by 2.4 percent or showed a downturn when compared to the preceding year at 4.2 percent. This downturn is mainly due to the prolonged US-China trade war which induced an adverse impact on the export market as well as investment and service sectors globally. In addition, the stagnation of the Chinese economy directly affected tourism in Thailand. These circumstances have posed a recession in investment and purchasing power in Thailand which continues today.

Accordingly, it will be another challenging year for the Company to move forward with stability and build sustainability into every situation. Largely to do to external factors a negative impact was felt during 2019. The Company made a total revenue of THB 2,465 Million, an increase of THB 348 Million or 16 percent. Net profit reached THB 715 Million or dropped by THB 70 Million or 9 percent when compared to the previous year, respectively.

In February 2019, the Company opened The Market Bangkok - a new shopping center with total area of 30,832

square meters for markets. The Holiday Inn Resort at Samui is undergoing development and construction, and is scheduled to be ready for commercial operation in the first quarter of 2021.

In addition, considering broadening the business gain in the future, the Company has determined to invest and start the construction of The Market Bangkok Phase 2 by the middle of 2020, Moxy Hotel Bangkok Ratchaprasong with a total of 532 rooms and office space for rent with an equal area of 38,000 square meters. These projects are designed with an intent to achieve the solid and enduring return coupling with development of current projects to achieve the sustainable success, while taking the responsibility of all stakeholders.

In conclusion, I would like to compliment and thank shareholders, customers, financial institutions, trading partners and all stakeholders for your consistent support of the Company's operation, and to the Board of Directors, the Management and all employees for your efforts and commitment to perform at your full potential to achieve the Company goal.



Mr. Surachai Chotjurangkool
Chairman of the Executive Committee

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of The Platinum Group Public Company Limited comprises of three independent directors who are expert and eminent persons in law, financial and managerial fields, and are fully qualified in accordance with the Company's Audit Committee Charter as well as the requirements of the Securities and Exchange Commission Office (SEC) and the Stock Exchange of Thailand (SET).

In 2019, the Audit Committee holds four meetings to consider importance matters based on independency, transparency and good corporate governance. From total 4 meetings, there are two meetings held with the Company's auditor, without attendance of the Management.

Members of the Audit Committee and details of the Audit Committee's meetings for the year 2019 are shown as follows:

| Members of the Audit Committee | Position | Attendance/total meetings (times) |
|--------------------------------|---------------------------------|--------------------------------------|
| Prof. Chaiyos Hemarajata | Chairman of the Audit Committee | 4/4 |
| Pol.Gen. Boonpen Bumpenboon | Member of the Audit Committee | 4/4 |
| Mr. Somchai Boonnamsiri | Member of the Audit Committee | 4/4 |

The Audit Committee performed its duties independently as assigned by the Board of Directors in overseeing and controlling the Company's operation to ensure no conflict of interest, sufficient internal control system and that all management performing their duties with responsibilities and honesty for the best benefit of all shareholders and all stakeholders. Following are the summary of the Audit Committee report for the year of 2019.

1. Review of Financial Reports.

The Audit Committee, together with the Management, reviewed the material information of the Company's audited quarterly and annual financial statements of the year 2019 ensure that the preparation of the financial statements is accurate and adequate and comply with the laws and Generally Accepted Accounting Principles as well as International Financial Reporting Standards (IFRS) in preparing financial statements to meet international standards. In addition, the Audit Committee has formally met with the Company's auditor for 1 time to independently discuss about the material information in financial statement, scope, guideline and annual audit plan. The Audit Committee opines that the preparation progress of accounting and financial statements of the Company are effective and sufficient. The Audit Committee is confident that the Company financial statement has reflected its financial status and its operating result accurately and properly

according to the legally required accounting standard, and has disclosed sufficient information to benefit the investors or any other users.

2. Review the Risk Management and Effectiveness of the Internal Control System.

The Audit Committee reviewed the effectiveness and adequacy of the Company's internal control system by considering the Internal Annual Control Report 2019 which the internal audit reported every quarter, and the results of internal control system assessment performed under the frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) including assessment according to adequacy assessment of the internal control system of the Office of Securities and Exchange Commission (SEC). The system is adequate and suitable with the company's business operation and conforms to the auditor's opinions which reported that there were no significant errors that affect the financial statement of the Company.

The Audit Committee has reviewed risk management policy, work plans and risk management guideline as a result of internal and external situation, as well as provided suggestions to assure improved efficiency of the Company's risk management system.

3. Review of Good Corporate Governance.

After the review on efficiency and effectiveness of the Good Corporate Governance, the Audit Committee found that the Management and employees comply with the policies set forth strictly, following a great example of the Board of Directors. The Anti-Corruption policy has been implemented seriously, and the Company has been certified as a member of Private Sector Collective Action against Corruption on 6 March 2017. Furthermore, corporate governance is conducted with real consideration on stakeholders. The business operation complies with the Securities and Stock Exchange law and other law related to a business operation of the Company to ensure the conformity in reasonable extent.

The Audit Committee took self-assessment of themselves and the entire board. The results were in a perfect range.

4. Monitoring Internal Audit Work.

The Audit Committee has overseen the internal audit to ensure that the internal auditing is effective and efficient. The Committee has reviewed the audit reports, provided recommendations and monitored the remedial actions of the material audit issues. The Committee has also reviewed and approved the Internal Audit Plan for the year 2019 which is focused on the Company's material risks including consider the Audit Committee Charter and the Internal Audit Department Charter on annual basis.

The Audit Committee opined that the Company had proper, effective and independent internal audit system and the performance of the internal audit team was satisfactory by achieving all the set targets.

5. Selection, Remuneration, Dismissal and Determination of the Company's Auditor for the year 2019

By evaluating its performance in 2019, its expertise and experience in auditing and the independency of its auditors, the Audit Committee has agreed to propose to the Board of Directors, then to approve in Annual General Meeting of Shareholders to appoint EY office to be the Company's auditor for the year 2019.

6. The compliance audit regarding Securities and Stock Exchange law, regulation of the Stock Exchange of Thailand, the Securities and Exchange Commission and other law related to the Company's business.

The Audit Committee places importance to compliance to the law, regulation, mandatory requirement of the government by supporting and encouraging the Management to collect and monitor law provision related to the Company's business operation, to implement such legal requirement in corporate work procedures, as well as to develop monitoring process to assure the accurate compliance (Compliance Self-Check).

In addition, the Board of Directors has issued Whistle Blower Policy as a code of conduct in identifying objectives and solution for receiving complaints and reporting misconduct actions, as well as determined protection procedures and justice to employees or those who provide information or clue about the misconduct actions toward the Company, to ensure that the intrigue process which is in line with good corporate governance and the Company's business philosophy are in place.

7. Review of Related Transactions or the Transactions that may Contain conflict of Interest

To comply with requirement of the SEC. and SET., the Audit Committee has considered and audited related transactions or the transaction that may contain the conflict of interest to assure that the Company's compliance to its business conditions based on reasonableness, transparency and benefits of the Company and all required information is disclosed sufficiently.

In summary, the Audit Committee viewed that the Company's financial report was accurate and reliable, prepared in accordance with the generally accepted accounting standards. Furthermore, the Board of Directors, Executives and Executive Committee are ethical and highly committed to perform their duties to achieve the Company's goals and objectives, while recognizing the importance of good corporate governance with proper and sufficient risk management and internal controls.



Prof. Chaiyos Hemarajata
Chairman of the Audit Committee

Report of the Nomination and Remuneration Committee

Dear Shareholders,

The Nomination and Remuneration Committee has been appointed by the Board of Directors, consisted of three directors; Mr. Somchai Boonnamsiri as Chairman of the Nomination and Remuneration Committee, Mrs. Punjaporn Chotjurangkool and Dr. Chadarat Anantakoon as Member of the Nomination and Remuneration Committee.

In 2019, the Nomination and Remuneration Committee held four meetings in total and in 2019 held the meeting No.1/2019 on February 28, 2020. Followings are summaries of the meetings' resolutions.

1. Considered and proposed the appointment of directors who are retired by rotation to get approval from the Board of Directors and the Annual General Meeting of Shareholders in 2020. The Company opened stage for shareholders to propose the nomination until December 31, 2019, which there were no any shareholders to propose the qualified persons for the consideration. Therefore, the committees considered and nominated the directors, who are retired by term to be elected as the Board of Directors for another term. The directors, who are retired by term, are knowledgeable and qualify to be appointed as the Directors.
2. Considered and proposed the remuneration package for the Company's directors for the year 2020 to propose to the Board of Directors and the Annual General Meeting of Shareholders in 2020 for approval. The proposed remuneration package and meeting fees of the Board of Directors, Audit Committee, and Nomination and Remuneration Committee are the same package and fees, which were approved

by the Annual General Meeting of Shareholders in 2019. The Nomination and Remuneration Committee considered that the compensations are still proper for the scope of duties and responsibilities of each committee and comparable to other listed companies in the same industry and to other companies with the same business size.

3. Considered and proposed the amount and criteria of bonus payment of the Company's directors for the operating result year 2019 in return for their effort and dedication in their performance.
4. Considered and approved the bonus payment for the year 2019 and the adjustment of employees' salary for the year 2020 as an award to their fullest effort at work and to build morale and encouragement employees. The consideration of the bonus based on the operating result of the Company and the performance of individual employee.
5. Considered and approved for the appointment of Ms. Pawinee Sitachitt as a director of the Company to replace Mr. Chatchawal Pongsuthimanus who resigned, with the term of office equivalent to the remaining term of Mr. Chatchawal Pongsuthimanus.
6. Considered and approved for the appointment of Mr. Surachai Chotjurangkool, Chairman of the Executive Committee, acting the President for temporary period, and nominated a qualified person to undertake the president position who is Mrs. Kanyaratana Chok-oon-kit.

-
7. Considered and approved principles for recruitment agency in order to nominate senior executives from Vice President and higher.
 8. Revised the Nomination and Remuneration Committee Charter. In 2019, there was no amendment of the Charter since the current version is adequate and appropriate.

Nomination and Remuneration Committee has performed its duties with prudence and honesty according to the duties and responsibilities set out in the charter of the Nomination and Remuneration Committee and adhered to good corporate governance principle for the balanced and sustainable benefits of stakeholders in all sectors.



Mr. Somchai Boonnamsiri
Chairman of the Nomination
and Remuneration Committee

Board of Directors



1



2



3



4



5



6



7



8



9

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

2 **Mr. Surachai Chotjurangkool**
Vice Chairman, Chairman of the Executive
Committee, Authorized Director and
Acting President

3 **Prof. Chaiyos Hemarajata**
Independent Director and Chairman
of the Audit Committee

4 **Pol. Gen. Boonpen Bumpenboon**
Independent Director and Member
of the Audit Committee

5 **Mr. Somchai Boonnamsiri**
Independent Director, Chairman of
the Nomination and Remuneration
Committee, and Member of the Audit
Committee

6 **Mr. Piroon Limpiviatkul**
Director, Executive Director
and Authorized Director

7 **Mrs. Punjaporn Chotjurangkool**
Director, Executive Director, Member
of the Nomination and Remuneration
Committee and Authorized Director

8 **Dr. Chadarat Anantakoon**
Independent Director and Member
of the Nomination and Remuneration
Committee

9 **Miss Pawinee Sitachitt**
Director

Management Team



1 Mr. Somchai Warunpantulak
Executive Vice President,
Chief Financial Officer and Corporate
Secretary

2 Mrs. Wantanee Wudti-in
Senior Vice President Human
Resources Department

3 Mr. Pornthep Thientawee
Senior Vice President Project
Management Department

4 Mrs. Nattarin Payoongwong
Senior Vice President Leasing Department

Mr. Palakorn Suwanrath

Age 71

Chairman of the Board of Directors
and Independent Director**Date of Appointment**

23 June 2014

Date of Re-Appointment

The resolution of the 2019 AGM on 23 April 2019

Education

- Master of Arts in International Affairs (M.A.I.A.) Southeast Asia Studies, Ohio University, USA
- Bachelor of Political Science, Chulalongkorn University
- Diploma, The National Defence College, Class 37

Training

- Certificate from Thai Institute of Directors (IOD)
 - Director Accreditation Program (DAP)
 - Director Certification Program (DCP)
 - The Role of Chairman Program (RCP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - share

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

Board Member/Management in Listed Company (2 Companies)

| | |
|-----------------|--|
| Since June 2014 | Chairman of the Board of Directors and Independent Director, The Platinum Group Public Company Limited |
| Since 2007 | Chairman of the Board of Directors and Independent Director, Bangkok Aviation Fuel Services Public Company Limited |

Position in Other Company/Organization/Institution (4 Companies)

| | |
|------------|--|
| Since 1990 | Director, Laystours Company Limited |
| Since 1980 | Director, Lucky Clover Company Limited |
| Since 1979 | Director, Tongthip Company Limited |
| Since 1979 | Director, Supatasna Company Limited |

Other Position in PLAT's Group

(None)

5 - year Past Experiences and/or Remarkable Position

| | |
|-------------|---|
| 2013 - 2014 | Chairman of the Board of Directors and Independent Director, The Platinum Group Company Limited |
|-------------|---|

Illegal Record in Last 5 years

(None)

Mr. Surachai Chotjurangkool

Age 69

Vice Chairman,
Chairman of the Executive Committee,
Authorized Director and Acting President**Date of Appointment**

23 June 2014

Re-Appointment of Directors

The resolution of the 2015 AGM on 24 April 2018

Education

- Grade 9, Darunanukrao School

Training

- Certificate from Thai Institute of Directors (IOD)
 - Director Accreditation Program (DAP)

Shareholdings (Ordinary shares) (As of 5 September 2019)Held Personally amount 802,556,957
shares (28.663%)Held by Spouse / Minor Children amount 491,426,800
shares (17.551%)Total amount 1,293,983,757
shares (46.214%)**Family Relationship among Directors and Executives**

Spouse of Mrs. Punjaporn Chotjurangkool

Board Member/Management in Listed Company (1 Company)

| | |
|----------------------|--|
| Since June 2014 | Vice Chairman and Chairman of the Executive Committee, The Platinum Group Public Company Limited (Main Occupation) |
| August-December 2019 | Acting President, The Platinum Group Public Company Limited |

Position in Other Company/Organization/Institution (9 Companies)

| | |
|---------------------|--|
| Since November 2017 | Director, S.P.C. Wealth Real Estate Company Limited |
| Since November 2017 | Director, S.P.C. Wealth Development Company Limited |
| Since November 2017 | Director, S.P.C. Wealth Property Company Limited |
| Since April 2008 | Director, The Platinum Square Company Limited |
| Since April 2008 | Director, Platinum Hotel Company Limited |
| Since February 2002 | Director, S.C.P. Management Company Limited |
| Since December 1991 | Director, Seree Golf Club 1991 Company Limited |
| Since August 1990 | Director, Nakorn Chai-Sri River Side Company Limited |
| Since April 1990 | Director, Rum Tarn Land Company Limited |

Other Position in PLAT's Group

Being director of PLAT's subsidiaries with non-listed companies, totaling 3 companies

5 - year Past Experiences and/or Remarkable Position

| | |
|---------------------|---|
| August-January 2019 | Acting President, The Platinum Group Public Company Limited |
| 1994-2019 | Director, Rockworth Public Company Limited |
| 2013 - 2014 | Vice Chairman and Chairman of the Executive Committee, The Platinum Group Company Limited |

Illegal Record in Last 5 years

(None)

Prof. Chaiyos Hemarajata

Age 73

Independent Director
and Chairman of the Audit Committee**Date of Appointment**

23 June 2014

Re-Appointment of Directors

The resolution of the 2017 AGM on 25 April 2017

Education

- Master of Laws, Chulalongkorn University and Columbia University, USA
- Bachelor of Laws, Chulalongkorn University

Training

- Certificate from Thai Institute of Directors (IOD)
 - Director Accreditation Program (DAP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - share

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/Management in Listed Company
(2 Companies)**

| | |
|---------------------|---|
| Since April 2017 | Chairman of the Audit Committee, SENA Development Public Company Limited |
| Since June 2014 | Independent Director and Chairman of the Audit Committee, The Platinum Group Public Company Limited |
| Since December 2005 | Independent Director, SENA Development Public Company Limited |

Position in Other Company/Organization/Institution

(None)

Other Position in PLAT's Group

(None)

5 - year Past Experiences and/or Remarkable Position

| | |
|-------------|--|
| 2013 - 2014 | Independent Director and Chairman of the Audit Committee, The Platinum Group Company Limited |
|-------------|--|

Illegal Record in Last 5 years

(None)

Pol.Gen. Boonpen Bumpenboon

Age 74

Independent Director
and Member of the Audit Committee**Date of Appointment**

23 June 2014

Re-Appointment of Directors

The resolution of the 2017 AGM on 25 April 2017

Education

- Master of Public Administration Program, The National Institute of Development Administration
- Bachelor of Laws, Sukhothai Thammarat Open University
- Bachelor of Public Administration Program, Royal Police Cadet Academy
- Diploma, The National Defense College Class 37

Training

- Certificate from Thai Institute of Director (IOD)
 - Director Accreditation Program (DAP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - share

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/ Management in Listed Company
(2 Companies)**

| | |
|------------------|---|
| Since June 2014 | Independent Director and Member of the Audit Committee, The Platinum Group Public Company Limited |
| Since March 2004 | Director, KhonKaen Sugar Industry Public Company Limited |

**Position in Other Company/Organization/Institution
(1 company)**

| | |
|-----------------|---|
| Since June 1995 | Director, The Construction Sahaphandh Public Company Limited |
|-----------------|---|

Other Position in PLAT's Group

(None)

5-year Past Experiences and/or Remarkable Position

| | |
|-------------|--|
| 2008 - 2018 | Director, Asia Green Energy Public Company Limited |
| 2013-2014 | Independent Director and Member of the Audit Committee, The Platinum Group Company Limited |

Illegal Record in Last 5 years

(None)

Mr. Somchai Boonnamsiri

Age 65

Independent Director,
Chairman of the Nomination and Remuneration Committee
and Member of the Audit Committee

Date of Appointment

23 June 2014

Re-Appointment of Directors

The resolution of the 2017 AGM on 25 April 2017

Education

- Master of Economics, The Victoria University of Manchester, UK
- Bachelor of Economics, The University of Salford, UK

Training

- Certificate of Ordinary National Diploma in Business Studies, The City of Baht Technical College, UK
- Top Management Program 8/2009, Capital Market Academy, The Stock Exchange of Thailand
- Class 9 National Defence Course for the Joint State-Private Sectors, The National Defence College
- Certificate from Thai Institute of Directors (IOD)
 - Director Certificate Program (DCP)
 - Audit Committee Program (ACP)
 - Driving Company Success with IT Governance Program (ITG)
 - Ethical Leadership Program (ELP)
 - Role of the Compensation Committee Program (RCC)
 - Successful Formulation & Execution of Strategy Program (SFE)
 - Board That Make a Difference (BMD)
 - Risk Management Program for Corporate Leaders (RCL)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - share

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

Board Member/Management in Listed Company (3 Companies)

| | |
|---------------------|--|
| Since July 2018 | Independent Director, Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Member of the Risk Management Committee, Krung Thai Bank Public Company Limited |
| Since November 2017 | Chairman, Independent Director and Chairman of the Audit Committee BEC World Public Company Limited |
| Since June 2014 | Independent Director, Chairman of the Nomination and Remuneration Committee, and Member of the Audit Committee The Platinum Group Public Company Limited |

Position in Other Company/Organization/Institution

| | |
|------------------|---|
| Since April 2019 | Chairman, Independent Director, Chairman Board of Audit and Compliance Committee, Chairman Board Nomination and Remuneration Committee, Krungthai - AXA Life Insurance PCL. |
|------------------|---|

Other Position in PLAT's Group

(None)

5 - year Past Experiences and/or Remarkable Position

| | |
|-------------------|--|
| 2015 - March 2019 | Independent Director, Member of the Nomination and Remuneration Committee, Member of the Audit Committee and Member of the Risk Management Committee Krung Thai Bank Public Company Limited Director, Magnolias Finest Corporation Company Limited |
| 2014 - 2017 | Independent Director, BEC World Public Company Limited Chairman and Independent Director BEC World Public Company Limited |
| 2010 - 2017 | Chairman, Thaifoods Group Public Company Limited Director, Siam City Leasing and Factoring Public Company Limited |
| 2017 | Director, Siam Allied Holding and Construction Company Limited |
| 2013 - 2015 | Chairman, Wall Street Tullet Prebon Company Limited |
| 2015 | Independent Director and Member of the Audit Committee, The Platinum Group Company Limited |
| 1995 - 2015 | President, Krung Thai Asset Management Public Company Limited |
| 1995 - 2015 | |
| 2013 - 2014 | |
| 2007 - 2014 | |

Illegal Record in Last 5 years

(None)

Mr. Piroon Limpiviatkul

Age 62

Director, Executive Director
and Authorized Director**Date of Appointment**

23 June 2014

Re-Appointment of Directors

The resolution of the 2018 AGM on 24 April 2018

Education

- Bachelor of Mechanical Engineering, Wentworth Institute of Technology, USA

Training

- Certificate from Thai Institute of Directors (IOD)
 - Director Accreditation Program (DAP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

| | |
|---------------------------------|---------------------------------------|
| Held Personally | amount - share |
| Held by Spouse / Minor Children | amount 108,459,300 shares (3.874%) |

Family Relationship among Directors and Executives

(None)

**Board Member/Management in Listed Company
(1 Company)**

| | |
|-----------------|---|
| Since June 2014 | Director and Executive Director, The Platinum Group Public Company Limited |
|-----------------|---|

**Position in Other Company/Organization/Institution
(4 Companies)**

| | |
|---------------------|--|
| Since April 2008 | Director, The Platinum Square Company Limited |
| Since April 2008 | Director, Platinum Hotel Company Limited |
| Since February 2002 | Director, S.C.P. Management Company Limited |
| Since February 1991 | Director, Bangkok International Stone Company Limited (Main Occupation) |

Other Position in PLAT's Group

Being director of PLAT's subsidiaries and joint venture with non-listed companies, totaling 3 companies

5 - year Past Experiences and/or Remarkable Position

| | |
|-------------|---|
| 2013 - 2014 | Director and Executive Director The Platinum Group Company Limited |
|-------------|---|

Illegal Record in Last 5 years

(None)

Mrs. Punjaporn Chotjurangkool

Age 65

Director, Executive Director,
Member of the Nomination and Remuneration
Committee and Authorized Director**Date of Appointment**

23 June 2014

Re-Appointment of Directors

The resolution of the 2019 AGM on 23 April 2019

Education

- Vocational Education, Han Chiang High School, Malaysia

Training

- Certificate from Thai Institute of Directors (IOD)
 - Director Accreditation Program (DAP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

| | |
|---------------------------------|--|
| Held Personally | amount 491,426,800 shares (17.551%) |
| Held by Spouse / Minor Children | amount 802,556,957 shares (28.663%) |
| Total | amount 1,293,983,757 shares (46.214%) |

Family Relationship among Directors and Executives

Spouse of Mr. Surachai Chotjurangkool

**Board Member/Management in Listed Company
(1 Company)**

| | |
|-----------------|--|
| Since June 2014 | Director, Executive Director and Member of the Nomination and Remuneration Committee, The Platinum Group Public Company Limited (Main Occupation) |
|-----------------|--|

Position in Other Company/Organization/Institution (3 Companies)

| | |
|--------------------|---|
| Since April 2008 | Director, The Platinum Square Company Limited |
| Since April 2008 | Director, Platinum Hotel Company Limited |
| Since October 2002 | Director, Baantazala Company Limited |

Other Position in PLAT's Group

Being director of PLAT's subsidiaries with non-listed companies, totaling 2 companies

5 - year Past Experiences and/or Remarkable Position

| | |
|-------------|--|
| 2013 - 2014 | Director and Executive Director, The Platinum Group Company Limited |
|-------------|--|

Illegal Record in Last 5 years

(None)

Dr. Chadarat Anantakoon

Age 61

Independent Director and Member of
the Nomination and Remuneration Committee**Date of Appointment**

23 June 2014

Re-Appointment of Directors

The resolution of the 2019 AGM on 23 April 2019

Education

- Doctor of Organization Development and Transformation, Cebu Doctor College, Philippines
- Master of Public Administration, University of Southern California, USA

Training

- Certificate from Thai Institute of Directors (IOD)
 - Director Accreditation Program (DAP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount 11,608,600 shares (0.415%)

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/Management in Listed Company
(1 Company)**

| | |
|-----------------|---|
| Since June 2014 | Director, The Platinum Group Public Company Limited |
|-----------------|---|

**Position in Other Company/Organization/Institution
(5 Companies)**

| | |
|---------------------|---|
| Since April 1998 | Director, Technology Research and Development Company Limited |
| Since January 1998 | Vice President for Special Affairs, Mahanakorn University of Technology (Main Occupation) |
| Since December 1996 | Director, Thai Space Industries Company Limited |
| Since August 1989 | Director, Science and International Technology Company Limited |
| Since April 1987 | Director, Chadarat Company Limited |

Other Position in PLAT's Group

(None)

5 - year Past Experiences and/or Remarkable Position

| | |
|-------------|--|
| 2013 - 2014 | Director, The Platinum Group Company Limited |
|-------------|--|

Illegal Record in Last 5 years

(None)

Miss Pawinee Sitachitt

Age 59

Director

Date of Appointment

24 May 2019

Education

- Master of Business Administration - Finance, University of Texas at Arlington
- Bachelor of Accountancy, Chulalongkorn University

Training

- Certificate from Thai Institute of Director (IOD)
 - Director Certification Program (DCP)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - share

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/ Management in Listed Company
(1 Company)**

| | |
|----------------|---|
| Since May 2019 | Director, The Platinum Group Public Company Limited |
|----------------|---|

**Position in Other Company/Organization/Institution
(1 Company)**

| | |
|------------|---|
| Since 2015 | Chief Financial Officer, Nye Estate Company Limited |
|------------|---|

Other Position in PLAT's Group

(None)

5-year Past Experiences and/or Remarkable Position

| | |
|-------------|-------------------------------------|
| 2012 - 2013 | Advisor, Siam Piwat Company Limited |
|-------------|-------------------------------------|

Illegal Record in Last 5 years

(None)

Mr. Somchai Warunpantulak

Age 52

Member of Executive Committee, Executive Vice President,
Chief Financial Officer and Corporate Secretary

Date of Appointment

1st : 21 August 2015

2nd : 1 October 2018

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Accounting program, Thammasat University

Training

- Certificate from Thai Institute of Directors (IOD)
 - How to Develop a Risk Management Plan (HRP), Class 21/2019
 - Boardroom Success Through Financing & Investment (BFI), Class 3/2018
 - Director Accreditation Program (DAP), Class 140/2017
 - Anti-Corruption: The Practical Guide: ACPG, Class 12/2014
 - Financial Statements for Directors (FSD), Class 25/2014
- CFO (Certification Program) # 6 (Federation of Accounting Professions under the Royal Patronage of His Majesty the King)

Training on Role and Responsibility of Corporate Secretary

- Certificate from Thai Institute of Directors (IOD)
 - Company Reporting Program (CRP), Class 22/2018
 - Company Secretary Program (CSP), Class 76/2017
- Corporate Secretary Development Program, Class 12/2005, Chulalongkorn University

Responsibility of Corporate Secretary

- Prepare the meeting of the Board of Directors and the shareholders' meeting to be consistent with the law and relevant regulations. Follow up to ensure compliance with the meeting resolution.
- Prepare and maintain a register of directors, notice and minutes of the Board meeting and annual report, notice and minutes of shareholders' meeting
- Oversee to ensure the disclosure of information to be compliance with the regulations of the SEC and relevant regulatory agencies, including the good corporate governance principles.
- Keep the report of stakeholding prepared by the Directors or Executives.
- Keep the copy of the report of changes of securities holding of the Directors or Executives.
- Advise on the Directors regarding the law and regulations, rules related to the good corporate governance, maintain the status of the listed company in the stock exchange and rules and law related to the Company's business operation.
- Proceed any other matters as determined by the Capital Market Advisory Board or as assigned by the Board of Directors.

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - share

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

Board Member/ Management in Listed Company (1 Company)

Since October 2018 Member of Executive Committee, Executive Vice President, Chief Financial Officer and Corporate Secretary The Platinum Group Public Company Limited (Main Occupation)

Position in Other Company/Organization/Institution

(None)

Other Position in PLAT's Group

Being director of PLAT's a joint venture with non-listed company

5-year Past Experiences and/or Remarkable Position

| | |
|--------------------|---|
| 2015 - 21 May 2018 | Member of Executive Committee, Executive Vice President, Chief Financial Officer and Corporate Secretary The Platinum Group Public Company Limited (Main Occupation) |
| 2015 | Director of Risk Management Committee, Quality Houses Public Company Limited |
| 2012 - 2015 | Director, Centre Point Hospitality Company Limited |
| 2012 - 2015 | Director of Property Fund, Quality Houses Hotel and Residence Freehold and Leasehold Property Fund |
| 2010 - 2015 | Member of Corporate Governance Committee and Secretary of the Corporate Governance Committee, Quality Houses Public Company Limited |
| 2008-2015 | Senior Vice President, Financial and Accounting Department, Quality Houses Public Company Limited |

Illegal Record in Last 5 years

(None)

Mrs. Wantanee Wudti-in

Age 53

Senior Vice President Human Resources
Department**Date of Appointment**

7 December 2011

Education

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Political Science, Thammasat University

Training

- Associate Judge and Conciliator Enhancement

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount 115,400 shares (0.004%)

Held by Spouse / Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/Management in Listed Company
(1 Company)**Since June 2014 Senior Vice President Human Resources Department
The Platinum Group Public Company Limited
(Main Occupation)**Position in Other Company/Organization/Institution
(1 Company)**

Since 2017 Associate Judge, Central Labor Court

Other Position in PLAT's Group

(None)

5 - year Past Experiences and/or Remarkable PositionSince 2013 Senior Vice President Human Resources Department
The Platinum Group Public Company Limited**Illegal Record in Last 5 years**

(None)

Mr. Pornthep Thientawee

Age 54

Senior Vice President Project Management
Department**Date of Appointment**

21 February 2019

Education

- Master of Engineering, King Mongkut's University of Technology North Bangkok

Training

(None)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - shares

Held by Spouse/Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/ Management in Listed Company
(1 Company)**Since February 2019 Senior Vice President Project Management
Department,
The Platinum Group Public Company Limited**Position in Other Company/Organization/Institution**

(None)

Other Position in PLAT's Group

(None)

5-year Past Experiences and/or Remarkable Position2013 - 2017 Senior Vice President Project
Management Department,
The Platinum Group Public Company
Limited**Illegal Record in Last 5 years**

(None)

Mrs. Nattarin Payoongwong

Age 48

Senior Vice President Leasing Department

Date of Appointment

1 January 2019

Education

- Master of Business Administration, Chiang Mai University
- Master of Development Studies, Ohio University

Training

(None)

Shareholdings (Ordinary shares) (As of 5 September 2019)

Held Personally amount - shares

Held by Spouse/Minor Children amount - share

Family Relationship among Directors and Executives

(None)

**Board Member/ Management in Listed Company
(1 Company)**

Since January 2019 Senior Vice President Leasing Department,
The Platinum Group Public Company Limited
(Main Occupation)

Position in Other Company/Organization/Institution

(None)

Other Position in PLAT's Group

(None)

5-year Past Experiences and/or Remarkable Position

2017 - 2018 Vice President Sales and Marketing Department,
The Platinum Group Public Company Limited

2015 - 2016 Assistance Vice President – Regional Leasing
BKK2 & North, Central Pattana Public Company
Limited

2013 - 2014 Vice President Sales and Marketing Department,
Siam Future Development Public Company
Limited

Illegal Record in Last 5 years

(None)

Key Milestone in 2019



The opening of The Market Bangkok on February 14, 2019 on a 20-rai area situated in Ratchaprasong zone. The location is easy for access by BTS which is connected to the skywalk at Ratchaprasong intersection (R-Walk). The Market Bangkok consists of M1 and M2 building linked together, offering a variety of restaurants and shops to serve all lifestyles and activities such as dining, working, relaxing, shopping.



On August 30, 2019, The Platinum Market Co., Ltd., the subsidiary where the Company held 99.99% of shares, had signed a 3,983-square-meter rental agreement with PPI (Thailand) Co., Ltd to open Don Don Donki, the No. 1 Japanese discount chain at the Market Bangkok which was expected to launch at the end of first quarter of 2020.



OFFER HAPPINESS
IN PEOPLE'S LIFE

Awards 2019



Awards in 2019 Zero Accident Campaign from Thailand Institute of Occupational Safety and Health, the public organization under a supervision of the Ministry of Labor. The company has elevated from the Bronze level to Silver Lever.



Award un The Excellent Establishment on Labour Relation and welfare for 5 consecutive Years (2014-2019)



Certificate of BS 8477:2014 and ISO 1002:2014 Customer Service and Complaints Management of British Standard Institution - for four consecutive years (2017-2020)



The Certificate for prevention and remedy of drug problems in the operating premise by the Department of Welfare and Labor Protection.



The Reward for Excellent National Operating Premise for the safety, Occupational Health and Working environment for the year 2019, for three consecutive years (2017-2019), Gold Level from the Ministry of Labor.



ALWAYS MOVING
FORWARD TOGETHER

Marketing and Competition

Competitive Strategies

When considering real property development, the Company always takes into account the sustainability and growth of small entrepreneurs and surrounding communities. Therefore, to achieve objectives set in place, the Company has established project development strategies as follows.

1. Project Development Strategy

- **Project and facilities design based on consumer behavior research**

One of the key success factors for a property project for rent to gain popularity among shoppers and visitors is the ability to respond to consumer's needs as well as to the changing behaviors of the target customers. As such, before determining the project's design and concept, the Company has conducted market studies and researches to understand consumer behaviors, their unfulfilled expectations and their spending patterns. Then the collected data and result of the research, combining of basic information collected from the focus group will be analyzed, there for the Company able to draw a conclusion and determine the project's concept and its goal which will satisfy the needs of the target customers.

To determine the target group of the project or the shopping center has enabled the Company to decide the proper design of such project including to respond to their needs by means of the project concept, zoning, project image and other facilities to be provided for customers

Moreover, the result of the market research is to be also utilized when considering the proper merchandising mix that will attract customers and visitors to come back regularly, which will optimize the use of the limited leased spaces. And the shop owners or entrepreneurs in the mall will be able to run their businesses on a sustainable basis.

- **Ensuring high quality standard in every stage of property development**

The Company has a systematic project development plan, starting from the feasibility study and analysis to ensure adequate returns on investment, seeking for a block of land at the right location with convenient access and then making decision to buy or lease the land. In the stage of selecting designers and contractors, the Company will select only the qualified contractors who meet the standard criteria and who have the ability to manage and control the project according to the project timeline. During the development and construction stage, the Company will start contacting and selecting shops and entrepreneurs to lease the spaces by considering their qualifications which match the project concept, merchandising mix and number of shops based on the Company's research findings.

2. Rental Area and Property Management Strategy

- **Recognize and understand the needs of target tenants**

To manage the space and facility in the shopping center, the Company needs to do a survey in order to recognize and understand the characteristics of its target tenants, nature of their businesses and the basic needs and requirements of their businesses so that we can serve them properly such as allocating storage space to resolve shortage of storage space for tenants.

The Company have a marketing plan and sale promotion focus on retailers rather than end-users. The Company held a meeting with tenants annually to discuss, exchange opinions, suggest solutions, resolve problems. The Company also collaborated with agencies such as leading banks, to arrange

seminar about finance, business operation or to raise the fund for business or business expansion. Such help will maintain target tenants of the Company, as well as to promote the business operation of the Company and tenants within the area to grow together.

- **Shop zoning based on visitors' and shoppers' preferences**

Shop zoning that matches the needs of visitors and shoppers will facilitate and enhance their favorable experience when visiting the center. At the Platinum Fashion Mall, most shoppers and visitors are retailers; so shop zoning is arranged by product types. Shops that sell similar products are located in the same zone, such as the zones of women's clothes, men's clothes, kids wear, leather items, bags, shoes, accessories, etc., in order to be more convenience and time saving for retailers. Meanwhile, restaurants, food and beverage outlets are scattered around the mall to serve customers and shop-owners.

- **Selection process for suitable tenants**

In line with the shop zoning policy, the Company as the project manager has a selection procedure of tenants. In case of the tenant does not renew the contract, the replacement has to sell product or service that matches the mall zoning and such product must be in the visitors' and shoppers' demand.

For the new project opening, the selected tenants' product must have significant features, being in the market demand and in line with the preferences of the project's target customers. The number of selected shops must not exceed the pre-determined number of each shop type including products and services within the shopping malls meet the need and lifestyles of customers accordingly.

- **Regular improvement and maintenance of the center**

Regular improvement and maintenance of the area and facilities in the mall play important roles in the successful property management. As the

shopping mall is a highly-trafficked area, all infrastructure, related systems and equipment must be checked and maintained on a regular basis to ensure safety and readiness for use. The Company has a policy to fix and repair the infrastructures, systems and equipment as fast as possible in order to minimize impacts on the mall's operations.

- **Providing full facilities**

A successful shopping mall must provide full facilities in order to facilitate its tenants and shoppers within the mall. At the Platinum Fashion Mall, most of customers usually buy products in large numbers. Therefore, the Company has large-size elevators with sufficient loading capacity, ample parking spaces, cargo services and parcel delivery services for product delivery all over Thailand and abroad to serve provincial and foreign retailers. To serve foreign retailers, prayer room for religious activity, complete financial services, including bank branches and exchange booths were provided in our mall.

3. Marketing Strategy & Sale Promotion

The Company has implemented extensive marketing strategies and sales promotion for its business to ensure efficient and continuous success, which can be determined into a concrete figure. The Company points out to the satisfactory of customers including Thai and foreigners and tenants in the shopping center as a bottom line factor when formulating strategy to enhance competitiveness in 2020. Details are described below.

- Re-brand to satisfy lifestyle of consumers from a newer generation by building the brand that is remarkable, repeating and create enduring recognition.
- Launch attractive promotional campaigns to boost up markets and to offer new experiences for customers year-round . Furnish the shopping center with particular theme for each occasions creating a content shopping experience that is full with happiness and joy to build up the rate of re-turning customers.

- Establish advertisement in all communication channels including an-online and offline media to reach existing customers as well as find new customer base.
- Target Thai customers and new group of foreign tourists having buy power.
- Launch a campaign or activity based on the analysis result of customer database. An activity that meets customers' need will assure returning customers and enhance communication with them building confidence on the shopping center.
- Create engagement with tenants by holding a meeting to share ideas of marketing and promotional activities.
- Collaborate with partners and sponsors to carry out business, offering benefits to tenants and target groups to bring in highest benefits.
- Listen to news, and analyze economic situations in order to implement marketing strategies and sales promotion to meet current situations.

Competition

1. Competition to acquire a piece of land in a good location with the adequate and proper size for project development.

This competition is extremely intense because there are only a few pieces of land which can accommodate large or medium commercial property project for wholesale and retail businesses in the Pratunam, Ratchaprasong and surrounding areas, comparing to the number of experienced developers who have high potential to acquire the land or win the bidding for long-term lease. Some of these developers have also come up with the proposal to buy or lease the land or even to continue the development of the landlord's existing project. Apart from their experience and expertise in large-scale project development and operation, most of these developers are large companies with solid financial status and ability to access various funding resources as well as ability to persuade and acquire tenants and business operators in several industries to lease their property.

2. Competition to acquire tenants and entrepreneurs to lease spaces

This area of competition is also highly intense. It involves the offering of rental terms and conditions, services, rent payments, service fee rates to be more attractive than the competitors in the nearby area. Therefore, The Platinum Fashion Mall has implemented a measure to boost up sales among tenants by continual marketing activities such as seasonal activity, festive decoration, marketing promotional activities with banks, publicity via social media and affiliation with tourism companies to bring in visitors to the shopping center regularly.

3. Competition in clothing and fashion business in Pratunam zone and department stores in Ratchaprasong area and adjacent area.

The Platinum Fashion Mall is a fashion wholesale facility situated in the Pratunam area. Although there are numerous clothing and fashion vendors all over Bangkok, most of them are concentrated only in the Pratunam, Sumpeng and Jatujak areas, where the clothing wholesale centers located. Therefore, supplies of renting spaces for the clothing and fashion wholesale are also concentrated in these areas, where most of retailers are familiar with. In the future it is forecasted that the demands of clothing and fashion business are likely to remain high due to economic expansions, consumers' spending, increasing numbers of foreign tourists and the government's economic stimulus measures. Subsequently, these factors will bring about more supplies of new leased space in line with the increasing demands.

In the near future, a coming up of the new mixed-use projects near Lumpini Park, Silom area and the adjacent areas may shake the demand of the shopping center in case the supply of leasing space is scarcity. In addition, the increasing number of tourists is also another factor to consider.

4. Competition among hotel business in Pratunam and Ratchaprasong and neighboring areas

The Novotel Bangkok Platinum Pratunam Hotel is located in a part of The Platinum Fashion Mall

project which is situated at the intersection where Ratchadamri Road and Petchaburi road meet. It is under the management by Accor Hotel Group, which is a globally renowned hotel operator. Competition is intensified among hotels in Pratunam, Ratchaprasong and the surrounding areas, where a number of 3 - 5 star hotels and other types of accommodation are located, and that could affect entrepreneurs' profitability. In order to maintain their profitability levels, operators must monitor and cut down unnecessary costs and spending while keeping the service quality unscathed.

In order that Novotel Bangkok Platinum Pratunam Hotel can compete equally against other hotels in the same vicinity, the Company and hotel operator Accor Hotel Group are not eager to compete in the price. Instead, they are determined to compete in regards to service quality. Besides, they plan to monitor the costs and operating expenses in order that the Company is able to generate healthy profits while growing sustainably. Another key feature that helps Novotel Bangkok Platinum Pratunam Hotel to compete against its rivals in the same area is its location within The Platinum Fashion Mall project. This attracts more foreign tourists to visit and stay at the hotel, as they can conveniently shop at the shopping mall. In addition, the Company can draw suitable joint marketing and promotional plans for the hotel and the mall.

Despite of extreme competition among many competitors of real estate developers in Pratunam and Ratchaprasong and neighboring areas, our projects are fruitful and competitive supported by the following positions.

- **The project is located in prime business district in the center of Bangkok and has great potential of business growth.**

The Platinum Fashion Mall and The Market Bangkok are situated in Pratunam and Ratchaprasong area – the leading business and tourism section in the heart of Bangkok. Every year, The Platinum Fashion Mall and department stores and shopping centers in a neighboring

areas receive a number of Thai and foreign visitors who come for shopping and/or sight-seeing. Based on such fact, business operation including real estate development for commercial purpose will earn benefit plus the government policy to promote Bangkok into a center of business, fashion and tourism of SEAN.

- **The architecture of the shopping center is aesthetic and modern.**

The interior and exterior decoration and design of the shopping center is elegant and contemporary, attracting vendors to lease/use services within. Novotel Bangkok Platinum Pratunam Hotel is based within The Platinum Fashion Mall project, supporting and promoting more foreign tourists to visit for shopping and stay at the hotel, as they can conveniently shop at the shopping mall.

- **Convenience transport to the shopping center**

Via various mass transportation, visitors have convenient access to the shopping center, for instance, bus, passenger boat. For those who traveling by BTS, will have easy access via the R-Walk to The Platform Fashion Mall and The Market Bangkok.

- **The skilled and experienced management team**

Our management team comprises personnel with competent knowledge and skills and experience in real estate development for commerce and other business segments for over 10 years with a satisfied success. It is always the commitment and determination of the management team to strive for achievement and sustainable growth.

Industrial Overview and Outlook

1. Overview and outlook of retail and wholesale Industry

Bangkok Metropolis and the vicinity consist of approximately 8,450,660 square meters, in which shopping center accounts 59%, community mall 16%, hypermarket 10% and other retail space 15%. The retail space opened for service in 2019 is approximately 204,200 square meters. The shopping center accounts the highest portion at

65%, following with a community mall at 15%. Since there are a number of large-scale mixed-use projects which contains office space and shopping center in the same building, undergoing construction and expected to be completed by the next few years, the shopping center and retail space in city center are likely to surge. Between 2020 – 2022, approximately 515,000 square meters of shopping center will be completed.

Averagely, the rental rate of retail space in Bangkok is considerably higher than other areas. However, there is not much change is the rental rate of retail space in Bangkok and the vicinity in the previous year due to slightly growth of business and recessed economic condition.

The retail space rental is likely to progress following the expanding of consumer demand. In addition, the government's investment in infrastructure will stimulate associated business which includes the retail space. Amid the competition with e-commerce which has developed bigger role, competition in retail space is also aggressive supported by emerging mixed-use projects which recently many has opened for commercial operation. According to CBRE, the mixed-use project and retail space will gradually be ready by 2025. By then, retail space will multiply by 1 Million square meters, illustrating the abundant supply of new retail space. Since the outbreak of Covid-19 virus from the end of 2019 until the first quarter of 2020, the government and private sector has established risk prevention measure to cope with the outbreak, for example, banning traveling abroad, cancellation of seminars, events. In other words, economic activities are interrupted, and revenue from sales of retail space is suddenly dropped. It can be concluded that the effect of Covid-19 outbreak is another factor that affects the earnings of retail space business.

Source : Phoenix Property Development and Consultancy Company Limited
Krungsri Research, July 2019

2. Hotel industry overview and outlook

The number of foreign arrivals in 2019 reached 39.80 Million, an increase by 4.2 percent from the previous year. The first five nations of tourists are China, Malaysia, India, Korea and Lao. However, upon the outbreak of Covid-19 since the end of 2019 the Republic of China has announced lockdown of transportation in many cities to control the situation in January 2020 affecting tourism and hospitality business in Thailand. According to the Economic Intelligence Center (EIC), the Covid-19 epidemic effect cutdown foreign tourists in Thailand in 2020 to 37 Million or 7.1 percent shrinkage when compared to 2019. Moreover, the adverse impact may dramatically cancel many economic activities during the first quarter of 2020. It is expected that revenue from tourism will vanish by two hundred twenty Million Baht.

For the trend in 2020-2022, hotel business must adapt business tactic to endure the changes of the situation while competition in all areas remain intense as a result increasing room supply from the same business line and alternative business. Therefore, it is difficult to increase the room rate. Nonetheless, comparing to hotel in regional zones, the main tourism area (Bangkok, Pattaya and Phuket) and regional city/major landmark gain advantages of tourism potential with higher demand, and the occupancy rate is higher.

In addition to primary hotel elements such as price, sanitation and location, hotel operators should shift their strategy to meet the trend among younger generation of tourists who love eco-friendly concept and photography (Instagrammable) and variety of activity during their stay, for example, recreation for health, exercise and food.

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- Source: 1. Department of Tourism and Sports
2. Kasikorn Thai Research Center, The impact of the epidemic 2019 Novel Coronavirus (n-CoV) in China on the Chinese tourists in Thailand in 2020 under closely monitored situations
3. Krungsri Research, Thai Business and Industry Trends 2020 - 2022
4. SCB Economic Intelligence Center, Eco Tourism and Sharing via Social Network, Modern Thai Tourists



**INSPIRATION & PASSION
PUSH ON BUSINESS GROWTH**

Nature of Business

Income Structure

Income structure classified by business type

| | Descriptions | 2017 | | 2018 | | 2019 | |
|---|---|----------------|------------|----------------|------------|----------------|------------|
| | | (Million Baht) | (%) | (Million Baht) | (%) | (Million Baht) | (%) |
| 1 | Rental and Services Income ⁽¹⁾ | 1,259 | 61 | 1,332 | 63 | 1,627 | 66 |
| 2 | Revenues from Hotel Operations ⁽²⁾ | 395 | 19 | 434 | 20 | 455 | 19 |
| 3 | Revenues from food and beverages sales ⁽³⁾ | 269 | 13 | 268 | 13 | 251 | 10 |
| 4 | Others income ⁽⁴⁾ | 136 | 7 | 83 | 4 | 132 | 5 |
| | Total Income | 2,059 | 100 | 2,117 | 100 | 2,465 | 100 |

Remark: ⁽¹⁾ Rental and services income comprised of rental income, revenues sharing, additional income from the activities on utilizing common space, utility, shared facility fees, insurance premium, property tax and parking income.

⁽²⁾ Revenues from hotel operations comprised of room revenues, food and beverages sold in the hotels and other service charges relating to the hotel business.

⁽³⁾ Revenues from food and beverage sales are derived from operation of food centers and the Company's restaurants where is excluded income from sales of food and beverages under the hotel business. The income is categorized by the profit shares from each restaurant. All revenues from food and beverages from the food center are recorded in financial statement while the redemption amount paid to vendors are recorded as the cost of the food center business.

⁽⁴⁾ Other income includes interest income, advertisement space, gain (loss) from sales of securities, unrealized gain (loss) from sales of securities and profit (loss) from sales of assets.

Nature of Products and Services

Currently, the Company has a retail and wholesale center, rental space for shopping and hotel. The Company operates totally five projects. Accordingly, the five projects consist of 3 shopping mall named The Platinum Fashion Mall, The Wharf Samui and shopping mall named The Market Bangkok, one night market named 'The Neon Night Bazaar' and one hotel named 'Novotel Bangkok Platinum Pratunam'.

The Company proposes to invest in The Market Bangkok which subsists of 3 Phases namely Phase 1 is The Market Bangkok Shopping Mall (opened on 14 February 2019), Phase 2 consists of a 3-star hotel and office space rental, Phase 3 consists of a 3-star hotel and shopping mall.

Furthermore, the Company is now undergoing a construction of Holiday Inn Resort. Details of each project are explained below.

1. Rental and Service business

As of December 31, 2019, the Company operated 4 projects which were

- **The Platinum Fashion Mall ('Shopping Mall')** is located in the heart of Pratunam area. The Shopping Mall is classified as a large wholesale and retail shopping mall for modern fashionable apparels, including over 2,500 shops. Products or shops are categorized inside the Shopping Mall, e.g. men's

wear, women's wear, bags, leather products, shoes, accessories, and comprehensive facilities and utilities. The Shopping Mall is very popular among tenants and customers.

- **The Market Bangkok** is a retail marketplace situated in the area of 20 rai in Ratchaprasong area. The mall consists of M1 and M2 building, which are linked to each other. Each building has 6 floors offering an extensive ranges of stores and restaurants that will match all lifestyles. Opening on 14 February 2019, The Market Bangkok is a great choice for eating out, working, relaxing and shopping.
- **The Neon Night Bazaar** is a significant tourist destination in the heart of Bangkok. They are designed under concept 'Neon Night Alive' "offering the best experience for shopping, chilling out, trying new food, sharing events, checking in for a social network. The new market place in city center decorated with colorful neon lights to attract young customers who love taking pictures and sharing them. Inside the project consist of shops made from containers, tents and food shops of unique styles over 700 units of food, drinks, and lifestyle products. Furthermore, there are different viewpoints for taking pictures that demand of digital generation including, target customers are Thai office workers and residents of nearby locations and foreign tourists.
- **The Wharf Samui**, the first beachfront community mall on Koh Samui, decorated with retro architecture style blended with east and west culture. The mall provides various restaurants, stores of different products and services that meet all lifestyles of those who visit the island for their vacation, tourism, and residents on the island as well.

2. Hotel Business

Currently, the Company operates a hotel, namely Novotel Bangkok Platinum Pratunam Hotel, a 4-star hotel located in the heart of Bangkok. The hotel beside accommodation provides customers a restaurant, meeting room and banquet facilities including other related services such as swimming pool, spa, fitness etc.

It is Company's business policy to employ renowned executive officer to manage the hotel to meet universal standard and create confidence to our hospitality services among customers. The Company entered into the Hotel Management Agreement with Accor Group - the well-known hospitality management affiliate, to manage Novotel Bangkok Platinum Pratunam from November 2011.

3. Food and Beverages Business

At present, there are 2 food and beverage centers namely:

- **Platinum Food Center** located on the 6th floor inside The Platinum Fashion Mall serving both Thai and international food. The Food center consists of 24 food shops, 3 drink shops and 18 dessert shops, Which can serving more than 1,000 seats for customers.
- **Street Food** is located on the 3rd floor of The Market Bangkok, having over 20 shops of different food and beverages. The Street Food can serves approximately 200 customers.

Business Details of The Platinum Group Public Company Limited as of 31 December 2019

| Rental and Service Business | Year of Operation | Ownership | Book Value (Million Baht) | Appraised Value (Million Baht) | Total Area (sq.m.) | Rental Space (sq.m.) | Occupancy Rate (%) |
|-----------------------------|--|--|---------------------------|--------------------------------|--------------------|----------------------|--------------------|
| The Platinum Fashion Mall | December 2005 | Own by PLAT and The Platinum Juristic Person | 1,206 | 9,947 | 137,537 | 23,384 | 96 |
| The Wharf Samui | January 2015 | Lease contract for land and buildings | - | - | 18,904 | 5,423 | 27 |
| The Neon Night Bazaar | Phase 1: December 2016 Phase 2: December 2018 | Lease contract for a land plot | 3 | - | 21,710 | 5,720 | 78 |
| The Market Bangkok | February 2019 Phase 1 | Lease contract for land | 3,345 | 5,200 | 141,164 | 30,832 | 75 |

| Hotel Business | Year of Operation | Ownership | Book Value (Million Baht) | Appraised Value (Million Baht) | No. of Room | Occupancy Rate (%) |
|-----------------------------------|-------------------|-------------|---------------------------|--------------------------------|-------------|--------------------|
| Novotel Bangkok Platinum Pratunam | November 2011 | Own by PLAT | 558 | 2,533 | 288 | 94 |

Current Projects

The Platinum Fashion Mall



Project Details

The Platinum Fashion Mall, the largest wholesale mall in Thailand, located in the center of Pratunam area. The Platinum Fashion Mall is a large wholesale and retail shopping mall for modern fashionable apparels, including over 2,500 shops. Product or shops are categorized inside the Shopping Mall, e.g. men's wear, women's wear, bags, leather products, shoes, accessories. The Mall has filled with complete facilities and utilities such as warehouse, packaging and delivery services.

The Market Bangkok



Project Details

The Market Bangkok is a modern retail mall settled in the heart of Bangkok- Ratchaprasong with the site convenient for many options of transport. A combination of all marketplace styles and experiences expressed through a singular architectural design, plus outstanding products and services fulfills Ratchaprasong district into an ideal shopping mall of the world class.

The Neon Night Bazaar



Project Details

The Neon Night Bazaar is a new tourist destination in the heart of Bangkok on an area of over 13 rai (opposite entrance to Chidlom road). The project is designed under concept 'Neon Night Alive' offering the best experience for shopping, chilling out, trying new food, sharing events, checking in for the social network. The mall decorated with colorful neon lights to attract young customers who love taking pictures and sharing them. Inside the project consist of shops made from containers, tents and food shops of unique styles over 700 units of food, drinks, and lifestyle products.

The Wharf Samui



Project Details

The Wharf Samui is the first beachfront community mall on Koh Samui, decorated with retro architecture style blended with east and west culture. The mall provides different products and services that meet all lifestyles of both Thai and Foreign tourists.

Platinum Food Center



Project Details

Platinum Food Center is a place for food and beverage located on the 6th floor of The Platinum Fashion Mall selling Thai and international cuisine. The Center consists of 24 food shops, 3 beverage shops and 18 refreshment shop with over 1,000 seats to accommodate customers.

Street Food



Project Details

Street Food is located on the 3rd floor of The Market Bangkok, having over 20 shops of different food and beverages. The Street Food can serve approximately 200 customers.

Novotel Bangkok Platinum Pratunam



Project Details

Novotel Bangkok Platinum Pratunam, a 4-star hotel located on The Platinum Fashion Mall is a center of fashionable items. The hotel consists of 288 rooms, with tasty food suitable for party, spa, swimming pool, and a fitness center.



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Future Projects

The Market Bangkok Project

the project is divided into 3 Phases

Phase 1: The Market Bangkok opened on February 14, 2019

Phase 2: Moxy Hotel Bangkok Ratchaprasong and office for rent

Phase 3: Fairfield by Marriott Bangkok Ratchaprasong Hotel and Shopping Center

Moxy Hotel Bangkok Ratchaprasong



Project Details

Under the management of the Marriott Group and ranked as a 3-star hotel, Moxy Hotel Bangkok Ratchaprasong is located in M1 Building, The Market Bangkok Project, offering 532 rooms.

The Moxy Hotel Ratchaprasong will generate revenue to the Company on a continual basis and also support and promote shops and entrepreneurs within The Market Bangkok Project.

Progress

The hotel section in M1 Building is undergoing the submission of the Environmental Impact Assessment Report (EIA).

Construction schedule

It is expected that the Environmental Impact Assessment Report (EIA) will be approved and permitted for construction in the 2nd Quarter of year 2020.

Commercial opening date

During 2nd Quarter of year 2022

Value of investment

Approximately 1,244 Million Baht

Office for rent



Project Details

Office for rent located in The Market Bangkok offers office space rental to companies or individuals with the aim to generate continual income to the Company as well as to promote businesses or shops within The Market Bangkok during weekdays. The total space available for rent is approximately 52,000 square meters.

Progress

The office for rent in M2 Building is undergoing the submission of the Environmental Impact Assessment Report (EIA).

Construction schedule

It is expected that the Environmental Impact Assessment Report (EIA) will be approved and permitted for construction in the 2nd Quarter of year 2020.

Commercial opening date

During 2nd Quarter of year 2022

Value of investment:

Approximately 1,938 Million Baht

Fairfield by Marriott Bangkok Ratchaprasong Hotel and Shopping Center



Project Details

Under the management of the Marriott Group and ranked as a 3-star hotel, Fairfield by Marriott Bangkok Ratchaprasong Hotel and Shopping Center is located in M3 Building. The new shopping center is an additional and separate construction project from the existing shopping center, which was opened on 14 February 2019.

Progress

The project is undergoing a review of building design and conducting the feasibility study on investment.

Holiday Inn Resort Hotel



Project Details

The hotel is located on Bophut beach, Koh Samui, under the management of Holiday Inn Group. Based on the original concept, there will be 2 hotels, namely Holiday Inn Express and Holiday Inn Report. However, to reach out to the target group at present, the concept has been adjusted and only Holiday Inn Resort with 203 rooms is approved.

Progress

The project is undergoing the adjustment of structure from Holiday Inn Express to Holiday Inn Report. The construction of Holiday Inn Report is continued.

Construction schedule

November 2018

Commercial opening date

During 1st Quarter of year 2021

Value of investment

Approximately 1,101 Million Baht

Risk Factors

In business operation, the Company exposes to the internal and external risks which may significantly affect its operation, procedures, financial status, and shared values.

Realizing the fact, the Board of Directors has assigned the Audit Committee to review the Company's risk management to ensure adequacy and consistency to its business operation. The Company has established a risk management policy as practice guidance for executives and employees regarding risk management. In 2019, risk factors, preventive measures, and guidelines for risk management are prepared as follows.

Business Risk

Risk From Competition of Development and Rental Service in Whole-retail Centers

The Company's business operation contains risks from business competition where competitors are the rental business of wholesale center and retail center, shopping centers and department stores located in Pratunam and Ratchaprasong area adjunct to The Platinum Fashion Mall.

However, the Company has determined the strategy to mitigate risks from the competition by prioritizing those store owners or space lessees who provide relevant fashionable products for wholesale and retails. The Company classified zones for stores of the same products, selecting stores and entrepreneurs to diversify categories of fashionable items to facilitate customers as a 'one-stop' shopping center' for products and services. The Company supports stores and space lessees by allowing them for discussion, exchange of opinions, suggestions, listening to the problems and seek for a solution, conducted satisfaction assessment from store owners and customers regularly. Furthermore, the Company arranged development

courses to enhance knowledge of tenants within the Shopping Mall, for example, seeking fund for business or business expansion from leading Thai banks that are a partner with the Company, to ensure that the Company, store owners and entrepreneurs will grow together. The Company established The Platinum Empowering SMEs Project with an aim to develop small entrepreneurs to be able to create their brand identity and to compete and boost up their turnover sustainably. In addition, to enable tenants to enter into lease and service contract continuously, the Company also focused on management of lease and service contract to ensure tenants have the reasonable price which is based on relating factors such as business operation of tenants, rental rate and service charge offered by competitors, cost of development and project implementation.

Risk from Competition of Hotel Business

The tourism industry is a significant mechanism of the Thai economy which generates income to the country worth Baht 3.09 trillion in 2019 or 17%¹ of Thai GDP with 39 Million foreign arrivals. Being involved directly from tourism, the hospitality business is affected positively and negatively. The positive side are, for instance, the 'Taste-Shop-Spend' scheme issued by the government, the expansion of Free Visa on Arrival which has stimulated income from foreign arrivals and Thai tourists. The negative side is, for instance, the strong Baht, Trade War between the US and China, dropping the number of Chinese tourists (the number of Chinese tourists is forecast at approximately 11 Million in 2019), or the slowdown in consumption among domestic household. Nonetheless, the number and tourism situation in 2019 was likely to improve better than 2018 while the hotel business was also likely to grow and accommodate the tourists continuously.

¹ Source : Bank of Thailand (BOT)

In addition, it is expected that the number of hospitality business operators will increase, ranking from 5-star to 3-star hotels. The 3-star hotels will increase by 3,829 rooms² in the Bangkok area by 2020. The growth of the hotels may adversely affect the rental fee, room rate, and occupancy rate could drop.

At present, the Company has one hotel which is Novotel Bangkok Platinum Pratunam located in Pratunam area which is considered as a tourism and commercial landmark in the heart of Bangkok Metropolis. The hotel is located near shopping centers, department stores and various tourism landmarks which is one of the outstanding features to attract both Thai and foreign customers to select their stay in the hotel continuously. Novotel Bangkok Platinum Pratunam is a four-star hotel, under the management of the Accor Hotel, a renowned international hotel chain with a global network. This is considered as an advantage when compared with hotels of the same scale but is not under the management of such a well-known hotel chain or large hotels with a higher room rate. However, since there are many hotels in the said area, the competition is intense and it does affect the room rate and occupancy rate as well.

To cope with such situation, the Company adjusted the proportion of the guests, focusing on F.I.T. (Free Individual Travelers) which the spending per head is higher than the G.I.T. (Group Individual Travelers) as well as to boost more sale via an online channel. Rooms are adjusted for bunk beds to accommodate families. Furthermore, the Company has established the policy which focuses on providing services and bringing the highest satisfaction to customers

in terms of rooms, restaurants, and services. The Company emphasizes on developing personnel to be serviced mind, devoting their performance to the hotel guests by providing a regular training course for servicing - which is considered as the core of the business operation. Besides, the Company has renovated the hotels to be modern, clean, safe with comprehensive facilities, e.g., outdoor swimming pool, fitness center and indoor parking lot for even more convenient use inside an air-conditioned room decorated in modern style and design. With a total number of 288 rooms, free wi-fi internet, and the location on The Platinum Fashion Mall which promote and attract customer to select their stay for the best convenience and comfort of their shopping experience of countless items at reasonable price. Also, Platinum Fashion Mall is a major wholesale center of Thailand, a landmark to visit among Thai and foreign tourists with convenient access and traveling route through the R-Walk. The Company issued a policy to enhance the effectiveness and efficiency of the management in order to control costs and operating expenses, to be able to compete in the business hotel industry.

Within the following 3-5 years, the Company plans to continue investment in hotel development by building another three hotels. The first two hotels will be located in the mixed-use project of The Market Bangkok, Bangkok Metropolis under the management of the Marriott International while another hotel will be located on Koh Samui under the management of Intercontinental Chain. The location and management under the renowned hotel chain of the world-class will reduce the failure rate in the hotel business and enhance competitiveness performance as well as to diversify risks.

² Source : CBRC, Bangkok Luxury Hotel Market View Q3 2019

Risk from Investment and Future Project Development

The Company and subsidiaries have set out the plan for various future project, e.g. shopping mall or wholesale center and retail center for commercial rental, hotels or resorts and office space for rent. Upon operation of the said projects mentions above, the Company and its subsidiaries will receive a return in the form of rents and service fee which are considered stable and certain (recurring income) for the long term. However, the investment requires a significant amount of money and a long duration to gain a return on investment. Accordingly, if the development and construction are unsuccessful whether it is suspended or delay or the cost overrun, such circumstances may affect operating result, financial status, solvency and liquidity of the Company, including the return that investors or shareholders should receive from investing in the Company's securities.

However, the Company has had extensive experience of real estate development for The Platinum Fashion Mall and Novotel Bangkok Platinum Pratunam for a long period of time and the Company is able to apply such experience to the development project in the future. In addition, the Company has conducted a study and assessment on investment and project development including the study, analysis and assessment of risk factors relating to investment and project development. Another fact is that the Company's policy to focus on the project which has business potential and located in a good location to ensure that the future projects are likely to be successful, generate return on investment which is worth the risks that may occur and the risks will be managed to be in the acceptable level.

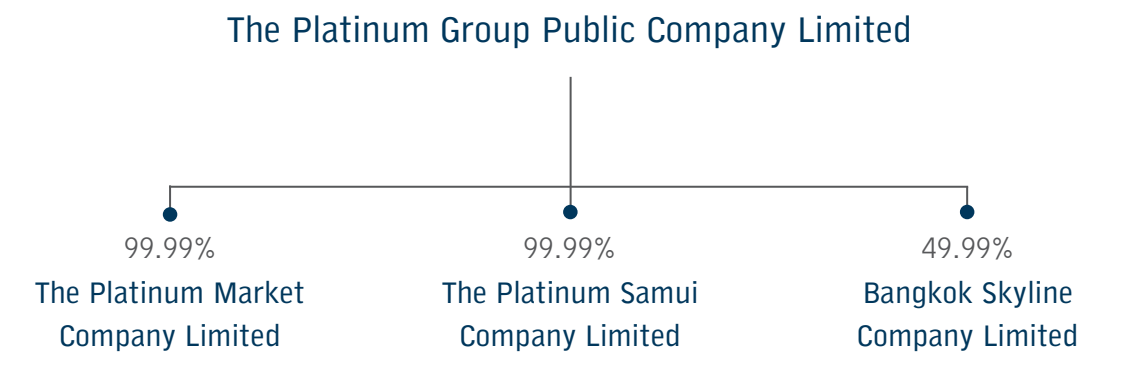
The development project meets high quality and construction standard and in accordance with the work plan of the Company. The Company has clearly determined qualifications and procedure to select designer, quantity surveyor, construction management and sub-contractor to assure that the selection procedure is conducted with transparency, quality and appropriateness, thoughtful and efficient. In addition, those who attend the project development must be qualified and have experience which is acceptable and reliable to minimize the risks of development and construction which may be delayed or suspended, to control the cost of project development to meet the targeted goal or objective of the Company.

Financial Risks

The Company plans to spend in real estate development for future projects as mentioned in 'Risk in Investment and Development of Future Projects'. Within the next 3-5 years, the Company will spend approximately 7,000 Million Baht. Hence, other than the sources of fund received from IPO in 2015, it is crucial to seek for sources of fund from banks, financial institutions, issuance of debentures and other sources of fund appropriate to the Company's investment. The Company has in place policy to reduce financial risk. After investment in business expansion, the Company has determined financial structure on interest-bearing debt per proportion of shareholders to be in proper level not exceeding 1:1, in order to prevent a high level of financial risk and reasonable return on investment.

The Shareholder Structure

Its Subsidiaries and Joint Venture on 31 December 2019 was as follow



The Platinum Group Public Company Limited

On December 3, 2013, the Company registered from amalgamated with nine related companies that connected business operation of The Platinum Fashion Mall (wholesale and retail shopping mall of fashion items and space rental for commercial purpose) and Novotel Bangkok Platinum Pratunam. The nine related companies have the same major shareholders and controlling persons. Later the Company converted its entity to a public company under the name The Platinum Group Public Company Limited, effective on June 23, 2014.

The company operates in real estate development and investment in its subsidiaries. The current businesses are:

1. Rental and Services Business - The Platinum Fashion Mall, The Wharf Samui, The Neon Night Bazaar, The Market Bangkok
2. Hotel Business - Novotel Bangkok Platinum Pratunam
3. Food and Beverage Business - Platinum Food Center, Street Food

As of December 31, 2019, the Company has invested in two subsidiaries and one joint venture namely as below:

The Platinum Market Company Limited

Having paid-up capital of Baht 683.0 Million, the subsidiary where the Company held 99.99% of shares. The company engages property development, office rental space business and hotel business, project namely "The Market Bangkok" - shopping center phase 1 opened in February 2019 and phase 2 - the future project combining multi-purposed usage such as an air-conditioned retail shopping mall, offices space for rent and hotel.

The Platinum Samui Company Limited

Having paid-up capital of Baht 20.0 Million, the subsidiary which the Company held 99.99% of shares. This subsidiary operates hotel business on the total area of 10 rai, 1 ngarn, 21.5 sq. wah, located at Bophut, Samui Island, Surat Thani. The hotel is currently under construction, which is expected to be completed around the first quarter of 2021

Bangkok Skyline Company Limited

Having paid-up capital of Baht 100,000. The company is a joint venture with Gaysorn Group which each held 49.90% of shares equally. Bangkok Skyline is set up with the objective to manage the construction project and the skywalk connected between Chidlom BTS station and major plaza building around Ratchaprasong area which are Amarin Plaza, Gaysorn Plaza and the future buildings of Gaysorn Group, Big C Super Center, The Market Bangkok (future project of The Platinum Market Company Limited), Shopping Mall, Novotel Bangkok Platinum Pratunam and The Platinum Fashion Mall under the name of Ratchaprasong Walk ("R-Walk") formerly known as Bangkok Skyline.

| Company | Business Type | Paid-up Capital | Percentage of shares held (%) |
|--|--|--|-------------------------------|
| The Platinum Market Company Limited 222/1403 The Platinum Fashion Mall Building 11 th Floor, Petchaburi Road, Ratchathewi, Bangkok 10400 Telephone 02-121-9999 Fax 02-121-9888 | Real Estate Development for Rental | 683 Million Baht consisting of 6.83 Million ordinary shares Par value at 100 Baht per share | 99.99 |
| The Platinum Samui Company Limited 222/1400 The Platinum Fashion Mall Building 11 th Floor, Petchaburi Road, Ratchathewi, Bangkok 10400 Telephone 02-121-9999 Fax 02-121-8000 | Development for Hotel Business | 20 Million Baht consisting of 200,000 ordinary shares Par value at 100 Baht per share | 99.99 |
| Bangkok Skyline Company Limited 999 Gaysorn Building 4 th Floor, Phloen Chit Road, Pathumwan, Bangkok 10400 Telephone 02-256-9111 Fax 02-256-9910 | Management the Skyline Connection Project, Ratchaprasong Walk ("R-Walk") | 100,000 Baht consisting of 1,000 ordinary shares Par value at 100 Baht per share | 49.90 |

Shareholder and Dividend Payment Policy

The top 10 major shareholders as of 5 September 2019 are as follows:

| Shareholders | Number of shares | % |
|--|----------------------|---------------|
| 1. Chotjurangkool Family | 1,312,716,857 | 46.883 |
| Mr. Surachai Chotjurangkool | 802,556,957 | 28.663 |
| Mrs. Punjaporn Chotjurangkool | 491,426,800 | 17.551 |
| Ms. Suthita Chotjurangkool | 16,345,100 | 0.584 |
| Mr. Chaklit Chotechurangkool | 2,288,000 | 0.082 |
| Mr. Thammanoon Chotechurangkool | 100,000 | 0.003 |
| 2. Wijithanarak Family | 286,873,400 | 10.246 |
| Mr. Wuthichai Wijithanarak | 226,873,400 | 8.103 |
| Mrs. Duangporn Wijithanarak | 60,000,000 | 2.143 |
| 3. Limpiviatkul Family | 238,964,300 | 8.534 |
| Mrs. Punpilai Limpiviatkul | 108,459,300 | 3.874 |
| Mr. Paron Limpiviatkul | 64,550,000 | 2.305 |
| Mr. Palavudh Limpiviatkul | 63,900,000 | 2.282 |
| Mrs. Rinrada Limpiviatkul | 2,055,000 | 0.073 |
| 4. Pongsuthimanus Family | 104,138,343 | 3.719 |
| Mr. Chatchawal Pongsuthimanus | 92,000,000 | 3.286 |
| Mr. Varintorn Pongsuthimanus | 12,138,343 | 0.433 |
| 5. Thai NVDR Co., Ltd. | 98,791,014 | 3.528 |
| 6. Mr.Sahanun Chentrakul | 46,200,000 | 1.650 |
| 7. Bualuang Long-Term Equity Fund | 44,436,900 | 1.587 |
| 8. Mrs. Ornuma Eklappaibun | 32,225,300 | 1.151 |
| 9. Social Security office | 28,000,000 | 1.000 |
| 10. Mr. Prasit Vongsakulkasem | 25,358,900 | 0.906 |

The major shareholders who are significantly influence to establish policy, management and control the operation of the company, which take the position of director of 2 people out of 9 people.

Minority shareholders (Free float) as of 5 September 2019 are 3,464 persons, 33.83%

Dividend Payment Policy

The company's dividend policy is to distribute dividends at least 40% of the net profit (Consolidated Financial statement) after tax deductions and legal reserves of separate financial statement. The dividend payment consideration of each payment, the company will concern in many factors such as reserves for future investment, repayment debt or working capital in the Company.

The Board of Directors of the company may consider the approval annual dividend payment to Annual General Meeting of Shareholders, except interim dividend payment which the Board of Directors has authorized to approve. Owing to the company has operating profit and suitable for paying dividend, then report the next Annual General Meeting of Shareholders.

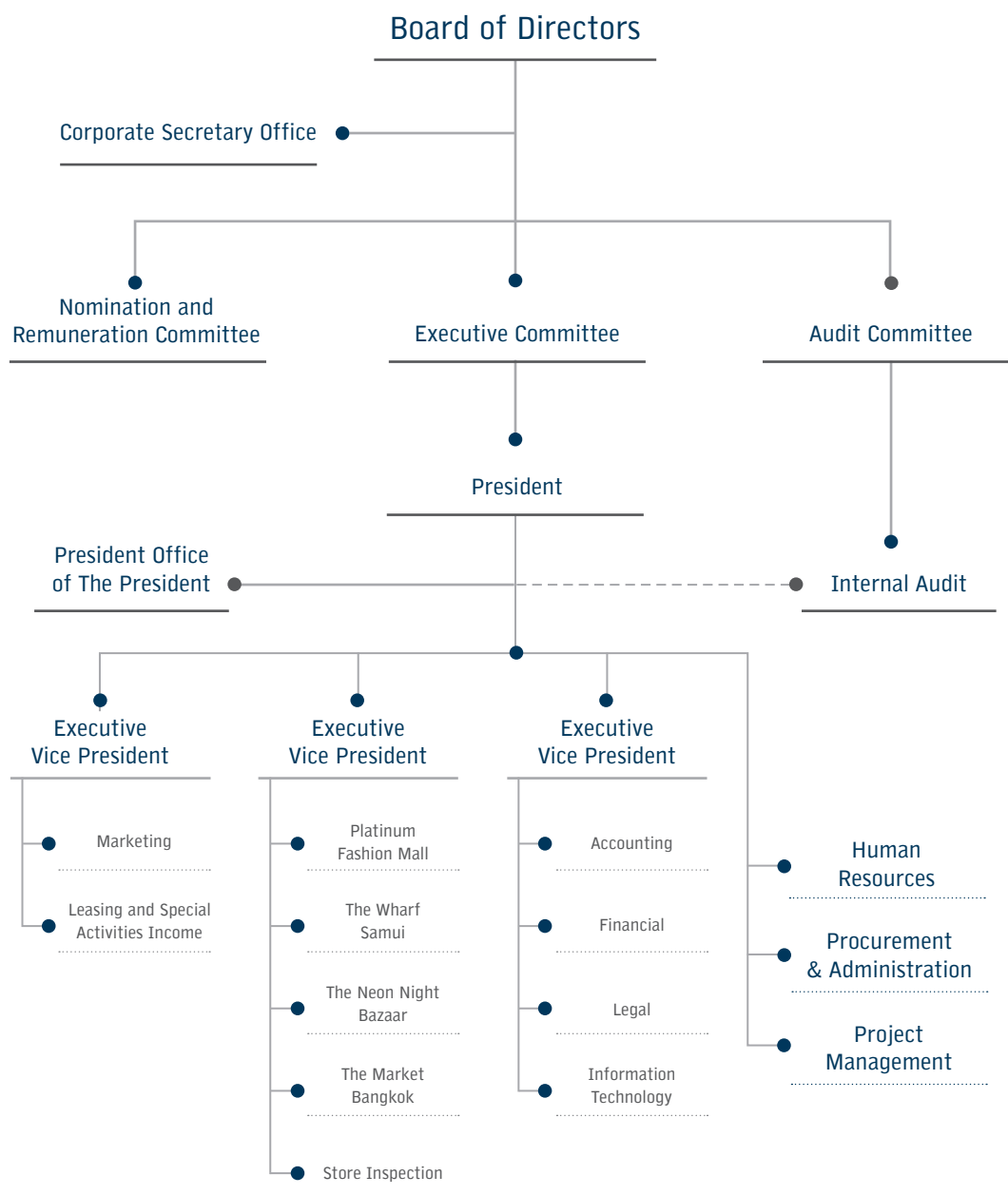
In 2019, There was the dividend payment from the Company's 2018 operation results of Baht 0.20 Baht per share with the dividend payout ratio of 71.33 of net profit (Consolidated Financial Statement) While, in 2018, there was the dividend payment from the company's 2017 operation results of Baht 0.20 per share with the dividend payout ratio of 72.54% of net profit (Consolidated Financial Statement)

Dividend Payment Policy of Its Subsidiaries

The subsidiaries' dividend policy is to distribute dividends at least 40% of the net profit after tax deductions and legal reserves of separate financial statement. The Board of Directors of its subsidiaries and/or shareholders of its subsidiaries will consider the dividend payment according to the business situation such as investment plan of its subsidiary's expansion.

Organization Structure

The Platinum Group Public Company Limited



As of 31 December 2019

Management Structure

Board of Directors

Listed of Board of Directors

The Board of Directors of the Company as of December 31, 2019 consisted of 9 members which includes;

- 3 Executive Directors
- 6 Non-Executive Director (5 Independent Directors accounted 5/9 of total directors)

namely as follows:

| No. | Name | Position |
|-----|--|---|
| 1. | Mr. Palakorn Suwanrath | Chairman of the Board of Directors and Independent Director |
| 2. | Mr. Surachai Chotjurangkool | Vice Chairman, Chairman of the Executive Committee and Acting President |
| 3. | Prof. Chaiyos Hemarajata | Independent Director and Chairman of the Audit Committee |
| 4. | Pol.Gen. Boonpen Bumpenboon | Independent Director and Member of the Audit Committee |
| 5. | Mr. Somchai Boonnamsiri | Independent Director, Chairman of the Nomination and Remuneration Committee and Member of the Audit Committee |
| 6. | Mrs. Punjaporn Chotjurangkool | Director, Executive Director and Member of the Nomination and Remuneration Committee |
| 7. | Mr. Piroon Limpiviatkul | Director and Executive Director |
| 8. | Dr. Chadarat Anantakoon ⁽¹⁾ | Independent Director and Member of the Nomination and Remuneration Committee |
| 9. | Ms. Pawinee Sitachitt ⁽²⁾ | Director |

Mr. Somchai Warunpantulak as the Corporate Secretary

Remark: ⁽¹⁾ Dr. Chadarat Anantakoon was appointed as an Independent Director and Member of the Nomination and Remuneration Committee in accordance with the resolution of the Annual General Meeting of Shareholders year 2019 on April 23, 2019

⁽²⁾ Miss Pawinee Sitachitt was appointed as a Director in accordance with the resolution of the Board of Directors Meeting No. 3/2019 on 24 May 2019 in place of Mr. Chatchawal Pongsuthimanus, which resigned from the Director, effective from May 24, 2019

Authorized Directors to Sign on Behalf and Bind the Company

Mr. Surachai Chotjurangkool, can duly sign his name altogether with each of Mr. Piroon Limpiviatkul or Mrs. Punjaporn Chotjurangkool which consist of the total two directors and have the company seal affixed.

The Audit Committee

List of the Audit Committee

As of December 31, 2019, the Audit Committee comprised of 3 members namely as follows.

| No. | Name | Position |
|-----|-----------------------------|---------------------------------|
| 1. | Prof. Chaiyos Hemarajata | Chairman of the Audit Committee |
| 2. | Pol.Gen. Boonpen Bumpenboon | Member of the Audit Committee |
| 3. | Mr. Somchai Boonnamsiri | Member of the Audit Committee |

Mr. Somchai Boonnamsiri is the person with adequate knowledge and experience to audit the accountability of financial statement and Mr. Sompoch Porncharoenwiwat is the Audit Committee's secretary.

Formal meeting between the Audit Committee and Company's Independent Auditor

The Audit Committee shall meet with the Company's independent auditor separately without the management at least once a year to ask for opinions and discuss related issues. In 2019, the 2 meetings were scheduled on February 12, 2019 and August 13, 2019 in which the auditor did not have any specific issues during the audit.

The Nomination and Remuneration Committee

List of the Nomination and Remuneration Committee

As of December 31, 2019, the Nomination and Remuneration Committee consisted of 3 members namely as follows:

| No. | Name | Position |
|-----|--|---|
| 1. | Mr. Somchai Boonnamsiri | Chairman of the Nomination and Remuneration Committee |
| 2. | Dr. Chadarat Anantakoon ⁽¹⁾ | Member of the Nomination and Remuneration Committee |
| 3. | Mrs. Punjaporn Chotjurangkool | Member of the Nomination and Remuneration Committee |

Mrs. Wantanee Wudti-in as the Secretary of the Nomination and Remuneration Committee

Remark: ⁽¹⁾ Dr. Chadarat Anantakoon was appointed as an Independent Director and Member of the Nomination and Remuneration Committee in accordance with the resolution of the Annual General Meeting of Shareholders year 2019 on April 23, 2019

The Executive Committee

List of the Executive Committee

As of December 31, 2019, the Executive Committee consisted of 4 members namely as follows.

| No. | Name | Position |
|-----|-------------------------------|-------------------------------------|
| 1. | Mr. Surachai Chotjurangkool | Chairman of the Executive Committee |
| 2. | Mrs. Punjaporn Chotjurangkool | Executive Director |
| 3. | Mr. Piroon Limpiviatkul | Executive Director |
| 4. | Mr. Somchai Warunpantulak | Member of Executive Committee |

Mr. Somchai Warunpantulak as the Secretary of the Executive Committee

The Board of Directors appointed Executive Committee by selecting the member of the Board of Directors or high-level executive that is competent to manage business course and management of the Company, be able to determine policy, business plan, budget, management structure and to review and monitor Company's operation as assigned by the Board of Directors.

The Management Team

List of the Management Team

As of 31 December, 2019 there were a total of 5 Executive ⁽¹⁾ of the Company, as defined by the Securities and Exchange Commission namely as follows.

| No. | Name | Position |
|-----|--|--|
| 1. | Mr. Surachai Chotjurangkool | Acting President |
| 2. | Mr. Somchai Warunpantulak | Executive Vice President, Chief Financial Officer and Corporate Secretary |
| 3. | Mrs. Wantanee Wudti-in | Senior Vice President - Human Resources |
| 4. | Mr. Pornthep Thientawee ⁽²⁾ | Senior Vice President - Project Management |
| 5. | Mrs. Nattarin Payoongwong ⁽³⁾ | Senior Vice President - Leasing |

Remarks: ⁽¹⁾ 'Executive' according to the definition of the Capital Market Advisory Board means a manager or a person who hold first four executive levels, from the manager; a person who holds a position equal to the fourth executive position and include a person who hold executive position in accounting or finance field- as a department manager or equivalent.

⁽²⁾ Mr. Pornthep Thientawee undertook the Senior Vice President - Project Management from 12 February 2019

⁽³⁾ Mrs. Nattarin Payoongwong undertook the Senior Vice President - Leasing from 1 January 2019

Authorities, Duties and Responsibilities of the President

The resolution from the Board of Directors Meeting no. 2/2014 on April 22, 2014 has stated the delegation of authorities, duties and responsibilities of the Company's President as follows.

1. To oversee the overall business operation of the Company in order to achieve the Company's objectives and the business goals assigned by the Board of Directors;
2. To develop strategy and business plan to propose to the Board of Directors for approval; and to execute the approved business strategy and business plan to achieve the set goals;
3. To perform and operate the assignments from the Board of Directors or in accordance with the Board's policy;
4. To command, issue any rules, announcements, memorandums to ensure that the operation will be in accordance with the Company's policies;
5. To approve and/or grant a power of attorney to pursue any legal transaction which binds the Company for its business as usual and any transaction which the President has been given a power of attorney from the Board of Directors to carry out on the condition that such transaction must not involve the Company's assets;
6. To organize the management team and staff to perform their duties according to the policies and business directions governed by the Board of Directors;
7. To seek for business opportunities and new investments relating to the core businesses of the Company and its subsidiaries in order to generate more revenues;
8. To review and screen any binding agreement of the Company's rights and assets with other person, company, partnership, store or institute before proposing to the Board of Directors for approval;
9. To consider and approve routine operating expenses within the limit approved by the Board of Directors;
10. To consider and approve the Company's investment in securities or other financial instruments within the limit approved by the Board of Directors;
11. To approve in principle the business expansion and joint-venture projects with other corporate, then propose to the Board of Directors for approval in the next Board of Directors' meeting;
12. To approve major capital expenditures which have been already included in the annual expenditure budget or which the Board of Directors already approved in principle;
13. To oversee the Company's employees to perform their duties in compliance with the Company's policies, rules and regulations as well as the business governance principle;
14. To support and promote the development of employee's potential and competencies in order to enhance the Company's potential;
15. To consider and appoint advisors or consultants for the Company's operation as deemed necessary;
16. To consider and approve to enter the connected transactions which are normal trade practices under the policy approved by the Board of Directors e.g buying/selling goods at market price, charging the service fee at normal rate, allowing the same credit term as normal customers;
17. To approve the appointment, transfer or dismissal of employee at the executive level;
18. To have powers in implementing annual budget and powers to approve payment of expenses which have already been approved by the Board of Directors meeting;
19. To carry out any assignments from the Board of Directors on case by case basis. The President shall have no authority to approve the business matters or connected transactions which are not normal trade practices, the acquisition or disposal of Company's key assets and/or transactions which incurred by the President or a person who may have conflict of interest with the Company and its subsidiaries; except for the transactions which are normal trade practices according to the policy and criteria already approved by the Board of Director or the connected transactions and the acquisition or disposal of Company's key assets which have been approved from the shareholders' meeting in order to comply with the related regulations of the Stock Exchange of Thailand;

The Company has determined the policy of taking directorship in another company that the President can take a directorship in the company group where the Company has invested under conditions that such event generates benefit to the Company and does not affect current responsibility. In case the President undertakes directorship in a company which the company group does not invest, the matter must be brought to the Board of Directors for consideration and approval.

Corporate Secretary

The Board of Directors or Executive Committee appointed the Corporate Secretary as follows.

- Mr. Somchai Warunpantulak - appointed by the Board of Directors No. 3/2015 on August 14, 2015. He undertook position from August 14, 2015 to May 21, 2018 (resigned)
- Mr. Trongchit Tankul - appointed by the Board of Directors No. 2/2018 on May, 15 2018. He undertook the position from July 2, 2018 to September 28, 2018 (resigned)
- Mr. Somchai Warunpantulak - appointed by the Executive Committee No. 9/2018 on September 26, 2018. He undertook position from since October 1, 2018. The resolution of the Board of Directors No. 3/2018 held on May 15, 2018 approved that the Company Secretary shall be appointed by Executive Committee or Nomination and Remuneration Committee.

To comply with Section 89/15 of Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act Volume 4 B.E. 2551. The scope of duties and responsibilities are shown in Corporate Governance Policy, Section 5 Responsibility of the Board of Directors. Further details of the Company Secretary are disclosed on page 80

Remuneration to Directors and Executives

The Nomination and Remuneration Committee will consider remuneration for sub-committees. The criteria and form of remuneration for directors and sub-committees are as follows

1. Determine remuneration based on duties and responsibilities and performance of the directors, type and size of business, market, and competition as well as comparing with the remuneration of other companies in the same industry or similar to the company. The remuneration must be reasonable and sufficient to motivate and maintain qualified directors.
2. The directors' compensation is divided into 2 parts which are monthly compensation and meeting allowance.
3. Determine adequate payment of compensation and the amount of compensation and propose to the Board for approval, and propose to the meeting of shareholders for approval and disclosure.

4. The monthly compensation and meeting allowance of the Board of Directors and sub-committees, except Executive Committee, must be approved by the shareholders' meeting.

The Company proposed to the Annual General Meeting of Shareholders for the year 2019 held on 23 April 2019 and the Annual General Meeting of Shareholders resolved to approve the monthly remuneration, meeting allowance and bonus for the Board of Directors, Audit Committee, Nomination, and Remuneration Committee. Details are as follows:

Remuneration of the Board of Directors

1. Monthly Remuneration

The Board of Directors receive the monthly remuneration whether there will be in a meeting or not. The Directors who are also be the executive directors or employees of the Company, exempted from receiving this monthly remuneration. The details of the monthly remuneration are as follows.

| | |
|------------------------------------|--------------------|
| Chairman of the Board of Directors | Baht 250,000/month |
| Director | Baht 40,000/month |

2. Attendance Fee

The attendance fee for the Board of Directors, Audit Committee and Nomination and Remuneration Committee are as follows.

| | |
|---|------------------|
| Board of Directors | |
| Chairman of the Board of Directors | Baht 50,000/time |
| Director | Baht 20,000/time |
| Audit Committee | |
| Chairman of the Audit Committee | Baht 40,000/time |
| Member of the Audit Committee | Baht 30,000/time |
| The Nomination and Remuneration Committee | |
| Chairman of the Nomination and Remuneration Committee | Baht 30,000/time |
| Member of the Nomination and Compensation Committee | Baht 20,000/time |

3. Bonus

To consider the bonus payment, the Nomination and Remuneration Committee will analyze the operating result and performance of the directors, and propose to the general meeting of shareholders for consideration and approval. The directors' bonus for the year 2018 which was paid in the year 2019 is Baht 3.66 Million Baht. The payment was paid to each director under the criteria set forth.

In 2018, the directors' remuneration which included monthly remuneration, attendance fee, and bonus amounted to 10.72 Million Baht. The breakdown is as follows.

(Unit : Million Baht)

| | Name | Monthly Remuneration | Attendance fee | | | Bonus | Total |
|--------------|--|-------------------------|-----------------------|--------------------|--|-------------|--------------|
| | | | Board of Directors | Audit Committee | Nomination and Remuneration Committee | | |
| 1. | Mr. Palakorn Suwanrath | 3.00 | 0.30 | - | - | 1.50 | 4.80 |
| 2. | Mr. Surachai Chotjurangkool | - | 0.12 | - | - | 0.24 | 0.36 |
| 3. | Prof. Chaiyos Hemarajata | 0.48 | 0.10 | 0.16 | - | 0.48 | 1.22 |
| 4. | Mr. Somchai Boonnamsiri | 0.48 | 0.12 | 0.12 | 0.12 | 0.48 | 1.32 |
| 5. | Pol.Gen. Boonpen Bumpenboon | 0.48 | 0.12 | 0.12 | - | 0.24 | 0.96 |
| 6. | Mrs. Punjaporn Chotjurangkool | - | 0.12 | - | 0.08 | 0.24 | 0.44 |
| 7. | Mr. Piroon Limpiviatkul | - | 0.10 | - | - | 0.24 | 0.34 |
| 8. | Mr. Chatchawal Pongsuthimanus ⁽¹⁾ | - | - | - | - | - | - |
| 9. | Dr. Chadarat Anantakoon | 0.48 | 0.12 | - | 0.06 | 0.24 | 0.90 |
| 10. | Ms. Pawinee Sitachitt | 0.28 | 0.04 | - | - | - | 0.32 |
| 11. | Mr. Athipong Amatyakul ⁽²⁾ | - | 0.06 | - | - | - | 0.06 |
| Total | | 5.20 | 1.20 | 0.40 | 0.26 | 3.66 | 10.72 |

In addition to the monetary compensation, the company does not provide other benefits to the directors.

Remarks : ⁽¹⁾ Mr. Chatchawal Pongsuthimanus resigned from the Director, Executive Director and The Member of Nomination and Remuneration Committee, effective from February 12, 2019

⁽²⁾ Mr. Athipong Amatyakul resigned from the Director, Executive Director and President, effective from August 1, 2019

Remuneration of the Executives

The Company has in place criteria to determine compensation for the President and high-level executives based on their performance, KPI, operating result of the Company, compliance with strategic plan and management performance. These factors are brought to consider the proper compensation rate for the short and long term.

In 2018 and 2019, the Company paid remuneration by cash to The executive committees, The President, the first four management position next from the president position, and the management in the fourth position amount of 8 person and 11 person, respectively. The payment in form of salary and other compensation such as social security, provident fund, vehicle fee and telephone fee totaled Baht 52.6 Million and 44.8 Baht Million, respectively. The details as follows;

| (Unit : Million Baht) | | |
|-----------------------|------|------|
| Remuneration Type | 2018 | 2019 |
| Salary | 46.3 | 41.3 |
| Bonus | 4.2 | 1.4 |
| Provident Fund | 0.9 | 0.9 |
| Others | 1.2 | 1.2 |
| Total | 52.6 | 44.8 |

Other Compensation

The Company and its subsidiaries have established the provident fund for employees where the employees contribute to the fund by voluntary basis, at 4-6 percent of their salary in accordance with the number of years counting by working period. On the other hand, the

Company and its subsidiaries contribute another 4-6 percent to the fund as well. The said provident fund is registered and managed by a private fund manager under regulations of the Provident Fund Act.

Meeting of the Board of Directors and Subcommittee

Table Showing Information of Attendance of the Directors

| | | (Number of attendance / Number of the meeting) | | | |
|------|--|--|-----|------|-----|
| | | 2018 | | 2019 | |
| Name | | Time | % | Time | % |
| 1. | Mr. Palakorn Suwanrath | 4/4 | 100 | 6/6 | 100 |
| 2. | Mr. Surachai Chotjurangkool | 4/4 | 100 | 6/6 | 100 |
| 3. | Prof. Chaiyos Hemarajata | 4/4 | 100 | 5/6 | 83 |
| 4. | Pol.Gen. Boonpen Bumpenboon | 4/4 | 100 | 6/6 | 100 |
| 5. | Mr. Somchai Boonnamsiri | 4/4 | 100 | 6/6 | 100 |
| 6. | Mr. Piroon Limpiviatkul | 4/4 | 100 | 5/6 | 83 |
| 7. | Mr. Chatchawal Pongsuthimanus ⁽¹⁾ | 4/4 | 100 | - | - |
| 8. | Mrs. Punjaporn Chotjurangkool | 4/4 | 100 | 6/6 | 100 |
| 9. | Dr. Chadarat Anantakoon | 4/4 | 100 | 6/6 | 100 |
| 10. | Ms. Pawinee Sitachitt | 4/4 | 100 | 2/3 | 66 |
| 11. | Mr. Athipong Amatyakul ⁽²⁾ | - | - | 3/3 | 100 |

Remarks: ⁽¹⁾ Mr. Chatchawal Pongsuthimanus resigned from the Director, Executive Director and The Member of Nomination and Remuneration Committee, effective from February 12, 2019

⁽²⁾ Mr. Athipong Amatyakul resigned from the Director, Executive Director and President, effective from August 1, 2019

Meeting of the Subcommittee

| | | (Number of attendance / Number of the meeting) | | | | | |
|------|--|--|------|---------------------------------------|------|---------------------|-------|
| | | Audit Committee | | Nomination and Remuneration Committee | | Executive Committee | |
| Name | | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| 1. | Mr. Palakorn Suwanrath | - | - | - | - | - | - |
| 2. | Mr. Surachai Chotjurangkool | - | - | - | - | 12/12 | 12/12 |
| 3. | Prof. Chaiyos Hemarajata | 4/4 | 4/4 | - | - | - | - |
| 4. | Pol.Gen. Boonpen Bumpenboon | 4/4 | 4/4 | - | - | - | - |
| 5. | Mr. Somchai Boonnamsiri | 4/4 | 4/4 | 8/8 | 4/4 | - | - |
| 6. | Mr. Piroon Limpiviatkul | - | - | - | - | 12/12 | 12/12 |
| 7. | Mr. Chatchawal Pongsuthimanus ⁽¹⁾ | - | - | 8/8 | - | 11/12 | 0/1 |
| 8. | Mrs. Punjaporn Chotjurangkool | - | - | 8/8 | 4/4 | 12/12 | 12/12 |
| 9. | Dr. Chadarat Anantakoon ⁽²⁾ | - | - | - | 3/3 | - | - |
| 10. | Ms. Pawinee Sitachitt | - | - | - | - | - | - |
| 11. | Mr. Athipong Amatyakul ⁽³⁾ | - | - | - | - | - | 5/6 |
| 12. | Mr. Somchai Warunpantulak | - | - | - | - | 7/7 | 12/12 |
| 13. | Mr. Somporn Naksuetrong ⁽⁴⁾ | - | - | - | - | 8/8 | 6/7 |

Remarks: ⁽¹⁾ Mr. Chatchawal Pongsuthimanus resigned from the Director, Executive Director and The Member of Nomination and Remuneration Committee, effective from February 12, 2019

⁽²⁾ Dr. Chadarat Anantakoon was appointed as an Independent Director and Member of the Nomination and Remuneration Committee in accordance with the resolution of the Annual General Meeting of Shareholders year 2019 on April 23, 2019

⁽³⁾ Mr. Athipong Amatyakul resigned from the Executive Director and President, effective from August 1, 2019

⁽⁴⁾ Mr. Somporn Naksuetrong resigned from the, Executive Director and Executive Vice Present, effective from August 1, 2019.

In 2019, as stipulated by the Company that the meeting of non-executive directors must be held once a year, the meeting without the attendance of executive directors, the President or other executive officers, was held on November 19, 2019. The aim was to allow the non-executive directors

to freely discuss between each other on various matters related to the management. The suggestions or conclusion was submitted to the Board of Directors (without the attendance of executive directors). Details are as follows.

(Number of attendance / Number of the meeting)

| Name | 2018 | | 2019 | |
|--------------------------------|------|-----|------|-----|
| | Time | % | Time | % |
| 1. Mr. Palakorn Suwanrath | 1/1 | 100 | 1/1 | 100 |
| 2. Prof. Chaiyos Hemarajata | 1/1 | 100 | 1/1 | 100 |
| 3. Mr. Somchai Boonnamsiri | 1/1 | 100 | 1/1 | 100 |
| 4. Pol.Gen. Boonpen Bumpenboon | 1/1 | 100 | 1/1 | 100 |
| 5. Dr. Chadarat Anantakoon | 1/1 | 100 | 1/1 | 100 |
| 6. Ms. Pawinee Sitachitt | - | - | 1/1 | 100 |

Sub-Committee

As of December 31, 2019, the Board of Directors consists of 3 set of committees namely the Board of Directors, Audit Committee, Nomination, and Remuneration Committee and Executive Committee. List of the position of each director and list of authorized directors are as follows.

| Name | Board of Director | Authorize Director | Audit Committee | Independent Director | Nomination and Remuneration Committee | Executive Committee |
|----------------------------------|-------------------|--------------------|-----------------|----------------------|---------------------------------------|---------------------|
| 1. Mr. Palakorn Suwanrath | ✓ | | | ✓ | | |
| 2. Mr. Surachai Chotjurangkool | ✓ | ✓ | | | | ✓ |
| 3. Prof. Chaiyos Hemarajata | ✓ | | ✓ | ✓ | | |
| 4. Pol.Gen. Boonpen Bumpenboon | ✓ | | ✓ | ✓ | | |
| 5. Mr. Somchai Boonnamsiri | ✓ | | ✓ | ✓ | ✓ | |
| 6. Mr. Piroon Limpiviatkul | ✓ | ✓ | | | | ✓ |
| 7. Mrs. Punjaporn Chotjurangkool | ✓ | ✓ | | | ✓ | ✓ |
| 8. Dr. Chadarat Anantakoon | ✓ | | | ✓ | ✓ | |
| 9. Ms. Pawinee Sitachitt | ✓ | | | | | |
| 10. Mr. Somchai Warunpantulak | | | | | | ✓ |

Employees

Number of Employees

In 2018 and 2019, The Company and its subsidiaries (not included directors and management as defined by the Securities and Exchange Commission) totaled 595 employees and 554 employees, respectively. The number of employees in each main line is shown by the table below.

| Business | Number of Employee (person) | |
|---------------------------------|-----------------------------|------------|
| | 2018 | 2019 |
| Rental space in shopping centre | 153 | 108 |
| Hotel Business | 224 | 224 |
| Food and beverage center | 58 | 62 |
| Head office | 160 | 160 |
| Total | 595 | 554 |

Employee Compensation

The Company and its subsidiaries paid suitable compensation according to their duty and achievement which compared to the target of each year. The compensation was paid in salary, bonus, providence fund and others. The compensation of employees (not included directors and executives) in year 2018 and 2019 are as shown in the table below

| Business | Employee Compensation (Million Baht) | |
|-----------------------|--------------------------------------|---------------|
| | 2018 | 2019 |
| Salary | 133.38 | 178.02 |
| Bonus | 36.50 | 20.32 |
| Over Time | 5.74 | 8.56 |
| Provident Fund | 5.62 | 5.61 |
| Others ⁽¹⁾ | 31.91 | 40.35 |
| Total | 213.15 | 252.86 |

Remark: ⁽¹⁾ Others such as position allowance, vehicle allowance, food, training, medical expenses, health insurance premium, life insurance, and other welfares.

Employees of the Company and subsidiaries did not establish any employee union. It is the policy of the Company and subsidiaries to treat all employees with fairness, and in legal approach, therefore the Company and subsidiaries have a satisfactorily positive with their employees.

Labor Dispute

-None-

Personnel Development Policy

Since the personnel is considered as one of the factors contributing to business success. The Company, hence, places the importance on the guideline and policy of personnel development constantly, in order to enable them to acquire knowledge, skill and competencies in the different field to lead the Company to success.

In the past years, the Company encouraged directors, executives and employees in different levels to attend the training courses both hosted internally or externally with an aim to increase knowledge and skill for their position. For further details, please see Corporate Governance Policy, Section 3: Roles of Stakeholders, sub-topic "Employee Group."

Corporate Governance

Principles and Policy of Corporate Governance

The Company's Board of Directors recognizes the importance of conforming to the Corporate Governance Principles and is aware of the vital role of directors, management and employees towards the business operations of the Company. Therefore, not only committing to build sustainable returns for the shareholders, the Board shall also focus on the fair treatment of all stakeholders. This policy emphasizes the rights of shareholders, equal treatment to all shareholders, consideration of stakeholders' role, disclosure and transparency, responsibilities of the Board of Directors and dissemination of information to all related parties.

To assure shareholders, investors and all related parties, the Company has set a policy which covers eight sections of the key principles on good corporate governance.

Section 1 : Rights of Shareholders

The Company respects the rights of all shareholders to equally obtain the Company's information accurately, completely, adequately and timely to support their decision in every matter. The Company has set forth rules and regulations, the operation of the Investor Relations as a guideline following the Corporate Governance. The Company does not undertake any action that violates or infringes the rights of shareholders and also treats shareholders equally. Therefore, the Board of Directors has implemented the following policies:

1. Disclosure of the Company's material information and necessary for shareholders shall be done through the Company's website and the Stock Exchange of Thailand in a clear and timely manner.
2. Regarding the shareholders' meetings, all shareholders shall receive clear information relating to the meeting

adequately and equally in order to review and consider prior to the meeting will take place. The Company shall release information about the date, time, venue and agenda of the shareholders meeting in precisely, both in Thai and English, via the Stock Exchange of Thailand system SETLink and the Company's website 30 days before the meeting date.

3. For the invitation notice of the shareholders' meeting, the Company shall provide detailed information on each agenda with explanation and director's recommendation. The Company shall disseminate the meeting notice together with related documents, e.g. registration form, list of documents and identifications to be presented before entering the meeting room, registration and proxy process, proxy form etc. The invitation notice, both in Thai and in English, shall be published in the Company's website 30 days before the meeting date while the printed copy shall be delivered to all shareholders at least 21 days before the meeting date.
4. In case that shareholder cannot attend the meeting, he/she has a right to appoint an independent director or any person to represent him/her in the meeting by signing the proxy form which is attached to the invitation notice of the meeting, or can be downloaded from the Company's website.
5. At the meeting, shareholders shall consider and vote for a resolution of each agenda in respectively. There shall not be urgently any changes in material information or any additional agenda in the shareholders' meeting. All shareholders have a right to review the Company's operating results by inquiring or making recommendations and suggestions to the Board and related management who are obliged to

attend the meeting and answer all shareholders' inquiries.

6. The Company requires all directors to attend and vote in the shareholders' meeting when there are any changes in core policies of the Company and any changes in shareholder's rights, which needs decision making and approval from the shareholders' meeting.
7. The Company shall disclose to the public the voting results of each agenda in the shareholders' meeting via the Stock Exchange of Thailand system SETLink and the Company's website on the next business day after the meeting date.
8. Minutes of the shareholders' meeting shall be prepared in a complete, accurate, timely and transparent manner, recording all important issues and recommendations in details for shareholders reviewing. The Company shall also record video footage of the meeting for future references. Additionally, the minutes of shareholders' meeting shall be published in the Company's website for the shareholders' consider and submitted to the Stock Exchange of Thailand within 14 days from the date of the meeting take place.
9. Right to obtain the share certificate and right to transfer ownership of the shares.
10. Right to attend and vote in the shareholders' meeting to decide on any changes in the Company's policies and any changes of the shareholder's rights, which require approval from the shareholders' meeting.
11. Right to appoint and dismiss the Company's directors and to approve the hiring of independent auditors.
12. Right to approve directors' remuneration package and dividend payment.
13. Right to propose the agenda for the annual general shareholders' meeting according to the Company's guidelines.

14. Right to propose candidates for the director position according to the Company's guidelines.

15. All other rights permitted by law.

Section 2 : Equitable Treatment of Shareholders

The Company has treated all shareholders, individual and institutional, local and foreign, equally and fairly. For the Annual General Meeting of Shareholder of 2019, the Directors were attending totaled 9 persons out of 9 persons, comprised of Executive Directors of 3 persons, Non-Executive Directors of 6 persons (5 Independent Directors accounted 5/10 of total directors). Furthermore, the Company had invited the independent auditor and shareholders who are willing to attend the meeting to be a middleman for counting the vote and all shareholders were equally.

The Board of Directors has set a policy to promote the practices to treat all shareholders equally with the following details.

1. It is crucial to disclose the information and news about the Company in an accurate, complete and timely manner to all shareholders through the websites of the Company and the Stock Exchange of Thailand.
2. The Company provides options for the shareholder who cannot attend the general shareholders' meeting to appoint a person or an independent director nominated by the Company to be his/her proxy to attend and vote in the meeting. Three types of proxy form, approved by Department of Business Development, Ministry of Commerce, shall be attached to the notice of the shareholders' meeting.
3. To ensure that all shareholders receive clear, accurate and adequate information on an equal basis and have sufficient time to read through all related information

before the meeting, the Company shall disseminate the invitation notice of the shareholders' meeting together with the Board of Directors' comments and declaration. Moreover, the Company shall disseminate together with the related documents, e.g. registration form, list of documents and identifications to be presented before entering the meeting room, registration and proxy process, proxy form etc. The notice, both in Thai and in English, shall be published in the Company's website 30 days before the meeting date while the printed copy shall be delivered to all shareholders at least 21 days before the meeting date.

4. The meeting agenda are discussed within appropriate time, without additional agenda other than as stated in the invitation to the general meeting of shareholders. Shareholders are allowed to express opinions and raise questions. One share entitles one vote, according to the number of shares held. The voting is counted by using bar code system and each agenda is resolved with transparency and accuracy where the result is shown on the screen for everyone to see. Furthermore, the Company proposes that at least one Independent Director can be a proxy holder for a shareholder who cannot appoint the proxy holder. The details of the Independent Directors is stated in the invitation to the shareholders' meeting.
5. It is the Company's policy to encourage director who has or may have an interest in any agenda to refrain himself from discussion and decision making for resolution of such agenda.
6. To prevent insider information trading, the Company has set the following policy:-
 - Do not use or disclose the Company's information, except usual business information or public information, for personal interest or other person's interest or to bring about any damages to the Company.
 - All directors and executives are required to report holdings of the Company's securities upon an acquisition, disposal, transfer or receipt thereof by filing Form 59 within three business days from

the date of the change. The Company also has the policy to encourage all directors and executives to voluntarily inform the Board about the securities trading at least one day prior to the trading date.

- Conflict of interests. The Company has a connected transaction policy which stipulates that all connected transactions incurred by directors and executives must be treated in the same way as external parties and must be disclosed to comply with the regulatory requirements to avoid any conflict of interests.
- The Company encourages its directors and executives to voluntarily do not trade the Company securities during the one month period before the announcement of quarterly and annual financial statements; and do not use inside information for the trading of the Company securities.

Section 3 : Roles of Stakeholders

The Company is aware and recognizes the rights of all groups of stakeholders, internal and external. Mainly Internal stakeholders are shareholders and employees while external stakeholders include customers, suppliers, creditors, competitors, public sectors, public offices and communities. The Company has received support from various stakeholders to strengthen its competitive advantages and profitability, generating the long-term value of the Company. The Company has treated stakeholders as follows:

Shareholders

The Company realizes that shareholders are the Company's owners while the Company must build long-term economic value added for the shareholders. So, its directors, management and employees are obliged to follow the below guidelines.

1. Perform his/her duties with integrity and make every decision in according to the professional principles with careful, realize and fair consideration of all groups of shareholders, major and minor and for the best

interests of the Shareholders as a whole.

2. Present reports of the Company's operating result, financial status, financial and accounting statements and others consistently, completely and accurately.
3. Notify all shareholders equally the information about future trends of the Company, both negative and positive, based on possibilities, sufficient data and adequate rationale.
4. It is prohibited for all employees to use or disclose any non-public information for benefits of their own or other related persons, or for any course of actions which may pose a conflict of interest with the Company.
5. The Company shall not take any actions which violate or deprive the shareholder rights, i.e., failure to submit material information or documents to the shareholders before the shareholders' meeting, adding important
6. It is the Company's policy to encourage director who has or may have an interest in any agenda to refrain himself from discussion and decision making for resolution of such an agenda.

Employees

The Company believes that to achieve our business goals, employees is one of the most valuable resources and they deserve favorable treatments. Therefore, the Company shall treat its employees fairly and equally in all aspects, career opportunities, compensation, promotion, transfer as well as versatile training and development plan. To be able to grow and expand its business in the future, the Company has set a policy to promote and support the development of all employees. All employees shall be treated equally with respect for human rights, good and safe working environment, proper and fair compensation and benefits in accordance with their responsibilities, duties, and position as follows:

1. The Company has the policy to provide compensation to employees in all levels with a reasonable amount in accordance with the Company's operating result combined with other factors such as consumer index, inflation and compared with the peer. Employees' work

performance is being evaluated clearly by KPIs systems and competency. The Company also provides a provident fund for its employees as well.

2. The Company concerns the employees' living, so various welfares are provided to the employees as follows:
 - Uniform for minimizing the employees' expense on clothes
 - Health insurance which covers the medical cost both inpatients and outpatients
 - Life insurance and group accident insurance
 - Infirmary with a licensed nurse on board to advice and first aid
 - Present from the Company for supporting an employee who was admitted to the hospital or encouraging any employee who delivered a child
 - Provident Fund for supporting and creating the security for employees, the Company allows employees to join the Provident Fund, which they can save 4-6% of their monthly income depending on their years of service and the Company will contribute the equal percentage (4-6%) to individual fund.
 - Other welfares for employees' family including financial support in case of death of family member, an education fund for employees' children.
3. The Company has determined the Five Key Success (KS) Principles under the abbreviation PATCM as a corporate core competency to be the behavior guideline of the personnel to divert into the same direction and to support the business growth in the future. PATCM consists of:
 - 3.1 Passion: The determination to devote physical and mental strength to accomplish the tasks under one's responsibility, without concern or leaving upon problems and obstacles.
 - 3.2 Accountability: Feel that he/she is an owner of the organization and has an interest in the result of one's action and the organization.
 - 3.3 Trust: Having trust and rely on supervisor, colleagues, subordinates including the

organization will lead to the trust among each other within the entire organization and the accomplish to success together.

- 3.4 Confrontation: Straightforward and positively speak out, be brave to oppose based on the facts that support one's opinion.
- 3.5 Make it Happen: Show that one has tried every approach to accomplish the task, indicating the attitude that "We Can Do", with the determination to achieve the corporate goal.

In 2019, the Company has introduced PATCM through various activities of employees at all levels to pass on knowledge, raise awareness on the value and the importance as well as to encourage employees to apply the principles to their own work. In 2018, the main concept is to emphasize the understanding of PATCM as a priority. The activities related are as follows:

- Leadership Development Program
Leadership Development Program is arranged by the executive one time for each quarter. The aim is to build a relationship and coordination between executives from various departments. Participants will learn through field study and apply the knowledge to carry on business, initiate new innovation as well as to share the experiences among each other under the framework of PATCM.
- Walk the Talk: PATCM
This is an activity that establishes and create knowledge and understanding of PATCM among employees through representatives of employees from different departments.
- Orientation
The orientation for new employees is arranged monthly to generate knowledge and understanding of the topics that are necessary for them, as well as to build impression and pride of becoming a part of Platinum family. All orientation session is attended by top executives who welcoming the

new employees. The orientation also includes PATCM.

- Business Plan 2020

The activity is hosted annually with an aim to seek for vision, to brainstorm executives of each department in preparing operation plan and business strategy for the following year, to support unity among employees, to prepare the personnel for the development and adjustment to the business operation. The participants are employees from the managerial position and higher. This year, due to the high number of new executives, the activity contains Business Games to allow executives to learn about working as a team.

4. The Company establishes various employee committees to support the development, improvement, and enhancement of safe, clean and hygienic workplace, encouraging all employees to have better and happier living conditions and more safety at work, which will lead to their improved performance. The employee committees, including Safety, Occupational Health and Workplace Committee, 5S Committee, Welfare Committee, Anti-drug Committee, are responsible for checking, monitoring, evaluating, recommending and educating employees in the related matters. As a result, the Company is awarded in various areas such as National Occupational Safety and Health Award, ZERO Accident Award, Organizations with Outstanding Labour Practices and Welfare Award, Drug-free Workplace Award.

Furthermore, in 2018, since there was no accident or the time-off rate or illness from working. The Company received ZERO Accident Award for four consecutive years. The Company places the importance of safety programs such as fire drill, and fire extinguishing drill, a safety training course for executives and supervisor.

5. The Company has encouraged its staff development on a continual basis to enhance their abilities to compete with other leading companies in the same industry. Each year the Company has selected the latest training programs, both internal and external, to provide to the staff at all levels. Training roadmap and training programs are designed to enhance the staff competencies and abilities in 3 main areas; Core Competency, Managerial Competency and Functional Competency.

5.1 Core Competency Course is the program which focuses on developing the employee's attitudes and desired behaviors to reflect the Company's core valueT. This program aims to build and support the corporate culture which is the key fundamental for the Company's achievements. For instance,

- Orientation Session is to allow participants to acknowledge corporate information, Key Success: PATCM, policy on Anti-Corruption, Whistleblowing policy, the use of internal information, the Company's Code of conduct, Good Corporate Governance, education about safety, occupational health and working environment.
- Team Building Activity is the program launched to build positive relationships between departments and to promote coordination through various activities.
- Service Mind for service staff, receptionists to create knowledge and pass on service standard.
- Social Responsibility Management Program is conducted for sustainable development assigned for executives and related employees. The purpose of the program is to create knowledge and raise awareness on social responsibility, setting the clear scope of the policy, practice guidance, and accountability to accomplish sustainable corporate development.

5.2 Managerial Course is the program which aims to enhance knowledge and skill in management for employees at managerial level in order that they will be able to manage their work, their team and their organization effectively. For example,

- Management Development Program is arranged to develop senior executives (from the vice president and higher) through the training session called 'The Power of Perception'.
- Good to Great Program : The program is for managerial and supervisory position with an objective to develop team management skill, passing on knowledge and developing teamwork.

5.3 Functional Course is the program which aims to enhance knowledge, skill and ability of employees in each function. The program includes in-class training program as well as on-the-job training (OJT), for example,

- Sale and Marketing Programs for sale staff. The objectives are to develop sale skill and technique, negotiation and to look for new targets to carry on existing business. Participants will learn how to resolve an urgent problem to achieve the business agreement as outlined in the corporate goal.
- Foreign Language Program for service staff, receptionists, sale person and those related with contacting foreigners. The skill development consists of 2 groups namely English and Chinese.
- SAP (Systems, Applications, Products in data processing) Program is the operating system of the organization for new employees and related employees. Participants will learn about methods such as requesting for equipment, purchase, retrieving data, database system.
- Personality Development Program is for service staff, receptionists and sale person. The purpose of the program is to develop the personality of employees when meeting customers and visitors.

- Safety Officer at Work Program for the supervisor position. Participants will learn about safety procedures, including the activity that is necessary for creating safety at work within the organization.
- Safety Officer at Work Program for executives in a managerial position and higher. Participants will learn and understand and will be able to create the concept of safety, and to be able to determine policy, the direction of safety management and to push forward to achieve corporate success.

In 2020, the average attending hours of employees is 15.29 hours per year.

Customers

The Company is well aware of the importance of its customers and has set the following policy regarding customer treatments.

1. Treat customers with courtesy and enthusiasm.
The employee should be ready to welcome customers and to provide sincere, attentive service with care. Like serving the close relatives, customer service must be prompt, accurate and trustworthy.
2. Maintain customer confidentiality and never misuse it for personal or other related person's interests.
3. Provide accurate, adequate and timely information relating to the Company's services to all customers, without false advertisement which may mislead customers about the quality or any service conditions.
4. Advise on the Company's services and related processes efficiently with the intention to maximize customer benefit.

Business Partners

The Company and its subsidiaries (the Company Group) have the policy to select business partners with fairness, based on the fair competition, transparency and prudence. The Company Group selects potential business partners to compete together by comparing qualifications, quality

and services, analyze the expenses occurred throughout a lifetime. The Company Group avoids doing business with the partners who are illegal acts, against the morality or the actions that do not take responsibility on society and the environment.

To support the development on quality, services and price competition, together with corporate governance that directs to the sustainability, while remaining the good values, the Company Group has in place the code of practice to its business partners as follows:

1. Appoint the Procurement Committee which consists of executive representative - Executive Vice President, Project Vice President, Purchasing Vice President, Finance Vice President, and Legal Vice President. These people will consider and make a decision together when selecting bidders, consider the term of reference, and choose the winner of the tender for the project having high value or risk. This procedure will weight the balance of authority and enable the traceability.
2. The Procurement Committee shall draft the regulations, term of a requirement of the tender. The said draft must then be agreed and approved before sending to bidders. All selected bidders will receive the sale information within the same time and conditions. At least 3 bidders are required to avoid the monopoly and list of invited bidders are kept confidentiality to prevent the conspiracy on price proposal.
3. Criteria for selecting bidders and business partners consists of the ability to accomplish work in accordance with objectives of the term of requirement, previous projects, work experiences, financial stability, readiness to work, personnel, innovation at work and competitive price. In addition, the bidders and business partners must not commit to illegal actions or the behavior that is against the morality or the action that does not take responsibility to society and the environment.

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4. Assess and monitor the performance of trading partners whether it will achieve the target, the excellence of performance, the prudent utilization of resource and expense. If the delivery of products or services is not in line with the requirement, resulting from the unarguable output based on procurement principles, the Company reserves the right to consider the trading with such partners by stop, reduce, cancel the purchase or cancel the status of the business partner.
 5. The Company Group classifies groups of works of its business partners, including considering significant workgroups. The Company Group selects potential business partners. Each workgroup contains at least three vendors for continuous operation. The Company Group builds the long-term relationship with its business partners by providing useful information to them to improve work performance, efficiency and to subsequently generate new innovation in the future. Meanwhile, the important information received from the business partners through procedures, consultation is kept as confidential without disclosing, especially to competitors.
 6. The employee is not allowed to sign the business contract other than approved under the scope of responsibility. The employee must not accept any gifts or benefits directly or indirectly. All employees are responsible for their duties for the interests of the Platinum Group and in line with the law and morality.

Banks, Financial Institutions, and Creditors

The Company is committed to treating the banks, financial institutions, its creditors and guarantors with honesty, fairness, and transparency. The guideline for practice and operation are as follows.

1. Treat all creditors equally with fairness.
2. Taking into account the reason and necessity to apply for the loan for the guarantee. Spend the fund under the objective set forth.

3. Repay loans and interest to all creditors and comply with the agreement and terms and conditions completely and correctly.
4. Thrive to manage work efficiently to maintain the ability to repay the loan and to avoid being on default.
5. Set procedures to consider and approve the legal contract for acquiring the loan, guaranteed contract to ensure transparency and accuracy.
6. In case of changes in trading agreement or any events that affect the financial status of the company significantly, and may affect the ability to repay the loan, the Company will inform its creditors to seek for resolution without delay.
7. The Company Group will not corrupt or conceal essential data or any fact that may cause damages to creditors. Report the financial status to creditors as outlined in the agreement adequately, accurately and in line with the good corporate governance.

The Company never has any issues regarding default of payment.

Policy and Guidelines on How to Treat Competitors

The Company has the policy to treat all competitors with integrity, not breaching confidentiality or revealing trade secrets of competitors obtained illegally or deceptively. Following are guidelines of the policy.

1. Abide by the rules of ethical competition
2. Do not seek confidential information or trade secrets of competitors by using illegal or inappropriate methods
3. Do not discredit competitors by any negative accusation
4. Support and promote free and fair competition

Communities and Societies

The Company's policy is to conduct business that benefits the economy and society by adhering to practices of a good citizen who fully complies with laws and regulations. The Company commits to developing, promoting and leveraging the quality of life in the society and the communities in which the company is located, along with the growth of the Company. The details of activities are in part of Corporate Social Responsibilities, sub-topic 7) Community or Social Development.

Environmental Policy

The Company's policy is to support activities that enhance the quality of health conditions, overall environment and work environment to ensure the safety and well-being of its employees and their properties. The details are in Corporate Social Responsibilities, sub-topic 6) Environment Conservation

Policies and Practices on Intellectual Property

The Company has the policy to refrain from violation of any intellectual property rights or copyrights and to support its employees to perform their duties with compliance to the law or regulations relevant to intellectual property rights. The Company supports and complies to the copyright and intellectual property law by using a licensed computer and software with authentic copyrights. Information Technology Department must examine every software program.

Contact channel for stakeholders

To oversee and be responsible for all stakeholders, the Company has proved that all stakeholders can submit their complaint, opinion or suggestion to the Company through Investor Relations which all these complaints, ideas or suggestions will be submitted to the highest executives and the Audit Committee.

The contact channel to Investor Relations is below.

Investor Relations

The Platinum Group Public Company Limited

222/1398 11th Floor, The Platinum Fashion Mall Building
Petchaburi Road,

Petchaburi Road sub-district,

Ratchathewi District, Bangkok 10400

Telephone : 0 2121 9999 ext. 55

e-mail: ir@theplatinumgroup.co.th

The Company emphasizes the importance of promoting good corporate governance and operates its business with transparency, integrity, and ethics by strictly abiding by the related laws and regulations. The Board of Directors has established the Whistleblower Policy to provide protection and fairness to employees who report incidents, or provide information and leads, of any misconduct, fraud or corruption in the Company as follows:

1. Filing complaints or whistleblowing can be done verbally or in writing;
2. Submitting to the Company via e-mail address: internalaudit@theplatinumgroup.co.th or;
3. Mailbox for complaints or whistleblowing provided by the Company or;
4. Sending a letter to Chairperson of the Audit Committee (who is an independent director) at the following address

Internal Audit Department

The Platinum Group Public Company Limited

222/1398 11th Floor, The Platinum Fashion Mall Building
Petchaburi Road,

Petchaburi Sub-district, Ratchathewi District,

Bangkok 10400

5. In case that the complainant chose not to disclose his/her name, he/she is required to provide sufficient detailed facts or valid evidence to prove reasonable grounds to believe that there are breaches of laws, regulations, the Company's articles of association and business codes of conduct; or fraud or corruption.

Complaints filing or incidents reporting shall be treated as highly confidential. The complainants or the whistleblower can report to the Company through more than one channel without revealing their identity. However, if their identities are disclosed to the Company, it will be helpful for the Company to report the investigation outcomes or inform any additional information relating to the complaint.

Section 4 : Disclosure and Transparency

The Company has the policy to disclose financial information and other information relating to the Company's operating results which is truthful, complete, adequate, consistent and timely. The information should reflect the actual financial status and operating performance, and the future of the Company's business. The channel of disclosing information as follows:

- Reporting via the news system of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission such as Annual Information (Form 56-1), Annual Report (Form 56 - 2), the Company's Financial Statements, Quarter and Annual Financial Analysis Reports, Resolutions of the Board of Directors, Resolutions of the Shareholders' Meeting, etc.
- Annual Information Form (Form 56 - 1)
- Annual Report (Form 56 - 2)
- Company's website: www.theplatinumgroup.co.th

The Company publishes to the mass media to allow the shareholders and other related parties to acknowledge the Company's information thoroughly and equally. The disclosure of the Company's information shall be updated and adjusted to comply with the guidelines set by the Stock Exchange of Thailand and the Office of Securities and Exchange Commission, covering the contents as follow.

1. Financial information, the Company's policies and Important news such as financial statements of the Company and its subsidiaries, information of the major shareholders and their voting right, information about

the Company's directors and members of committees, the Board of Directors Charters, dividend payment policy, the Company's code of business conduct, Corporate Governance policy, anti-fraud and anti-corruption policy, quarterly and annually Management Discussion and Analysis (MD & A) which described details of operating results with analysis and explanation about the reasons of the changes.

2. Information about the Company's movements and major activities must be publicized via the press conference and published information on the Company's website.

Responsible Persons for Information Disclosure

The Company has appointed responsible persons for material information disclosure including the President, Executive Vice President – Planning and Corporate Strategy, Department and Marketing Department. The nature of the information disclosed shall be related to the roles and responsibilities of their job.

Investor Relations

The Company has emphasized the importance of disclosing its information transparently and thoroughly, especially the information about the Company's operating results and other material information which may affect the price of the Company's securities. The Company has disseminated its news and information via SetLink system provided by the Stock Exchange of Thailand and other mass media so that investors, analysts, and related parties will be completely informed. The Company has also published its material information on the Company's website: www.theplatinumgroup.co.th under the tab "Investor Relations" to facilitate general investors and persons who are interested in the Company. The information which is available in both Thai and English on the Company's website includes the Company's profile, financial information, information for investors and shareholders, the general meeting of shareholders, corporate governance, webcasts & presentation, stock information, analyst report, and IR contact.

Meeting with shareholders and investors

In 2019, the Company has meeting activities with shareholders and investors continually so that its senior executives and investor relations team has the opportunities to meet with shareholders, analysts including general investors to explain about the Company's operating results, future strategies, business growth direction and to summarize key events within the past year.

1. The Company joined the activities arranged by the Stock Exchange of Thailand, Opportunity Day with SET, in total 3 sessions for the operating result of year 2018 and the first and second quarter of year 2019.
2. Quarterly meeting with analysts and institutional investors: In total 3 sessions for the operator result of year 2018 and the first and second of year 2019.
3. Institutional investors, analysts and income investors visited the President and the Executive Vice President and the Investor Relations Department to discuss the Company's policies, business direction and the progress of future projects in total 17 meetings.
4. The securities company invited the Executive Vice President and the Investor Relations officer of the Company to present the Company's policies, operating results and the progress of future projects (Roadshow) in total 6 sessions.
5. Each month there were contacts for information from investors via telephone call and about 5-10 times on average.

For further information, investors may contact the Company at the following address:

Investor Relations

The Platinum Group Public Company Limited

222/1398 11th Floor, The Platinum Fashion Mall Building
Petchaburi Road, Petchaburi Road sub-district,
Ratchathewi District, Bangkok 10400

Telephone: 0-2121-9999 ext. 55

e-mail: ir@theplatinumgroup.co.th

Section 5 : Responsibilities of the Board of Directors

The Board is responsible to shareholders regarding the Company's business operation and corporate governance to achieve its goals in the direction which brings maximum benefits to shareholders, taking into account the interests of all stakeholders. The Board must comply with the law, the Company's Objectives, its Articles of Association and the resolutions of the shareholders' meeting. The Board shall perform its duties with integrity and honesty and shall vigilantly protect the interest of shareholders and other stakeholders in both short term and long term. In order to ensure that the Company's operation will be aligned with the given direction and brings maximum benefits to shareholders and all stakeholders, the Board shall oversee the creation and development of the Company's vision, mission, goal, policy, business direction, strategic operating plan, and annualized budgeting. The Board shall share its opinions to clarify and create a mutual understanding of business overview before approval and shall monitor the administration to achieve to the set goals by adhering to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Following are the Company's practices relating to the responsibilities of the Board of Directors.

Structure of the Board of Directors

The Company's Board of Directors is composed of directors who are competent, knowledgeable with various fields of experience. With the primary responsibility to consider and make the decision in crucial issues relating to the management of the Company, all directors are free to express their idea in the meeting and to vote for the resolution of each agenda with the purpose to ensure that the management and operation of the Company are rightful, efficient and transparent. The structures of the Board of Directors are as follows:

- The Board of Directors comprises of at least five members where not less than one-half (1/2) of the

directors must reside in Thailand. Provided that at least three members or not less than one-third (1/3) of total directors must be the Independent Directors.

- Shareholders shall elect the Board of Directors.
- The Board of Directors shall select one of the directors to be the Chairman of the Board.
- Appointment of Directors shall be in accordance with the Company's Articles of Association and the requirements of related law and regulations. The appointment process must be transparent and clear, taking into consideration the educational and professional background of the candidates provided with sufficient details to facilitate the decision of the Board of Directors and shareholders.

When any person has been appointed to be a Director, the Company shall provide proper preparation for becoming a director. Each new director shall receive information about the Company and the Director's manual which provide information about the role and responsibilities of the Board Director. The orientation program will be arranged and provided for the new director in order to understand the Company's business overview.

Director Qualifications

- A person possessed of qualifications of directors as prescribed in the Public Limited Company Act and the Company's Articles of Association and also do not possess of disqualifications in accordance with the SEC notifications relating to the person possessed of qualifications for the executives of the listed company.
- Having leadership view with the broad visions and strong understanding of the Company's business operations.
- All directors shall perform their duties and provide their independent opinions including contributing schedule to work for the Company as sufficiency.

Authorities, Duties, and Responsibilities of the Board of Directors

The Board of Directors has the authorities, duties, and responsibilities to manage the Company and its subsidiaries in accordance with the relevant laws, the objectives, and the Articles of Association of the Company and its subsidiaries as well as all legitimate resolutions of the shareholder meetings, with the duty of loyalty and duty of care in order to protect the interest of the Company and its subsidiaries. In conclusion of the Board of Directors' power, duties and responsibilities are as follows:

1. Perform their duties following the laws, the Articles of Association and the objectives of the Company as well as all legitimate resolutions of the Board of Directors meetings and the shareholder meetings, with responsibilities, the duty of care and duty of loyalty
2. Consider in details and approve the visions, business strategies, business directions, policies, aim, guidelines, business plans and budgets of the Company and its subsidiaries which are proposed by the management
3. Supervise and monitor the performance of the Company's president, senior management or any person assigned to be in such position to ensure that all policies are in accordance with the direction of the Board of Directors
4. Continually monitor the Company's performance to be in accordance with the business plans and budget
5. Ensure that the Company and its subsidiaries conduct a proper and efficient accounting system and implement effective internal control and the internal audit practices
6. Ensure that the annual financial statement at the end of the fiscal year of the Company is well-prepared and certified in order to propose the annual general shareholders meeting for approval
7. Consider and approve the selection and the fee of the Company's auditors as proposed by the Audit Committee prior to proposing to the annual general shareholders meeting for approval

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8. Arrangement the good corporate governance policy in the form of the code and adapt it in efficiency in order to ensure that the Company takes responsibility to all stakeholders with fairness basis
 9. Encourage all employees to have a strong sense of ethics and to comply with good governance principles, the Company's codes of conduct and policies on anti-fraud or anti-corruption; supervise the implementation of proper internal control and internal audit infrastructure to mitigate the risk of fraud and corruption, abuse of power and misconduct activities
 10. Consider and approve the appointment a person possessed of qualifications and do not possess of disqualifications as prescribed in the Public Limited Companies Act B.E.2535 (1992) (as amended), Securities and Exchange Act B.E. 2535 (1992) (as amended) including and other related notifications, rules and/or regulations as a Director, in the event that a director position becomes vacant due to reasons other than expiration of term of office and consider to endorse the appointment of replacement directors of retiring directors and; consider the compensation of directors to propose to the shareholders meeting for approval
 11. Appoint the Audit committee and other committees; determined powers, duties and responsibilities of each committee so that they can properly function and support the Board of Directors
 12. Consider and alter the Authorized Directors who sign on behalf of the Company
 13. Consider and appoint Executives and Corporate Secretary with qualifications as defined by the Securities and Exchange Commission or the Capital Market Supervisory Board, as well as decide the compensation of those Executives
 14. Seek professional advice from external organizations, when necessary, to support proper decision
 15. Encourage the Company's directors and executives to attend the Thai Institute of Directors' training programs and seminars which relate to their duties and responsibilities

The Board of Directors may authorize and/or delegate other persons to perform specific tasks by granting a power of attorney and/or sub-attorney, given that the authorization must be limited to the scope stated in such power of attorney and/or complied with the rules, regulations or orders specified by the Board of Directors and/or the Company. The Board of Directors' delegation of authorities must not be in the manner which empowers a person to approve the transaction made by such person himself/herself or made by other persons who may have a conflicts of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board), or may have an interest or may benefit in any manners, or may have other conflict of interest with the Company or its subsidiaries, unless the approval of such transaction is made in accordance with the policy and guidelines which have been already approved by the Company's shareholders meeting or by the Board of Directors meeting.

Role and Responsibilities of the Chairman of the Board of Directors

1. To be Leader of the Board of Directors and to be a chairman over the Board of Directors meeting
 - Conduct the Board meeting in compliance with the law, the Company's Articles of Association and the meeting agenda
 - Promote and allocate sufficient time for each Board member to discuss and share their idea deliberately and to exercise their proper discretion for the best interest of all stakeholders
 - Conclude the meeting resolution and actions plan after the meeting in a clear and decisive manner
 - Summon the specific Board meeting which not including executive directors
2. Preside over the Shareholders meeting and conduct the meeting in compliance with the law, the Company's Articles of Association and follow the sequence of the agenda with proper allocation of time while providing an opportunity for shareholders to equally share their opinions and for directors and executives

to respond to shareholder's questions adequately and transparently

3. Promote the Board of Directors to be a role model in practicing good corporate governance, anti-fraud and anti-corruption policy and the Company's Code of Conducts
4. Strengthen the good relationship between Board members and the management team and support the president and his management team to carry out their duties in accordance with the Company's policies
5. Supervise the disclosure of information and transparent management especially when there is a conflict of interest
6. Ensuring membership of the Board has proper structure and composition
7. Ensure efficient and effective performance of the Board of Directors, each committee and individual directors
8. Supervise the annual performance evaluation of the Board of Directors, individual directors, the Chairman himself, and all committees in order to improve the effectiveness of the Board and committees and enhance knowledge and competencies of the Board and committee members.

Approval Authority of the Board of Directors

The Board of Directors has the authority to approve the Company's activities to the extent of the duties prescribed by law, the Company's Articles of Association, Board of Directors Charter and the resolution of the shareholders' meeting, including the formulation and review of vision; operational strategies; operation master plan; risk management policy; annual budget and business plans; medium-term business plan; performance-based operational goals; monitoring and evaluation of operation plans and capital expenditure; merger and acquisition of business; division of business and; participation in joint venture.

Separation of Duties of the Board of Directors

The Company has clearly defined the separation of duties of the Board of Directors and management at each level. The consideration and decision making of essential business affairs must be approved by the Board and the relevant committee for checking and balancing in order to create transparency and fairness to all related parties.

Combination or Separation of Duties

The Company has the policy to separate the duties and responsibilities among the Chairman of the Board, the Chairman of the Executive Committee and the President. The persons who presume the position must have proper qualifications with proper knowledge, abilities and experience. Importantly, they must not be the same person in order to balance the power by separating the role of governing and managing, as follows.

- **Chairman of the Board of Directors** shall be an independent director and non-executive, and shall not be the same person as the Chairman of the Executive Committee or being a member of any other committees. Chairman of the Board shall be independent of the Company's management, having separated duties to oversee and govern the Company's operation. Like other independent directors, Chairman of the Board shall be free to propose the board meeting agenda, to express his opinions regarding the operation of the Company deliberately, to cautiously consider the matters which may lead to the conflict of interest and to ensure that the Company's business operation is accurate, transparent and auditable.
- **Chairman of the Executive Committee** shall be the head of the executive team, responsible for overseeing the Company's administration and management to be in line with its vision, mission and the Board of Directors' policies. His duties include managing and monitoring the business operation and administration carried out by the executives and management through the monthly

meeting when both executives and management are to report the progress of operating results and the Company's performance. The Chairman of the Executive Committee may delegate his authorities to the executive and management in accordance with their duties, responsibilities and approval authority.

- **President** shall not be the same person as the Chairman of the Executive Committee and shall be considered as the highest rank in the management team. The President shall be responsible for carrying out the Company's business and/or managing day-to-day operation as per the direction set forth by the Board of Directors and the Executive Committee as well as to consider and approve the transactions in the ordinary course of business.

The Term of Office of the Directors

One-third or the proportion closest to one-third of all directors shall vacate office at each of the Annual General Meeting of Shareholders. In the first and second year after the Company has been listed, a drawing lot shall be adopted. In the later years, directors holding the longest terms shall vacate office first. Any director retires by rotation can be re-elected.

Apart from retirement upon the expiration of the term of office, the Directors shall vacate upon:

1. death;
2. resignation;
3. dispossession of qualification or possession of disqualification under the laws;
4. The meeting of shareholders resolving to remove any director prior to the expiration of his term of office with votes not less than three-fourths of number of shareholders attending the meeting and having the right to vote and the total number of shares being of not less than one half of number of shares held by shareholders attending the meeting and having the right to vote;
5. the court issuing an order to remove.

In the case where the whole Board of Directors vacates office, such Board of Directors shall remain in office as long as necessary to operate the business of the company until the new board of directors assumes office.

In the case of a vacancy of directorship for a reason other than expiration of the term of office, the Board of Directors shall elect a person possessed of qualifications as the replacement director in the next meeting of Board of Directors, unless the remaining term of office of the director is less than two months. The replacement director may hold only for the remainder of the term of office of the director whom be replaced.

The Meeting of the Board of Directors

1. Regular Meeting of the Board of Directors will be held no less than 4 times per year and special meetings will be called as necessary. A schedule of the regular meetings will be fixed in advance for the whole year
2. Chairman of the Board of Directors and Chairman of the Executive Committee shall supervise and endorse the meeting agenda
3. Corporate Secretary is responsible for delivering meeting invitations together with meeting agenda and supporting document to each Board member for review at least 7 days before the meeting will take place
4. To make a resolution on any agenda in a meeting, there must be at least two third of members of the board attending.
5. During the Board meeting, a director who has a conflict of interest in the agenda shall leave the meeting room during the discussion of, and the vote on, the transaction

The details of the Meeting of the Board of Directors was shown in the topic Management Structure, sub-topic 'the Meeting of the Board of Directors and the sub-committee'.

Supervision of Subsidiaries and Associate Companies' Operations

The Board of Directors determines and endorses the Company's vision, strategy, policy, business plan and budgeting in order to provide frameworks or targets for management to operate to achieve the goals set by the Board. The same endorsement of the Board applies to the Company's subsidiaries and associate companies as deemed appropriate with the following details.

1. The Company shall send its representatives, who are considered and approved in the Board meeting, to be directors in its subsidiaries and associate companies with the number according to the proportion of shares held by the Company.
2. The Board of Directors of each subsidiary and associate company has a scope of duties, authorities and responsibilities as follows.
 - 2.1 Perform their duties in accordance with the law, the company's objectives and articles of association as well as the resolutions of the board meetings and the shareholder meetings, with the duty of loyalty, the duty of care, accountability and ethics.
 - 2.2 Monitor and provide necessary advice to ensure that the subsidiaries and associate companies' operations comply with the related contracts and regulatory requirements.
 - 2.3 Continually monitor the operating results of the subsidiaries and associate companies and provide necessary advice to ensure that their business performance are on track and that any obstacles or predicaments are handled and resolved appropriately and timely.
 - 2.4 Review, monitor and provide necessary advice to ensure that the subsidiaries and associate companies have effective and efficient work processes and internal control system.
 - 2.5 Review, monitor and take necessary actions to revise and improve key policies and business

operation plans of the subsidiaries and associate companies regularly to ensure that they are up-to-date and fit the changing business environment.

- 2.6 The Board of Directors of the subsidiaries and associate companies may delegate its authorities to a director, or directors, or other persons to perform specific tasks. However, such delegation of authorities shall not include the granting a power of attorney and/or sub-attorney which empowers the person to approve the transaction made by such person himself/herself or made by other persons with a conflicts of interest, or may have benefit in any manners which poses a conflict of interest with the Company and/or the subsidiaries and/or the associate companies.
3. The Company shall determine work plans and key implementations to ensure that its subsidiaries and associate companies co-operate in the information disclosure of the business performance and financial status and other regulatory required information to the public, investors, related controlling bodies and government offices, in a complete, accurate and trustworthy manner.
4. In the event that the subsidiaries or associate companies need to enter into any connected transactions or transactions which might lead to a conflict of interest, the Company shall ensure and monitor that such transactions are fair and transparent by strictly complying with the connected and acquisition transactions regulations stipulated by the controlling bodies.
5. The Company shall monitor and take necessary actions and ensure that its subsidiaries and associate companies have an internal control system as well as system and procedure to disclose material information appropriately and sufficiently.

Corporate Secretary

The Corporate Secretary has duties and responsibilities as follows.

1. Prepare the meeting of the Board of Directors and the shareholders' meeting to be consistent with the law and relevant regulations. Follow up to ensure compliance with the meeting resolution.
2. Prepare and maintain a register of directors, notice and minutes of the Board meeting and annual report, notice and minutes of shareholders' meeting
3. Oversee to ensure the disclosure of information to be compliance with the regulations of the SEC and relevant regulatory agencies, including the good corporate governance principles.
4. Keep the report of stakeholding prepared by the Directors or Executives.
5. Keep the copy of the report of changes of securities holding of the Directors or Executives.
6. Advise on the Director regarding the law and regulations, rules related to the good corporate governance, maintain the status of the listed company in the stock exchange and rules and law related to the Company's business operation.
7. Proceed any other matters as determined by the Capital Market Advisory Board or as assigned by the Board of Directors.

Independent Directors

It is stipulated in the composition of the Board of Director that at least one-third of its total members must be independent directors; and that there should be no less than 3 independent directors in the Board. The Board of Director or the shareholders' meeting (as deemed appropriate) shall appoint an independent director to be a member of the Board. Criteria for selection of independent director are aligned with those of the Company's director, having requisite qualifications of director and not having any untrustworthy characteristics as prescribed in the Public Limited Company Act, laws on the securities and exchange, as well as the related notifications, regulations

and/or guidelines. Independent director shall have an educational background, expertise, work experience and appropriate balance of skills. Generally, the shareholders' meeting shall appoint the nominated candidate to be the independent director. However, in the event that any independent director vacates his/her office before the term ends, the Board of Director may appoint a qualified person to replace the vacated independent director. The replacement director shall be in the office only for the remaining term of office of the director who was replaced.

Following are qualifications of independent director stipulated by the Board.

1. Holding not exceeding one (1) percent of the total number of voting rights of the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, including the shares held by related persons of such independent director.
2. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC office. This prohibited qualification does not include an independent director who is a former government official or advisor to the government office which is the Company's major shareholder or controlling shareholder
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and son/daughter, including spouse of the son/daughter, to other directors, management members, major shareholders, controlling persons, or persons to be nominated as director, management or controlling person of the Company or its subsidiaries.
4. Not having any business relationship with the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, that could be a barrier to independent judgment. And

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- not being or having been a significant shareholder or controlling person of juristic person who has a business relationship with the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC office.
5. Neither being nor having been an auditor of the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, and not being a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC office.
 6. Neither being nor having been any profession advisor including legal advisor or financial advisor who receives an annual service fee exceeding two Million Baht from the Company, its subsidiaries, associate companies, major shareholders or controlling shareholders, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing status has ended at least 2 years prior to the date of submitting the request to SEC office.
 7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
 8. Not undertaking the business with the same nature or which is a significant competitor of the Company or its subsidiaries; or not being a significant partner in the partnership nor an executive director, staff, employee, advisor who receives salary or holding more than one (1) percent of the total shares with voting rights of the company which undertakes business with the same nature or which is a significant competitor of the Company or its subsidiaries.
 9. Not having any characteristics which make him/her

incapable of expressing an independent opinion concerning business operations of the Company and its subsidiaries.

10. Not being the director who is authorized by the Board to make a decision in the operation of the Company, its subsidiaries, associate companies, same-level subsidiaries, major shareholders or controlling shareholders and;
11. Not being the director of any listed company, subsidiary company or same-level subsidiary company.

Additionally, at least one independent director who is a member of the Audit Committee must have knowledge, understanding or experience in accounting or finance sufficiently to perform the main duty of the Audit Committee in reviewing and ensuring the trustworthiness of the Company's financial reports. The Company shall also consider other qualifications of the independent director, i.e. business experience, expertise in the specific line of business, and ethical qualities

Subcommittees

The Board of Directors has established the subcommittees, i.e. Audit Committee, Nomination and Remuneration Committee to perform their duties of specific affairs and to propose related issues for the Board to consider or endorse. The Board has approved the charter of each subcommittee which sets forth the duties and responsibilities of the subcommittees and is published in the Company's website. Following are brief details of each subcommittee.

1. The Audit Committee

The Audit Committee has been established with the objectives to provide assistance to the Board of Directors in fulfilling its oversight responsibility relating to the accuracy of the Company's financial statements, the effectiveness of the Company's internal control, the Company's compliance with laws, regulations

and the code of conduct in order to promote its good governance. Additionally, according to the resolution of the Board of Directors meeting No.1/2014 on 18 March 2014, the Audit Committee has been assigned to take an additional duty to oversee and monitor the Company's overall risk management. Therefore, the Audit Committee has assigned the Executive Committee to gather, analyze and assess the risk factors which related to the Company's business operation, as well as to propose the guidelines for the Company's risk management program to the Audit Committee and the Board of Directors. The Audit Committee shall perform its duties in reviewing the risk management program and its implementation as well as in preparing the audit committee report which is to be included in the Company's annual report.

The Audit Committee comprises of at least three independent directors or at least one third of the total members of the Board of directors and at least one member of the Audit Committee shall be financially literate or shall have background in accounting or finance sufficiently enough to perform the duty of reviewing the accuracy of the Company's financial statements. Chairperson of the Audit Committee shall be appointed by the Board of Directors or by the voting of all members of the Audit Committee. In order to support the Audit Committee to perform its duties effectively and properly, the Board of Directors has established and approved the Charter of the Audit Committee which prescribed about its objectives, composition and qualifications, term of office, scope of authorities and duties, committee meeting. Detailed information has been disclosed on the Company's website.

Authorities, Duties, and Responsibilities

- To ensure that the Company's financial reporting is accurate and adequate;
- To ensure that the Company has a suitable and efficient internal control system and internal audit; ensure the independence of internal audit team; and to approve decisions regarding the appointment, transfer, or dismissal of the chief audit executive and/or the employment of an internal auditing company or another department responsible for internal auditing;
- To ensure the Company's compliance with the securities and exchange law, regulations of the Stock Exchange of Thailand or laws relating to the business of the Company;
- To consider, select and nominate independent personnel to be an external auditor of the Company, including a recommendation of remuneration of the external auditor to the Shareholder Meeting for approval; and to meet separately with the external auditor without the presence of management at least once a year;
- To consider all connected transactions or transactions that may cause conflicts of interest; to ensure that they are in compliance with the laws and SET regulations, rationale and for the highest benefit of the Company;
- To prepare the audit committee's report and to disclose in the Company's annual report, which the report shall be signed by the Audit Committee's chairperson and shall be consisted of at least the following information:
 1. an opinion on the accuracy, completeness and trustworthiness of the Company's financial report
 2. an opinion on the adequacy of the Company's internal control system
 3. an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business
 4. an opinion on the suitability of an auditor
 5. an opinion on the transactions that may cause conflicts of interest

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6. the number of the audit committee meetings and the attendance of such meetings by each committee member
 7. opinions or overall observations that the Audit Committee received while performing its duties according to the charter
 8. other transactions which should be known to the shareholders and general investors according to the scope of the Audit Committee's duties and responsibilities assigned by the Board of Directors
- While performing its duties, if the Audit Committee discovers or suspects any following transactions or activities which may have a material impact on the financial status or operating result of the Company, the Committee shall report the findings to the Board of Directors to take remedial actions within the time frame that the Committee considers appropriate:-
 1. a transaction which cause conflicts of interests
 2. fraud or irregularity or material deficiency in the internal control system
 3. infringement of the law on securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business

In the event that the Board of Directors or the management does not take any remedial actions within the set time frame, and any Audit Committee member may report such transactions or activities to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand

- To perform any activities assigned by the Company's Board of Directors with the approval of the Audit Committee
- At least once per year, review the Committee Charter and annual performance assessment of the Committee

2. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a part of the good corporate governance system. The committee must consider and determine the remuneration package of members of the Board and each committee to propose for the Board of Directors for concurrence before submitting to the shareholders' meeting for approval.

The Nomination and Remuneration Committee comprises at least three (3) directors from the Company's Board of Directors and one third of total members of the Committee members must be independent directors; Chairperson of the Committee must also be an independent director. Members of the Nomination and Remuneration Committee shall be appointed by the Board of Directors. In addition, the Board of Directors has established and approved the Charter of the Nomination and Remuneration Committee which prescribed about its objectives, composition and qualifications, the term of office, scope of authorities and duties, committee meeting. Detailed information has been disclosed on the Company's website.

Authorities, Duties and Responsibilities

- Ensure that the structure, size and composition of the Board of Director are appropriate for the Company and the changing business environment
- Develop criteria for the Company's director; Screen and identify, in a transparent way, a qualified candidate to propose for the Board endorsement before proposing to the shareholder meeting for approval of the appointment
- Screen and identify, in a transparent way, a qualified candidate for the position of President to propose to the Board for approval and appointment
- Develop a succession plan for the President position and regularly revisit the plan and its progress

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- Design a fair and sensible remuneration plan and related criteria for the Company's directors, members of each committee and the Company's President by considering referenced information of compensation in other companies in the same or similar industries; propose such remuneration plan for directors and committee members to the Board for endorsement before proposing to the Shareholder meeting for approval
 - Evaluate the performance of the Company's President in order to assess the adequacy of his/her remuneration package; make recommendations regarding the overall compensation plan and other fringe benefits of the Company's employees proposed by the President's preliminary advice
 - Review, change and amend this Nomination and Remuneration Committee Charter to keep up with the changing situation and submit any proposed revisions to the Board of Directors for consideration and approval
 - Perform other duties assigned by the Board of Directors

To perform its duties, the Nomination and Remuneration Committee may seek any information it considers necessary from the management, department heads or related employees by asking them to attend the meeting, make the statement or submit written associated documents as necessary. Besides, under the duties and responsibilities, authorities of this charter, the Nomination and Remuneration Committee may seek external independent professional advisor or specialist in other professions as deem necessary at the Company's cost.

3. The Executive Committee

The executive committee has been established with the objective to assist the Board of Directors in the management of normal business operation in order to achieve effective and efficient business results. The executive committee shall assist the Board in establishing policies, business plans, budgeting,

management structure as well as in monitoring and reviewing the operation results of the Company based on the Board's direction and policy. The Board of Directors shall select and appoint members of the executive committee who must be competent, having a good understanding of their duties and responsibilities and of the Company's businesses, with the aim for the highest benefit of the Company. In each meeting of the executive committee, the agenda shall include reviewing of business operating results, supervising and directing of business matters according to the annual business plan approved by the Board of Directors, approving legal agreements and contracts as assigned by the Board, tracking of management team's operational progress and providing recommendations and guidelines for business administration and management.

Authorities, duties and responsibilities

- The executive committee must manage the Company's business in order to achieve the objectives of the Company in accordance with the policies, regulations and orders determined by the Board of Directors. The committee also must consider, review and screen all business matters to be proposed to the Board of Director for concurrence or approval
- To prepare visions, mission, business strategies, business directions, business policies, goals, guidelines, implementation plans and budgets of the Company and its subsidiaries and propose to the Board of Directors for consideration and approval
- To oversee the business operation of the Company and subsidiaries to be in conformity to the policy, target, strategy, working plan and to have authority to consider and approve usual operation matters (1) under the annual budgets approved by the Board as stated in the rules for approval on expenses efficiently and consistently to the business operation of the Company; or (2) within the balance not exceeding 15 percent of total assets of the

Company. Any actions as mentioned above by the Executive Committee must not cause the debt or obligations. This should include the loan for projects that the Company applied with any financial institutions (Project Finance). The Executive Committee must also advise on the management to the top executives as well.

- To report to the Board of Directors the progress of the following reporting which must be done within the provided timeframe.
- The Board must report the performance of various matters to the Board of Directors within the time as prescribed below.
 1. Quarterly and annual report of the Company's operating results to be submitted within the time frame set by the Stock Exchange of Thailand
 2. The auditing or review report the Company's financial statements which include annual financial statements and quarterly financial statements to be submitted within the time frame set by the Stock Exchange of Thailand
 3. Other reports which the Executive Committee considers appropriate
- The executive committee may appoint any working group and/or any person to screen and review business matters to be proposed to the committee or to perform any duties which shall benefit the committee's performance or to perform any duties as delegated by the committee within the scope of duties and authorities of the executive committee
- The executive committee may authorize and/or delegate other persons to perform specific tasks by granting a power of attorney and/or sub-attorney, given that the authorization must be limited to the scope stated in such power of attorney and/or complied with the rules, regulations or orders specified by the Board of Directors. The executive committee's delegation of authorities shall not be in the manner which empowers the member of the executive committee or the authorized person

to approve the transaction made by such person himself/herself or made by other persons who may have a conflicts of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board), or may have an interest or may benefit in any manners, or may have other conflict of interest with the Company.

- To approve the expenditure for investment, the financial transaction with the financial institution to open an account, to pledge, mortgage, guarantee and any other transaction including the trading, registering of the land deed title under the usual course of business of the Company and its subsidiaries within the budget assigned.
- To determine organizational structure and efficient management that covers the selection, training, employment and dismissal of employees of the Company and its subsidiaries for the executives or top executives. The Executive Committee may assign the President or Vice President or any other position which is appropriate to proceed on the Company's behalf when signing the employment contract.
- To review the Executive Committee Charter and the Board of Directors' Charter and propose to the Board of Directors for approval.
- To perform any other tasks as assigned by the Board of Directors.

Nomination of the Directors

The Nomination and Remuneration Committee considers and nominates the qualified person to hold directorship in the Company in replacement of those who retire by rotation or under any cases. The consideration is based on the followings.

1. Duly qualified as per Public Company Act, articles of association and not having prohibited characteristics as announced by the SEC regarding the qualifications of the executive officers in the listed company.
2. The structure, size and composition of the Board of Directors must conform to the company.

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3. Having knowledge, specific skills required for the directorship to determine business strategy and policies of the Company
 4. Having the necessary knowledge and the knowledge that the Board still lack to be consistent with the business strategy of the Company.
 5. Having leadership, broad vision and comprehend in the business operation of the Company.
 6. Having other qualifications as the Nomination and Remuneration Committee considers important.

Nomination of the Company's President

1. The candidate for the President shall be nominated by the Executive Committee, selecting from its members or from the third party who is qualified and not having prohibited characteristics as announced by the SEC regarding qualifications of the executives of the listed company. The list of nominated person is passed and considered by the Nomination and Remuneration Committee prior to proposed to the Board of Directors for approval.
2. The Nomination and Remuneration Committee considers and designates the qualified person that can accomplish the achievement in accordance with the objectives and target set forth. The nominated person must not have the qualifications that are in contrary to the law, for the transparency when proposing to the Board of Directors for an appointment.

Succession Plan

The Company prepares the succession plan for the Board of Directors and top executives of the Company from Executive Vice President and higher to fill the vacant position in case the Board of Directors or top executive cannot perform their duty or such person retires by rotation. Procedures of the succession plan are as follows.

1. The Company allows shareholders to propose the list of directors who are qualified through the Nomination and Remuneration Committee to consider qualifications before proposing to the shareholders' meeting for resolution.

2. The Nomination and Remuneration Committee prepares the Succession Plan for the President with regular review.
3. Encourage the directors and top executives of the Company to attend the programs related to their duties and responsibilities to develop their knowledge and skills.

Performance Evaluation of the Board of Directors and Subcommittees

The Company has a policy that the Board of Directors and each sub-committee shall perform the Board's performance assessment and individual performance assessment at least once a year so that the Board and each committee shall be able to review their achievements, issues and obstacles during the past year. The assessment results will be useful for the further improvement of the Board and each committee to be more effective and efficient. The Company has designed the "Board Assessment Form" and "Individual Assessment Form" prepared by the Company under the principles of good corporate governance guided by the Stock Exchange of Thailand.

As for the performance assessment of the Board of Directors and the sub-committee for the year 2019, the Corporate Secretary has sent the assessment forms to all directors to conduct the assessment for the entire board and individual. The assessment result is summarized and reported to the Board of Directors' meeting No. 5/2019 held on 12 November 2019.

Scores of the assessment result is ranked in levels as follow:

| | | |
|------------------------|---|------------------|
| Over 85% | = | Excellent |
| Over 75% | = | Good |
| Over 65% | = | Fair |
| Equal or less than 50% | = | Need Improvement |

Performance Assessment Result of the Board of Directors

Performance-Assessment for the entire board for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|--|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 98 | Excellent | 95 | Excellent |
| 2 | Role, Duties and Responsibilities of the Board | 98 | Excellent | 95 | Excellent |
| 3 | The Board Meeting | 97 | Excellent | 95 | Excellent |
| 4 | Director's Performance | 95 | Excellent | 93 | Excellent |
| 5 | Relationship with the Company's Management | 96 | Excellent | 93 | Excellent |
| 6 | Director's Self-Development and Management's Development | 98 | Excellent | 93 | Excellent |
| Average score | | 97 | Excellent | 95 | Excellent |

Performance-Assessment for the individual director for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 100 | Excellent | 97 | Excellent |
| 2 | The Board Meeting | 97 | Excellent | 94 | Excellent |
| 3 | Role, Duties and Responsibilities of the Board | 94 | Excellent | 92 | Excellent |
| 4 | Responsibility of the Board of Directors on implementing the anti-Corruption to the management of the Company | 100 | Excellent | 97 | |
| Average score | | 96 | Excellent | 94 | Excellent |

Performance Assessment of the Subcommittees

The Board of Directors has arranged the performance evaluations for each subcommittee of the Company including the Audit Committee and the Nomination and Remuneration Committee and the Executive Committee so that they can review the achievements in the past year and use the evaluation results to improve their performance further to be more effective in their function.

• The Audit Committee

The Company used the assessment forms which included the board assessment form and individual assessment form which was designed based on the principles of good corporate governance guided by the Stock Exchange of Thailand. The assessment criteria and rating scale as follows:

The Self-Assessment result of the Audit Committee for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 100 | Excellent | 100 | Excellent |
| 2 | Efficiently perform in the meeting | 100 | Excellent | 100 | Excellent |
| 3 | Role, Duties and Responsibilities of the Board | 100 | Excellent | 99 | Excellent |
| Average score | | 100 | Excellent | 99 | Excellent |

Performance-Assessment for the individual for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 100 | Excellent | 100 | Excellent |
| 2 | Efficiently perform in the meeting | 100 | Excellent | 100 | Excellent |
| 3 | Role, Duties and Responsibilities of the Board | 100 | Excellent | 98 | Excellent |
| 4. | Responsibility of the Board of Directors on implementing the anti-Corruption to the management of the Company | 100 | Excellent | 100 | Excellent |
| Average score | | 100 | Excellent | 99 | Excellent |

• The Nomination and Remuneration Committee

The Company used the assessment forms which included the board assessment form and individual assessment form which was designed based on the

principles of good corporate governance guided by the Stock Exchange of Thailand. The assessment criteria and rating scale as follows:

The Self-Assessment result of the Nomination and Remuneration Committee for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 88 | Good | 98 | Excellent |
| 2 | Efficiently perform in the meeting | 90 | Excellent | 99 | Excellent |
| 3 | Role, Duties and Responsibilities of the Board | 88 | Good | 94 | Excellent |
| Average score | | 89 | Good | 97 | Excellent |

Performance-Assessment for the individual for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 83 | Good | 100 | Good |
| 2 | Efficiently perform in the meeting | 91 | Excellent | 100 | Excellent |
| 3 | Role, Duties and Responsibilities of the board member | 86 | Excellent | 95 | Excellent |
| Average score | | 88 | Excellent | 98 | Excellent |

• The Executive Committee

The Company used the assessment forms which included the board assessment form and individual assessment form which was designed based on

the principles of good corporate governance guided by the Stock Exchange of Thailand. The assessment criteria and rating scale as follows:

The Self-Assessment result of the Executive Committee for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|---|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 94 | Excellent | 96 | Excellent |
| 2 | Role, Duties and Responsibilities of the board | 93 | Excellent | 98 | Excellent |
| 3 | Meeting of the board | 94 | Excellent | 95 | Excellent |
| 4. | Performance of the board | 93 | Good | 95 | Excellent |
| 5. | Relationship with the Management | 93 | Good | 94 | Excellent |
| 6. | Self-development of the Executive Committee | 95 | Excellent | 94 | Excellent |
| Average score | | 94 | Excellent | 95 | Excellent |

Performance-Assessment for the individual for the year 2018 and 2019 are summarized as follows.

| Serial | Assessment Topic | 2018 | | 2019 | |
|---------------|--|-----------------------|-----------|-----------------------|-----------|
| | | Assessment result (%) | Level | Assessment result (%) | Level |
| 1 | The Board Structure and the Directors' Qualifications | 100 | Excellent | 100 | Excellent |
| 2 | Efficiently perform in the meeting | 92 | Excellent | 92 | Excellent |
| 3 | Role, Duties and Responsibilities of the Board | 88 | Excellent | 91 | Excellent |
| 4. | Responsibility of the Executive Committee on implementing the anti-Corruption to the management of the Company | 97 | Excellent | 97 | Excellent |
| Average score | | 91 | Excellent | 93 | Excellent |

Performance Assessment of the President

The assessment topics used for performance evaluation of the President are separated into 3 sections according to the guideline by the Stock Exchange of Thailand, including:

Section 1 :Progress of the business plan

Section 2 :Performance evaluation of the following dimensions

1. Leadership
2. Strategy Formulation
3. Strategy Execution
4. Financial Planning and Performance
5. Relationships with the Board
6. External Relations
7. Human Resources Management and Relations
8. Succession
9. Knowledge of Products and Services
10. Personal Qualities

Section 3 :Development

1. What are the strengths that the President should maintain?
2. What should be the area for personal improvement of the President in the coming year?

Remunerations of the Board of Directors and Subcommittee

The Company shall decide proper remunerations of the Board of Director and subcommittee based on the comparison with director's remuneration by the leading listed companies and other companies in the same industry with the consideration of the Company performance as well. The shareholders' meeting must approve all directors' remunerations in the Board and of each subcommittee.

New Directors' Orientation

The newly appointed director shall attend the induction program which includes the overview of the Company's business, rules and regulations and other important information for the director's duties, as well as the review of minutes of the Board meetings and the Audit Committee meetings in the past. The other members of the Board and the Company's executives shall also be introduced in the session. In addition, the Company has the policy to support all directors to attend training programs and seminars to enhance their knowledge in performing their duty as a director.

Training or seminar programs for the director's development

The Board of Directors recognizes the importance of the director's development. Each year the Company's directors have attended the training programs arranged by the Thai Institute of Directors (IOD) and other institutes on a continual basis in order to enhance their personal development and to broaden their perspective and knowledge and apply them with the Company's business.

Section 6 : Connected Transactions

The Company has recognized the importance of undertaking business transactions transparently and only for the benefit of the Company. Therefore, the Company sets a policy to focus on preventing transactions which may lead to a conflict of interest, connected transactions and intercompany transactions, with the following details.

1. Executives and all employees must strictly follow the Company's policy and the Code of Conduct to build a reliable and trustworthy reputation of the Company among all stakeholders. Prepare the orientation and disseminate the said information to ensure the understanding and compliance among employees.
2. Directors and management must notify the Company of any relationship or connected transaction which may lead to a conflict of interest by filling the stakeholding reporting form for directors and executives to prevent the transaction that may cause the conflict of interest and to comply with the relevant criteria and notification.
3. The connected transactions must be reported to the Audit Committee to consider and give their opinion before proposing for approval to the Board or the shareholders' meeting for approval to prevent the transaction that may cause the conflict of interest and to comply with the principle of corporate governance and the regulatory requirements of

the Stock Exchange of Thailand and the Securities and Exchange Commission.

4. To review and consider the connected transactions, the Company may appoint an independent appraiser or independent financial advisor (as the case may be) to give the opinion in the material connected transactions.
5. To enter into any connected transaction, the Company will set the price and conditions based on the arm's length method to ensure fair, reasonable and highest benefit to the Company.
6. Directors or management who have an interest in the connected transaction shall not approve or vote for the resolution of such transaction and its related matters.

Section 7 : Internal Controls

The Board of Directors shall ensure that the Company's internal control system covering all aspects, strategy, financial and operational, law, regulations or rules related. The control mechanism, as well as checks and balances, must be in place and efficiently enough to protect the Company's assets. There must be the documentation of the delegation of authority, responsibilities of management and staff relating to check and balance duty, and operational procedures of each work unit. Internal Audit team shall work directly to the Audit Committee, auditing the operation of each work unit as per the regulations, and for evaluating the efficiency and sufficiency of internal control measures of such work unit.

Monitoring and Concerning the Inside Information

The Company establishes the policy and guideline its directors and executives and employees to exploit the undisclosed inside information of the Company for personal benefit as follows.

1. The Company shall educate to its directors and executives regarding their duty to prepare and

disclose reports to the Securities and Exchange Commission Office on his/her securities holding and the holding of the securities of the Company by his/her spouse and minor children to comply with Section 59 and Section 275 of the Penal Provisions under the Securities Exchange Act of 2535 (as amended); and to report the acquisition or disposition the Company securities by himself/herself, his/her spouse and minor children in order to comply with Section 246 and Section 298 of the Penal Provisions under the Securities Exchange Act of 2535 (as amended).

2. The Company directs to its directors, executives, his/her spouse and minor children shall prepare and disclose reports to the Securities and Exchange Commission Office on his/her securities holding and the holding of the securities of the Company by his/her spouse and minor children and changes in such holdings to comply with Section 59 and Section 275 of the Penal Provisions under the Securities Exchange Act of 2535 (as amended); and to submit the copy of such reports to the Company on the same day the report is submitted to the Securities and Exchange Commission Office.
3. It is prohibited for the Company's directors, executives and employees who have access to inside information of the Company to use such information for trading of the Company's securities; and also such person shall not disclose the inside information to another person who may use such information to gain the identical benefit basis. If the situation occurred, both of the insider and the receiver who exploit the information may be accused by law. Besides, the Company considers this violation as a disciplinary offense according to the Company's work regulations that the Company will consider the penalties as appropriate on the case basis i.e. verbal warning, written

warning, suspension, or employment termination in term of dismissing, discharge or disemploy or resign from the director as the case basis.

In addition, directors and executives and employees of the Company must be cautious when trading the Company's securities during one month before the financial statements or inside information to be announced publicly; and during the period of 24 hours after the inside information disclosed to the public. The person involving inside information must not disclose such information to anyone until the information already filed to the Stock Exchange of Thailand.

4. It is prohibited for the Company's directors, executives and employees or former directors, executives and employees who already resigned from the Company to disclose any inside information of the Company, its trading secret or confidential information of the Company's business partners, which come to their knowledge while they are or were on duty, regardless of whether the disclosure of such information shall cause damage to the Company and its business partners or not.
5. The Company's directors, executives, and employees or former directors, executives and employees are responsible for maintaining the confidentiality and/or inside information of the Company; and are responsible for the use of inside information for the sake of the Company business operation as permitted by the Securities and Exchange Act. It is prohibited for directors, executives and employees of the Company to exploit the confidential information and/or any inside information of the Company for the benefit of other companies that they are shareholders, directors, executives, employees, and staff.

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6. The Company arranges the orientation about the policy of using internal information for directors, executives, and employees. The said policy is publicized on the website to allow directors, executives, employees, and the third party acknowledge the code of practice. Furthermore, the Company requires that every new director, executive, and employee must sign the knowledge of the said policy.

Section 8: Anti-Fraud and Anti-Corruption Policy

The company has joined Thailand's Private Sector Collective Action against Corruption (CAC) and the Board of Directors has established the Anti-Fraud and Anti-Corruption Policy. All directors, committee members, management and employees of the Company are prohibited from performing or accepting fraudulent or corruption attempts in any forms, directly or indirectly, in all aspects of the Company's businesses. Monitoring on compliance with the anti-corruption policy shall be made on a regular basis. Guidelines, procedures, and practices defined in this policy shall be consistently reviewed to ensure compliance with changes in the business, regulatory, article of association and any legal requirements. The details in part of Corporate Social Responsibilities topic 2. Anti-corruption.

Implementing the Good Corporate Governance for the Listed Companies for the year 2017

The Company continuously implemented the Good Corporate Governance for the Listed Companies issued by the Stock Exchange of Thailand. In 2017, the Board of Directors acknowledged the Good Corporate Governance for the listed companies for the year 2017 or Corporate Governance Code (CG Code) issued by the SEC. The Board of Directors reviewed the CG Code to ensure the appropriate use in business contexts. In some cases, the Code cannot be implemented, as follows.

- The Board of Directors should determine that the Independent Directors hold the position continuously not exceeding 9 years.

Explanation : The Board of Directors considered that the Independent Directors are qualified in accordance with the qualifications of the Independent Directors, proving freely their opinions. In addition, the Independent Directors have knowledge, skills, and experience that can give useful advice to the Company.



STRATEGIC INNOVATION
WITH BUSINESS PARTNERS

Corporate Social Responsibility

Corporate Social Responsibility (CSR) Policy

The Board of Directors recognizes the importance of good corporate governance and social responsibility practices which would be the key success factors for the Company and will crucially elevate its performance for sustainable growth. The Board has established the written Corporate Governance Policy and Code of Conduct covering major work processes in the Company, with regards to all stakeholders, communities, society and environment, to be strictly complying with all laws and regulations relating to its business operation.

Following are the policies of the Company and its subsidiaries to operate the businesses with commitment to create economic, social and environmental balances for the sustainable future. We will carry out the development of our organization by supporting executives and employees of all levels in improving, driving and closely monitoring operating result of the sustainable development.

The Company appointed the Sustainable Development Group since 2017 to be a primary driving force in implementing a policy of the Board of Directors and convert into a concrete outcome. The Sustainable Development Report (SD Report) is under preparation and will be disclosed to all stakeholders.

Following are the policies of the Company and its subsidiaries to operate the businesses with commitment to create economic, social and environmental balances for the sustainable future as follows;

1. Fair business practices

Focusing on business operation which promoting free trade business competitions, fair and honest practices under legal and business ethical framework, the Company shall avoid any practices

which may lead to a conflict of interest. The Company has also established the Inside Information Policy to govern the use of inside information by the employees or management for the benefits of themselves or their associates. Additionally, with the purpose to treat all stakeholders i.e. shareholders, customers, employees, business partners, competitors, debtors, community, society and environment, with fairness, the Company has established the Code of Conduct to provide guidelines and codes to all stakeholders. Details were published in the Company website.

2. Anti-corruption

The Company places importance on the anti-corruption and determined policy regarding responsibility, code of practice, and requirements in order to prevent corruption in all operating activities of the Company. To consider and decide on a business operation that may expose to risk of fraud or corruption, the Company as prepared policy of anti-fraud or corruption in written form as an explicit guideline. In 2017, the Company was certified as a member of Thailand Private Sector Collective Action Coalition against Corruption on 25 May 2017 following the approval of the Board of Directors on the Anti-Corruption Policy and Measure.» Furthermore, it is a commitment of the Company to implement the Policy into actual practice.

Definition

Fraud or Corruption means bribery in every forms; any offers, promises to grant the request, requests, demands, the act of taking or receiving monetary or material benefits or intangible benefits inappropriately; as well as any dishonest collusive actions with third parties i.e. government officials, direct or indirect responsible persons or officers in other private organizations by abusing an entrusted power

to perform or omit to perform their duties for personal or business interest. The only exception is when such act is allowed by laws, regulations, announcements or cultural traditions and norms.

Anti-fraud and Anti-corruption Policy

All directors, committee members, management and employees of the Company are prohibited against performing or accepting fraudulent or corruption attempts in any forms, directly or indirectly, in all aspects of the Company's businesses. Monitoring on compliance with the anti-corruption policy shall be made on a regular basis. Guidelines, procedures and practices defined in this policy shall be consistently reviewed to ensure compliance with changes in business, regulatory, article of association and any legal requirements.

Duties and Responsibilities

1. Board of Directors is responsible for setting policy and monitoring the system which support the prevention and protection against fraud or corruption effectively, ensuring that management is well recognize and focus on the anti-fraud or anti-corruption including develop its to be the culture of the Company.
2. The Audit Committee has duties and responsibilities to review and ensure that the Company's accounting and financial reporting system and internal control system incorporating measurements to prevent and detect fraud and corruption activities.
3. The Executive Committee and the President are responsible for determining the system and support the anti-fraud and anti-corruption policy and communicate to all employees and all related parties and also be responsible for consistently reviewing this policy to ensure that it is aligned with changes in business, regulatory, article of association and any legal requirements.
4. Head of Internal Audit Division has duties and responsibilities to cross-check and monitor work processes and operational practices to ensure compliance with policies, procedures, regulations, article of association and legal requirements; and to ensure that control functions and internal audit of the Company are complied with anti-fraud and anti-corruption policy or corrupt; and to report any incidents or findings directly to the Audit Committee.

Guidelines and Procedures

1. The Board of Directors, sub-committees, executives and employees in all levels must comply with the anti-fraud and anti-corruption policy very strictly. Notwithstanding, they shall not involve to any fraud or corruption directly or indirectly;
2. The Board of Directors, sub-committees, executives and employees at all levels shall not neglect or ignore when exposed to any practice that is, or is reasonably suspected of fraud and/or corruption; they must promptly report to responsible person in their work unit and be co-operative in the investigation process;
3. The Company will ensure fairness and protect employees who refuse to participate in the fraudulent and/or corruption scheme, and who report fraud and/ or corruption incidents by using whistleblower protection measures;
4. The Company shall take disciplinary actions in accordance with the Company's rules and regulations to those who commit fraud or corruption and that person may be penalized by the existing laws if it's the legal offences;
5. The Company shall disseminate, communicate and educate to all related parties the knowledge, regulations and restrictions regarding the anti-fraud and anti-corruption policy in order to comply that policy;
6. The Company shall continue to build a corporate culture of integrity and zero tolerance to fraud and/ or corruption in its relationship with external parties both the public and private sectors.
7. This anti-fraud and anti-corruption policy cover the Company's personnel management processes regarding the recruitment and selection of personnel, promotion, training, performance evaluation and compensation. Supervisors at all levels shall communicate to their staffs to comply with the policy and its rules and regulations;
8. For clarity purpose, when performing their duties in the risk area that is sensitive or related to fraud or corruption, the Company has set out the guidelines and the consideration process for the directors, members of committees, executives and employees in all levels to carry out business operation with very careful manners as contained below:

8.1 Gift, Offering, entertainment and expenses of the same nature

Giving or receiving gifts, offerings, entertainment and expenses of the same nature shall comply with the Company's Policy and Code of Conduct.

Practice Guidelines

1. Must be complied with traditional practices.
2. The Board of Directors, sub-committees, executives and employee must not demand or promise to take any personal benefits from customers, business partners or any persons when performing their duties for the Company.
3. The Board of Directors, sub-committees, executives and employee may accept any traditional and lawful gifts of nominal value given during festive seasons. However, if the estimated value of such gift exceeds 5,000 Baht (five thousand Baht), the gift will be treated as the Company's asset and the receiver must report and submit the gift to the Company's Procurement and Administration Department.
4. The acceptance of any gifts must be lawful and complied to regulatory requirements and good corporate governance policy and other related policies of the Company.
5. In the event that the authorized officer or direct supervisor decides that the acceptance of the gifts, offerings or any kinds of special offering is not appropriate, the receiver must immediately return such gift back to the giver. If the returning of such gift is not possible, the gift must be treated as the Company's asset and submitted to the Company's Procurement and Administration Department.
6. The gifts or offerings for special occasions, i.e. joint-venture contract signing ceremonies, awarding ceremonies, CSR activities, etc., are allowed all level of employee to accept the gifts representative the Company. The employee shall report the acceptance of such gifts and keep them as the Company's assets.

8.2 Donation for charity or supporting fund

Giving or receiving cash donation or supporting fund must be transparent and lawful and without

the intention of convincing other parties to undertake inappropriate actions.

8.3 Business relationship with public sector

Do not give or receive bribes for any businesses and transactions in all countries and all agencies involved with the Company. Any contacts with governmental offices must be transparent and in accordance with the laws.

8.4 Political association

The Company is neutral in matters of politics without advocating any parties. The Company respects the rights, under the constitution, of its directors, members of committees, executives and employees at all levels to participate in political activities. However, those actions of such persons shall not affect the roles and responsibilities with the Company and the need to comply with the relevant law.

Whistleblowing Channel

How to file complaints and report incidents

Following are channels and methods for filing complaints and report incidents to the Company

1. Filing complaints or whistleblowing can be done verbally or in written;
2. Submitting to the Company via e-mail address: internalaudit@theplatinumgroup.co.th or;
3. Mailbox for complaints or whistleblowing provided by the Company or;
4. Sending a letter to Chairperson of the Audit Committee (who is an independent director) at the following address

Internal Audit Department

The Platinum Group Public Company Limited
222/1398, 11th Floor, The Platinum Fashion Mall Building
Petchaburi Road, Petchaburi Sub-district, Ratchathewi District, Bangkok 10400

5. In case that the complainant chose to be anonymous, he/she is required to provide sufficient detailed facts or valid evidence to prove reasonable grounds to believe that there are breaches of laws, regulations, the Company's articles of association and business codes of conduct; or fraud or corruption.

Complaints filing or incidents reporting shall be treated as strictly confidential. The complainants or the whistleblower can report to the Company through more than one channel without disclosing their identity. However, if their identities are disclosed to the Company, it will be helpful for the Company to report the investigation outcomes or inform any additional information relating to the complaint.

Guidelines on supervision and control to prevent and monitor risks of corruption

The Company has established guidance on supervision and control to prevent and monitor risks of corruption. The guideline is summarized as follows.

1. Arrange review procedures, assessment on the internal control system and risk management that cover all important work system, e.g. sale and marketing system, procurement, contract preparation, budget preparation, and control system, an accounting system to prevent and monitor risks of fraud and corruption including to provide suggestion on the correct solution.
2. Arrange channels to receive report, notification, clue or complaint of violation, illegal acts or violation on the code of conduct of the Company or the guideline of prevention against corruption or suspicion on financial statement or internal control system; issue policy to protect those who provide information or clues and keep data of such person as confidential; have in place measures for inspection and determine discipline penalty of the Company and/or relevant law. In case the Company can contact whistleblower or complainant, the Company will notify the result of the process in written form.
3. Head of related work lines who is responsible in monitoring work procedures, resolving issues (if any) and report to authorized person respectively.

Procedures for monitoring and evaluating the implementation of the guidelines for preventing corruption

The Company issues procedures for monitoring the prevention of corruption as follows.

1. Arrange internal audit unit to review the internal control system, risk management, corporate governance and provide a continual suggestion. Review the internal

control system annually as commented by the Audit Committee and report the significant result and give advice to the Audit Committee.

2. If the investigation reveals that the information from the review or the complaint contain the reasonable belief that there is a transaction or action that may significantly affect the financial status and an operating result of the Company, including the violation, an action that is against the law or business ethics of the Company or the prevention of anti-corruption or suspicion on financial reports or internal control system, the Audit Committee will report to the Board of Directors to rectify within the reasonable period of time.

The Company arranges to have practice guideline for prevention of corruption and disseminates through various channels, e.g. intranet of the Company Group and on the website of the Company for acknowledgment and compliance of executives and all employees.

3. Respect of human rights

Human Rights means the fundamental rights inherent to all human beings to be granted and protected from discrimination due to differences in physical appearance, mentality, race, nationality, religion, sex, language age, colour, education, social status or any other status. The rights must also comply with national constitutions of each country and with all of the obligations of treaties or international agreements governed in such country.

Practice Guidelines

1. We will treat each other with respect and equality and will not discriminate on the basis of physical appearance, mentality, national or ethnic origin, religion, sex, language, age, colour, education, social status or any other status.
2. We will be cautious when performing our duties, as well as when working with our business partners, to mitigate the risk of human rights violation in our business operation. We will observe and monitor the respect of human rights and will immediately report to the management if witness any violation.

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3. Fair treatment will be applied, without any discrimination, in every employment process, i.e. recruitment, remuneration, working hours and day-off, delegation of duties, performance evaluation, training and development, career planning, or any other employment-related decision.

We will not use any forced labour, labour trafficking or illegal child labour. No employees should be punished by either physical or mental torture in the form of threatening behaviors, retaining, threats, harassing or any acts of violence.

4. Fair treatment of employee

The Company has guidelines to treat its employee with fairness as follows:

1. Respect employee in accordance with the rule of respecting human rights as details prescribed under item no 3) Respect of Human Rights.
2. Adhere to laws and regulations relating to labour law and employee welfare.
3. Manage employee fairly and with integrity, avoiding any wrongful treatments which may affect their career advancement or job security.
4. Provide employee compensation which is properly reflecting their duties and responsibilities and external market values with the objective to motivate the employee to perform their works and to put forth their best effort. And establish a fair and transparent performance evaluates process by direct supervisor.
5. Provide proper employee welfare, maintaining a healthy and safe work environment.
6. Promote employee development continually, providing training programs to enhance skills and knowledge for staff at all levels.
7. Any rewards or punishments to be applied to employees must be based on fairness, honestly and without any prejudice.

5. Consumer responsibilities

Following are the Company's guidelines about consumer responsibilities.

Rental and Services Business

1. The Company provides various facilities for tenants in The Platinum Fashion Mall including the support for shop decoration, product handling, coordination with related entities and the assistance in various matters.
2. To assure tenants and customers of safety at The Platinum Fashion Mall, the Company has installed security system and other supports i.e., CCTV, security guards, fully-equipped fire brigade which is available for action at all times.
3. The Company provides nursing room to support the first aid in case of accident or injury incident in the Platinum Fashion Mall. In case of emergency that requires delivery to hospital, the Company will coordinate to arrange an ambulance.
4. There are team works assigned to help, follow up and investigate in the event of fraudulent among shops and customers. For example, pickpockets, theft- larceny etc.
5. Customer Service will assist customers and provide information in Thai, English and Chinese language. For instance, giving introduction about shops in the Platinum Shopping Mall, following up the issue in case of customers are separated, liaising with shops about product description.
6. Wheel chairs are provided at customer service points to facilitate customers for the best convenience within the Platinum Shopping Mall.
7. Placing importance to customer satisfaction and with the belief that satisfaction survey of end users is a crucial strategy in business competition, the Company conducted customer satisfaction survey on service of shopping Mall on annual basis and brought the result to improve and develop services to be better. The improvement and development of services is not only leverage overall service of the Company but also create satisfaction among existing customers and they will continue using the services. For the year 2019, the satisfaction survey on customers was summarized below.

Description of survey topics

1. Information staff
2. Counter service staff
3. Tourist service staff

Factors that make customers satisfied

1. Welcome speech with a polite tone and smiling face
2. Talk to customers politely
3. Provide accurate, fast, and precise information

4. Assist customers with willingness when being requested
5. Coordinate with related units promptly upon occurrence of a situation
6. Staff understand customers correctly
7. Wording and manner of staff
8. The tool for finding information is easy and convenient to use.
9. Assist and resolve problems accurately and quickly

In 2018 and 2019, The Platinum Fashion Mall received the following scores from customers' assessment

| Survey Topics | 2018 | 2019 |
|------------------------|--------|--------|
| Information Department | 99.50% | 99.30% |
| Counter service staff | 99.75% | 99.38% |
| Tourist service staff | 98.42% | 99.60% |

Hotel business

1. The Company has a policy to use only environmentally friendly water-based cleaning solution, dish washing solution and insecticide spray, with consideration of the health of hotel customers especially those who might be allergic to chemicals.
2. The Company has provided facilities for disabled person i.e. elevator button for blind or visually impaired person, public toilet for disabled and hotel room with extra-width doors for customer using wheel-chair.
3. The Company invites external lecturer to train programs regarding firefighting procedures, fire emergency plan, evacuation and escape routes, basic first aid practice and bomb threat awareness program.
4. The Company is against the sexual exploitation of children under the age of 18 and child pornography. The Company have arranged training program based on the film, We Act Together for Children (WATCH) to raise awareness of child protection, how to combat against child abuse and trafficking, and how to handle hotel guest who might aim to have sexual relationship with children, boy or girl. The Company does not support any prostitution or sex trade on our premise.
5. The Company has improved the food quality under HACCP (Hazard Analysis Critical Control Point) Standard which emphasizes the strict compliance from production process until delivery to consumers to assure the prevention on hazard and contamination in food.
6. The Company implements Accor Management approach which contains charter of business ethics and social responsibility as a code of conduct to ensure work is accurate and responsible for society.

Novotel Bangkok Platinum Pratunam: Placing importance on creating satisfaction among customers, the Company took customer satisfaction survey which considered as an essential strategy in business competition. In December 2019, Novotel Bangkok Platinum Pratunam was ranked from TripAdvisor 43rd from a study on 1,166 hotels, an improvement from December 2018 at 48th, with the survey on 977 hotels. The result indicated the improvement of customers' satisfaction in the hotel service.

6. Environment conservation

The Company has the policy to support activity that enhances quality, occupational health, and environment and to maintain a working environment for safety in the lives and properties of employees at all times. Details are as follows:

Determination of environmental policy

Hotel business has the environmental policy to conform with ISO 14001 standard, which associated with environmental management. The environmental system is launched for a campaign and published for acknowledgment of employees through poster as follows.

1. Continuous development of environmental conservation
2. Comply with environmental criteria set forth for local and national scale.
3. Prevent pollution emission to water resources, air, and soil
4. Control the proper use of water and energy
5. Support recycling and re-use of waste
6. Raise concern on environmental conservation among employees and provide training for actual practice.
7. Use environmental-friendly cleaning products
8. Use the paper certified for sustainable environmental development

Planet 21 project

Planet 21 is a project implemented for the environment and promotion of carbon balancing by encouraging employees in Accor Group, trading partners, and local communities to take part in an action for the environment. Novotel Bangkok Platinum Pratunam, as a hotel in Accor Group, also took part in the project, adjusting business operation and activities in a way that is friendly to the environment. For example, launch a campaign for customers to use towels more than once to save water and reduce expense on washing, As well as inviting guests to not change the sheet by using a campaign Don't washing sheet is equal to plant one tree, to use soap, shower gel, shampoo and cleaning product with label - environmental friendly, to sort out waste and recycle paper, glass and plastics in the room and auditorium in the

hotel, to reduce the amount of food left over, to install an urban vegetable garden. The Company add environmental content as a part of employee orientation and arranged training courses about environmental in an online format.

Reducing electricity consumption

In 2019, to carry on implementing energy conservation policy as well as an aim to cut back expenses on energy, the Company has installed the Variable Speed Drive (VSD) in The Platinum Fashion Mall, to control motor speed to meet condition of the power load, to reduce power surge when starting which eventually lessens energy demand, saving energy. The VSD enhances performance of air-conditioning system, Air Handling Unit (AHU) while reducing energy consumption. In 2019, the Company arranged a number of activities in The Platinum Shopping Mall, plus a new 3-storey building, however, the energy consumption of the year 2019 did not exceed the consumption volume of the year 2018. As a whole, the energy consumption of central area remained equivalent to the previous year.

Wastewater treatment

The Company manages wastewater released out of the business premise by adding the microbial filling system to improve the performance of the wastewater treatment system and to in line with the standard stipulated by Bangkok Metropolitan Administration which set a limit at 20mg/L and passed an examination from the Department of Pollution Control.

Reducing the use of paper

The Company has launched a campaign to cutback the use of paper by requesting an email reporting summary of paper use and expense on photocopy. In the campaign, the used paper must be reused, reducing the use of paper to necessary extend, storing data in soft copy instead of in hard copy format, sorting the paper in 1 types, the one-side used paper is for reuse while the both-side used paper is separated for recycle. Such campaign positively lowering the use of natural resources and saving cost within the organization. In 2019, the Company cutback the use of paper by 44,830 sheets or approximately 89 reems.

Recycle

The Company determines to sort out waste within offices, shops and food center before disposal. The waste is divided into 4 types which are food, waste for recycling, hazardous waste, and general waste. This is to ensure that every kind of waste will be disposed of correctly. For example, food and plastic bottles in the food center are sorted out and brought out for auction monthly. Those who auction for the waste will add value to the trash as a choice. The Company generated income from this part in 2019 approximately 100,000 Baht/monthly.

7 Community or social development

In 2019, the Company conducted activities for benefits of customers, society, communities, and environment to leverage life quality of Thai people and to bring about to society the highest return in building a strong and sustainable foundation. List of projects and activities for communities and societies are summarized as follows.

7.1 Activities for development and promotion for entrepreneurs in The Platinum Fashion Mall

Prepare Customer Satisfaction Plan for tenants where procedures and working plan are as follows.

- Prepare content for advertisement and publicity on the Facebook account of The Platinum Fashion Mall for shops and stores classified by product types.
- Select shops which are located in the area with

difficult access, the shops that are interested or request and the shops that having aesthetics and attractive decoration, having interesting and in-trend products will be advertised.

- Shops from every floors are divided by product types and total of 110 shops will be selected for promotion on The Platinum Fashion Mall Facebook page.
- Monitor feedback on the promoted shops after posting content on the Facebook page for 2 weeks.

7.2 Checking safety of the shops with hot kitchen

Realizing the importance of safety among shops with hot kitchen at The Platinum Fashion Mall, the Store Relations has prepared safety inspection plan for hot kitchen for the year 2019 which conducted during 7 - 30 October 2019 plus follow up to ensure the improvement as suggested.

7.3 Social and community activities

- The Company allocated an area for distribution of poppy flowers on occasion of the Week of Blooming Poppy Flowers to Aid Veteran Families to support the Foundation to Aid Veteran Families under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn. The proceeds are contributed to veteran families with aim to create morale and support those who had





dedicated themselves protecting our nation.

- The Platinum Fashion Mall allocated an area for the sale of Jasmine Products on the Mother's Day on an auspicious occasion of 86th birthday of Her Majesty Queen Sirikit the Queen Mother on 12 August 2019 (Mother's Day of Thailand). A part of the proceeds is presented to Her Majesty Queen Sirikit the Queen Mother and contributed to relief the community for the poor and disadvantaged nationwide.
- The Company provided an area to National Council on Social Welfare of Thailand for distribution of Dok Kaew Kanlaya Flower, a conferred flower which symbolizes the disabilities. Proceeds from the sales are contributed to help disable persons nationwide.
- The Company arranged scholarship award ceremony for the year 2019 to grant a total of 208 scholarships worth 1,154,000 Baht to children of government officers in Rajthewi

district, Pathumwan district, Phayathai - Lumpini Police Station, and children of the employees as a part that support the government policy on education which focus on learning and morality.

- For the year 2019, the Company and the Thai Red Cross arranged the 55th collaboration to host a blood donation activity at the front of the Platinum Fashion Mall, collecting 2,870,400 CC of blood.



7.4 Inheritance of the Thai culture

The Company attended the ceremony in offering and casting the candle on occasion of the for year 2018 on Asaha Puja Day and the Buddhist Lent Day at Phra Ram 9 Temple, Kanjanapisek.



SUSTAINABLE RELATIONSHIP WITH SOCIAL COMMUNITY

Internal Control and Risk Management

Internal Control

The Board of Directors and Executives always account the importance of the internal control system with the awareness that the internal system is an essential mechanism in building confidence, mitigating business risks, enhancing effective and efficient business operation. The management ensures that all resources are allocated in appropriate procedures and achieves all the goal set. The internal control result is scheduled for an evaluation at least once a year.

The Audit Committee has reviewed the sufficiency of the internal control system in accordance with evaluation procedures of the Securities and Exchange Commission (SEC) which is issued by the Management and is in line with internal control practices established by COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The Audit Committee also monitored the Enterprise Risk Management and found no significant defect or errors.

In the Board of Directors' meeting no. 1/2020 held on 28 February 2020, the Board of Directors has considered the evaluation procedures of the sufficiency of the Company's internal control by inquiring information from the management and reviewing the audit result of the Internal Audit. The Board of Directors has considered that the Company's and subsidiaries' internal control system are adequate and appropriate. The proper number of personnel are allocated to proceed the system efficiently. Furthermore, the internal control system covers the monitoring and supervising business operation of subsidiaries to assure the protection of the Company's and subsidiaries' asset against illegal or unauthorized transaction by a director or executive, including

the transaction proceeded with a person who may have the conflict of interest and any related persons. The overall internal control system of the Company and its subsidiaries are in accordance with the adequacy assessment of the internal control system as per SEC format (COSO assessment form) which covering 5 key elements including

1. Control Environment

The Executive and employees have a positive attitude and are conducive to corporate internal control. The executives place great importance on fostering ethics and honesty in business operation where consideration is made as the case may be, in alignment with the fact investigation result to ensure the transparency of work and fairness to all stakeholders, with explicit monitoring procedures and penalty.

In summary, the Company's internal control is appropriate and supportive effort has been made to enhance the adequacy and effectiveness, for instance,

- The Board of Directors supervises to set forth explicit and measurable business operation goal in order to use as a working guideline among executives and employees.
- The Board of Directors supervises the Company in determining roles and duties of the Board members and executives to ensure compliance with the law and charter of each committee.
- The Company has arranged organizational structure that support operation of the management efficiently and effectively.

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- The Company has determined, assigned and limited appropriate duties and responsibilities between the Board of Directors, committees, executives and employees.
 - The Company has reviewed diligently targets of work operation to ensure being in line with the plan set forth, issued performance assessment, provided incentives or reward to those who have work performance in a good level, and taken actions to those whose work performance are below target. The said procedures are passed on to executives and employees.
 - The Company has established in written form the Code of Conduct, Corporate Governance Policy, Internal Data Usage Policy and policies related to anti-corruption as a practice guideline for the Board of Directors, executives and employees. The Company has established in place the regulations that prohibit members of the Board of Directors, executives and employees from conducting any actions that may cause conflict of interest with the Company's business, including prohibition in corruption, fraud, and the penalty course has been imposed for violators together with monitoring procedures of compliance with the said Code of Conduct.
 - The Company has explicit controlling and monitoring system allowing the responsible department and the internal audit are independent to audit and make a direct report to the Audit Committee. The Audit Committee prepare an audit plan in accordance with the importance level of business risk, covering major work operations of the Company and subsidiaries.

2 Risk Assessment

The Board of Directors assigns the Corporate Governance Committee to supervise enterprise risk to assure the achievement in an acceptable level. The management, as a working group, specifies types of risk to cover

the Company's business, conducts performance and monitor overall progress, details and risk management plans of each departments on a regular basis, including implements reporting system and monitoring risk management to be appropriate and be in timely manner. The executives assess situations, determines risk factors and analyzes situation that may cause an impact and damages to the Company, by determining measures to prevent, mitigate and monitor the situation that causes risk factor, including the measure to reduce risk in the particular situation. The Internal Audit has performed the duty in monitoring Action Plan prepared for risk management and proposed to the Audit Committee for consideration and opinion on corporate risk management.

Furthermore, The Company has complied with generally accepted accounting standard which fit the Company's business, where the materiality of financial transactions are determined based on essential factors, for example, users of financial transaction, size of transactions, business trends.

The Company's financial transactions truly reflect its business operation, where the financial transactions are adequately shown in the financial statement, indicating the right of obligation of the Company explicitly, with a proper value and complete and accurate disclosure of data.

3 Control Activities

The Company has in place the internal control measure, determining scope of duties and limitation of budget approval of the management in each level explicitly and in written form, being established as an announcement subject "Authority to approve on expenditure, capital budget, a request for additional approval or relocation of budget and other related matters" where duties and responsibilities of each position are allocated and

divided explicitly. The Company has prepared and revised Operation Authority Manual and Manual/ Procedures of Work Operation to enhance the compatibility to corporate structure and current business operation in which each duty balance among other or the transaction is traceable in appropriate procedures. In addition, the Internal Audit has reviewed and audited work result to ensure the compliance with regulations, provisions, Operation Authority Manual and Operation Manual on a regular basis. In the event the transaction is proceeded with a related person, the Company has prepared strict measures to monitor and ensure compliance with the procedures set forth, taking in account the maximum benefit of the Company, and such transaction is classified as the Arm's Length Basis.

4 Information and Communication

The Company places great importance on the information and communication system, supports and promotes information security covering from data collection, processing, storing and monitoring result to assure an adequacy and completeness of work performance and the usage of important information in management progress of the executives or stakeholders. Furthermore, the Company has established policy on information technology security and Intranet and Internet as a communication channel for internal and external the organization.

The Company has developed and improved efficiency of information technology system including infrastructure and computer systems. In 2019 the Company has built Server Room or the new Data center which is in accordance with the international standard, built the new network system at The Market Bangkok, and improved WiFi Access Point at The Platinum Fashion Mall to enhance better efficiency.

Furthermore, the Company has procured new computers to support work operation for employees to leverage speed and efficiency, and improved new server performance, data backup and additional data storage area. To prevent and reduce risk that may occur as a result of Viruses, Cyber Attacks, the Company has improved efficiency of the cyber security to meet current situation. In addition, a new project for human resources has been implemented to support the continuous business growth.

5 Monitoring Activities

The Company provided evaluation and monitoring system for internal control which cover all department, for instance, accounting, finance, work operation, compliance to the law, regulation, asset management and corruption that has a significant effect to the Company's reputation to ensure timely solution. The Audit Committee supervises the internal audit through the Internal Audit who performs the audit, monitoring and assessment of work performance under the International Standard for the Professional Practice of Internal Auditing : IIA.

In 2019, there were 4 meetings of the Audit Committee held to consider and follow the financial report and business operation result on a regular basis. The Audit Committee provided important advice that has an effect on the organization and the executives from time to time and monitored the achievement as set forth. The Internal Audit has been performed continuously with improvement made in a timely manner and in line with the changes of situations.

In addition, the Company's auditor is EY Office Co., Ltd., consisting of Miss Issaraporn Visootthiyarn who audits financial statement of year 2019. She did not express any opinion in the auditor's report regarding any defect or error related to internal control system.

Internal Audit

The Internal Audit is independent from the Management, reporting directly to the Audit Committee regarding the performance result. The Internal Audit's duty is to assess efficiency and effectiveness of the internal control system, risk management and corporate governance.

The internal audit plan for the year 2019 has been approved by the Audit Committee based on the Risk Based Audit Approach, and the framework of work procedures, internal audit procedures that meet international standard and related charter. The audit manual has been reviewed to ensure the conformity to the international standard and professional quality. All these efforts will enhance the internal control, risk management and good corporate governance of the Company, adding value to stakeholders and developing organization toward sustainability.

The head of Internal Audit acts as a secretary of the Audit Committee to support operation of the Audit Committee as assigned by the Board of Directors, and acts as an adviser to supervise internal control, risk management, information technology security (biography and details of the head of Internal Audit is shown in Attachment 3).

Risk Management

Having an awareness on the importance of risk management which is a tool that indicates the potential damages that could occur to the Company's and subsidiaries' business operation, the top-ranking executives supervise to have an assessment and monitoring the risks related to business operation of the Company and subsidiaries, including to review and improve guideline and risk management plan on a regular basis. Furthermore, every executive and employee receive the support to enhance understanding and awareness on the importance of risk management, to reduce a level of impact or to prevent any immediately impact. The Company raises awareness among all employees regarding significant risk management that an impact to strategic target of the organization where in 2019, measures and risk management plan of the Company and subsidiaries are determined based on risk factors that may occur to the business, goals and business operation plan of the Company and subsidiaries including internal and external factors. The Company has determined to have a report of volatile risks, including controlled and monitored to assure the risk management will be taken place in a timely manner and immediately. Risk management plan of the Company and subsidiaries are monitored and reviewed prudently and proposed to the Audit Committee for consideration.

The assessment on risk factors that may affect business operation of the Company and subsidiaries including the determination of guideline and management plan for various risks are proceeded through meetings of the Executive Committee and the meetings of department managers. In each meeting, the related department is assigned to follow up the changes of risk factors, progress of measure implementation set forth in risk management in which the assigned department must report the progress of operation in the meeting on a regular basis.

Connected Transactions

The connected transactions with possible conflict of interest during the past year (please refer to the Notes to Financial Statement) are summarized as follows.

| Relationship | Type of Transaction | Value (Million Baht) | | Opinion of the Audit Committee |
|--|--|----------------------|-----------|---|
| | | 31 Dec 18 | 31 Dec 19 | |
| 1. The Wharf Plaza Samui Company Limited | | | | |
| A director and shareholder of The Wharf Plaza Samui Company Limited comprises of | The Company entered into a lease contract for land and property of The Wharf Samui, located at Bophutt sub-district, Koh Samui district, Surat Thani province, with lease duration 10 years. The minimum | | | It is considered that the transaction is reasonable due to the following factors: |
| 1. Mr. Chaklit Chotechurangkool | payment required in the future under is THB 340 Million. Advance payment of THB 34 Million per year is paid by 1 January of every year. | | | 1. The location is in tourism area of Koh Samui, Surat Thani, which is in line with the Company's policy to expand business in the long term. |
| 2. Mr. Chawanan Chotjurangkool | | | | 2. The least contract contain usual conditions of the long-term real estate leasing. |
| 3. Miss. Suthita Chotjurangkool | | | | 3. The amount of rent is a fair price according to report of the independent appraiser as that time. |
| 4. Mr. Thammanoon Chotechurangkool | | | | |
| No. 1-4 are children of Mr. Surachai Chotjurangkool and Mrs. Punjaporn Chotjurangkool, a director and major shareholders of the Company holding 28.66% and 17.55% respectively. The Chotjurangkool Group hold 46.21% of the Company's shares (as of 5 September 2019). | • Rent | 34 | 34 | |
| | Note: Since The Wharf Samui has been suffering the loss from project launch in 2015, the Board of Directors has arranged a meeting no. 1/2020 on 28 February 2020 and passed a resolution to terminate the lease contract and The Wharf Samui Project effective on 31 March 2020. The advance payment for 3 months covering 1 January - 31 March 2020 has been paid amounting THB 8.5 Million. However, the contract termination does not affect business operation of the Company but will reduce costs and loss from business operation. | | | |

| Relationship | Type of Transaction | Value (Million Baht) | | Opinion of the Audit Committee |
|---|---|----------------------|-----------|---|
| | | 31 Dec 18 | 31 Dec 19 | |
| 2. S.P.C. Company Limited Wealth Real Estate Co., Ltd. | | | | |
| <ul style="list-style-type: none">Mr. Surachai Chotjurangkool is a director of both companies.Mr. Surachai Chotjurangkool is a major shareholder holding 28.66% and Mrs. Punjaporn Chotjurangkool (spouse) is a major shareholder holding 17.55% and also a director of the company. Chotjurangkool Group holds 46.21% (as of 5 September 2019). | The Company leases land from S.P.C. Wealth Real Estate Company Limited to build a night bazaar. Details are as follows. | | | The transaction is concluded as reasonable contributing to the fact that the Company will build a night bazaar which will return to the Company income from rent and service fee in addition to existing projects. The transaction is a lease of real property for maximum 3 years. It cannot indicate whether the transaction is under the normal trading condition, but the price is considered reasonable when compared with the leased of the land nearby. |
| | Contract 1 | | | |
| | Renewal of the lease contract for the land 10-2-70 rai, for 3 years from 1 December 2019 - 30 November 2022. The rent is paid annually in advance throughout the lease duration of 3 years with a total amount up to THB 61.24 Million. | | | |
| | <ul style="list-style-type: none">RentAccrued rent payment | 16.33 | 16.33 | |
| | | 4.03 | 1.70 | |
| | Note: The lease term in the previous contract is 3 years starting from 1 December 2016 to 30 November 2019 | | | |
| Remark: Mr. Surachai Chotjurangkool has incorporated a new company S.P.C. Wealth Real Estate Company Limited. The leased land is used as a registered capital. Hence, rights and duties under the lease contract is assigned to this company since 10 November 2017. | Contract 2 | | | It is considered The transaction is concluded as reasonable contributing to the fact that the Company will build a night bazaar which will return to the Company income from rent and service fee in addition to existing projects. The transaction is a lease of real property for maximum 3 years. It cannot indicate whether the transaction is under the normal trading condition, but the price is considered reasonable when compared with the lease of the land nearby. |
| | Lease the land of 2-3-57 rai, for 3 years, from 1 December 2018 to 30 November 2021. The rent is paid in advance annually throughout a lease term of 3 years, with a total value up to THB 30 Million. | | | |
| | <ul style="list-style-type: none">RentAccrued rent payment | 0.83 | 9.96 | |
| | | 0.83 | 1.03 | |

| Relationship | Type of Transaction | Value (THB Million) | | Opinion of the Audit Committee |
|---|---|---------------------|--------------|--|
| | | 31 Dec 18 | 31 Dec 19 | |
| 3. Mr. Piroon Limpiviatkul | | | | |
| Mr. Piroon Limpiviatkul is a director and the Limpiviatkul, holds 8.53% of the Company's shares (as of 5 September 2019). | The Company leases the area in the underground floor of The Platinum Fashion Mall for 242 square meters from Mr. Pirun Limpiviatkul for sub-let purpose. Details are as follows. <ul style="list-style-type: none">• Rent• Accrued rent payment | 0.29 - | 0.29 0.02 | It is considered that the transaction is reasonable for the following reasons: 1. The rental rate is within market price comparable to rental rate of other projects within the same location and same scale of area. The transaction will support overall business of Wholesale Fashion Center The Platinum Fashion Mall 2. Material conditions of the lease contract are considered general condition of the lease contract. |

Criteria or Procedure for Approval of Connected Transactions

Before entering into a connected transaction, the Company has an approval process starting from proposing such transaction to the Audit Committee for consideration and review. The Committee shall provide opinions relating to the necessity of the transaction and the appropriateness of pricing as well as the conformity with laws, regulations, announcements, notifications, orders and provisions relating to Securities and the Securities Exchange of Thailand and the Securities and Exchange Commission Office. The Audit Committee shall then present its opinion of the proposed connected transaction for the approval from the Board of Directors or the Shareholders' meeting (as the case may be) under the condition that the director who may have an interest shall be refrained from casting his vote relating to the transaction. Additionally, all connected transactions shall be disclosed in the notes to the audited financial statements.

Policy or Future Trends of Connected Transactions

In the future, the Company and its subsidiaries may enter into connected transactions as appropriate and necessary for the

business. The Company and its subsidiaries has a policy to conform with laws, regulations, announcements, notifications, orders and provisions relating to Securities and the Securities Exchange of Thailand and the Securities and Exchange Commission Office.

In case of connected transactions relating to normal business practice or continued connected transactions, the Company has set criteria and guidelines to follow normal business practices by referring to fair and appropriate price and trade condition on the reasonable and auditable basis. However, to enter into a connected transaction, the Company stipulates that the Audit Committee shall consider and provide its opinions about the appropriateness of the transactions. In the event that the Audit Committee does not have expertise or knowledge to review and consider, the Company shall hire independent expert or external auditor to provide opinion about such connected transaction to the Audit Committee. The Audit Committee shall then propose the opinion from independent expert about such connected transactions to the Board of Directors or the Shareholders' meeting (as the case may be) for consideration and approval.



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Management Discussion and Analysis

The Platinum Group Public Company Limited and its subsidiaries (the “Company”) would like to report the performance for the year 2019 ended December 31, 2019. The details are as follows:

| Descriptions | 2019 | | 2018 | | Variance | |
|-----------------------------------|----------------|------------|----------------|------------|----------------|-----------|
| | (Million Baht) | % | (Million Baht) | % | (Million Baht) | % |
| Revenue from rental and services | 1,627 | 66 | 1,332 | 63 | 295 | 22 |
| Revenue from hotel and operations | 455 | 18 | 434 | 20 | 21 | 5 |
| Revenue from food and beverage | 252 | 11 | 268 | 13 | (16) | (6) |
| Other income | 131 | 5 | 83 | 4 | 48 | 58 |
| Total revenues | 2,465 | 100 | 2,117 | 100 | 348 | 16 |

1. Operating Revenues

The Company's total revenues in 2019 and 2018 were Baht 2,465 Million and Baht 2,117 Million respectively, increased by Baht 348 Million or 16% compared to last year. The details are as follows:

1.1 Revenue from Rental and Services

The Company's rental and services income in 2019 increased by Baht 295 Million or 22% compared to last year. This was due to the opening of the new project “the Market Bangkok” on 14th February 2019 and the expansion of the Neon Night Bazaar Phase 2 in December 2018. Furthermore, the Company would be able to generate higher income from service provided in the common area of the Platinum Fashion Mall for promotion events, as a result the additional incomes during the year rose of Baht 30 Million, or 22% compared to last year.

In addition, on August 30, 2019, The Platinum Market Co., Ltd, the subsidiary where the Company held 100% of shares, had signed a 3,983-square-meter rental agreement with PPI (Thailand) Co., Ltd to open

Don Don Donki, the No. 1 Japanese discount chain at the Market Bangkok which was expected to launch in the end of first quarter of 2020.

1.2 Revenue from Hotel Operations

The Company's revenues from hotel operations in 2019 increased by Baht 21 Million or rose by 5% compared to last year. It was due to in 2019 the average occupancy rate for the year increased to 94% (Year 2018: 91%), increased by 3% compared to last year. The Company was also able to increase the food and beverage revenues from hotel operations by diversifying the wider range of food and beverage categories for the buffet customers, package customers, and seminar clients. Thus, the Company enjoyed such a revenue increase.

1.3 Revenue from Food and Beverage

The revenues from food and beverage of The Platinum Fashion Mall in 2019 dropped by Baht 16 Million, or 6% compared to last year. The decline was due to the dwindling number of Chinese tourists traveling to Thailand, resulting in a decrease in Chinese tour groups using the Company's service in the shopping

mall. The said tour group has a high average rate for food and beverage spending per person compared to other nationalities. Also, the slowdown of tourist traveling to Thailand in 2019 contributed to the declining of foreign visitors at the Company's food center.

1.4 Other Income

The other income in 2019 increased by Baht 48 Million, or 58% compared to last year. The majority of other income comprised of interest income from bank

deposit, gains from the differences between book value and net asset value (NAV) of investment in fixed income funds, and the gains from sales of investments in fixed income funds. In 2019, the interest receipt and return on investment of fixed income funds were an increase from last year. In addition, the company has revenue from forfeiture of rental deposit because the lessee breaches the contract conditions. Thus, there was an increase of the Company's other income compared to last year.

2. Total Cost

The Company's total cost in 2019 was Baht 1,146 Million, increased by Baht 419 Million or 58% compared to last year. The details are as follows:

| Descriptions | 2019 | | 2018 | | Variance | |
|-----------------------------|----------------|-----------|----------------|-----------|----------------|-----------|
| | (Million Baht) | % | (Million Baht) | % | (Million Baht) | % |
| Cost of rental and services | 741 | 46 | 327 | 25 | 414 | 127 |
| Cost of hotel operations | 216 | 47 | 197 | 45 | 19 | 10 |
| Cost of food and beverage | 189 | 75 | 203 | 76 | (14) | (7) |
| Total expenses | 1,146 | 49 | 727 | 36 | 419 | 58 |

2.1 Cost of Rental and Services

The Company's cost of rental and services in 2019 increased by Baht 414 Million, or 127% compared to last year. This was due to the opening of the new project "the Market Bangkok" on 14th February 2019 and the expansion of the Neon Night Bazaar Phase 2 in December 2018, causing an increase in rental and service operation costs compared to last year.

which varied by the increase in the increasing hotel revenues, while the surge in cost of food and beverage from hotel operation varied by the increase in food and beverage revenues.

2.2 Cost of Hotel Operations

The Company's cost of hotel operations in 2019 increased by Baht 19 Million, or 10% compared to last year. The increase was due to the surge in customers staying in hotels through the online reservation system of the agents caused an increase in travel agency commission cost and reservation fee

2.3 Cost of Food and Beverage

The Company's cost of food and beverage in 2019 dropped by Baht 14 Million, or 7% compared to last year. The decline was due mainly to the decrease in food and beverage sales which directly affect the costs and the decrease of common area's fixed cost as a result of the conversion of some food centre area dedicated to rental retail space, contributed to the declining costs of food and beverage compared to last year.

3. Gross Profit Margin

The Company's gross profit in 2019 dropped by Baht 119 Million, or 9% compared to last year. The details are shown in the table below.

| Descriptions | 2019 | | 2018 | | Variance | |
|------------------------------|----------------|-----------|----------------|-----------|----------------|------------|
| | (Million Baht) | % | (Million Baht) | % | (Million Baht) | % |
| Rental and services business | 886 | 54 | 1,005 | 75 | (119) | (12) |
| Hotel business | 239 | 53 | 237 | 55 | 2 | 1 |
| Food and beverage business | 63 | 25 | 65 | 24 | (2) | (3) |
| Total gross profit | 1,188 | 51 | 1,307 | 64 | (119) | (9) |

In 2019, the Company had a core gross profit margin of 51% lower than the year 2018 which stood at 64%. The details are as follows:

3.1 The Rental and Services Business

gross profit margin in 2019 was 54%, which was lower than last year of 75%. The decline was due mainly to the opening of the Market Bangkok on 14th February 2019 and the expansion of the Neon Night Bazaar Phase 2 in December 2018, which both projects had rental rate per square meter lower than the Platinum Fashion Mall. In addition, the cost of rental and services of the Market Bangkok Project was higher than the Platinum Fashion Mall's one. As a result, cost of gross profit margin decreased. '

3.2 The Hotel Business

gross profit margin in 2019 was of 53% compared to 55% last year. It is due to an increase in travel agency commission cost and online reservation fee as aforementioned.

3.3 The Food and Beverage Business

gross profit margin in 2019 and 2018 were 25% and 24%, respectively. The increasing of gross profit margin was due to a decrease of common area's fixed cost as aforementioned.

4. Expenses

| Descriptions | 2019 | | 2018 | | Variance | |
|-------------------------|----------------|----|----------------|----|----------------|------|
| | (Million Baht) | % | (Million Baht) | % | (Million Baht) | % |
| Selling expenses | 114 | 5 | 84 | 4 | 30 | 36 |
| Administrative expenses | 305 | 12 | 306 | 14 | (1) | - |
| Finance costs | 1 | - | 1 | - | - | - |
| Income tax expenses | 184 | 7 | 214 | 10 | (30) | (14) |

4.1 Selling Expenses

The Company's selling expenses in 2019 increased by Baht 30 Million, or 36% compared to last year. The

increase in selling expenses was due to the surge in advertising expenses of the Market Bangkok Project.

4.2 Administrative Expenses

The Company's administrative expenses in 2019 decreased by Baht 1 Million from last year. The decrease in administrative expenses was due to the decrease of Baht 13 Million from the reclassified of amortization of intangible assets at the R-walk Project to be rental and service costs of the Market Bangkok Project, the increase of Baht 5 Million from donation to Bangkok Metropolitan Administration to renovate a bridge over Saen Saep Canal for the Market Bangkok

Project in order to facilitate the customers, and the increase of Baht 7 Million from other administrative expenses,

4.3 Income Tax Expenses

The Company's income tax expenses in 2019 decreased by Baht 30 Million, or 14% compared to last year. The income tax expenses were varied according to the Company's performance.

5. Profit for the Period

| Descriptions | 2019 | | 2018 | | Variance | |
|-----------------------|----------------|----|----------------|----|----------------|-----|
| | (Million Baht) | % | (Million Baht) | % | (Million Baht) | % |
| Profit for the period | 715 | 29 | 785 | 37 | (70) | (9) |

The Company's profit in 2019 was Bah 715 Million, decreased by Baht 70 Million or 9% compared to last year. The decrease was due to decreasing of Baht 119 Million from gross profit of rental and services business, decreasing of Baht 2 Million from gross profit of food and beverage business, increasing of Baht 29 Million from

selling and administrative expenses, meanwhile increasing of Baht 2 Million from gross profit of hotel business, decreasing of Baht 30 Million from income tax expenses, and increasing of Baht 48 Million from other incomes as aforementioned.

6. Financial Status

| Descriptions | 31 December 2019 | | 31 December 2018 | | Differences | |
|----------------------|------------------|-----|------------------|-----|----------------|---|
| | (Million Baht) | % | (Million Baht) | % | (Million Baht) | % |
| Total assets | 11,684 | 100 | 11,318 | 100 | 366 | 3 |
| Total liabilities | 2,568 | 22 | 2,357 | 21 | 211 | 9 |
| Shareholder's equity | 9,116 | 78 | 8,961 | 79 | 155 | 2 |

6.1 Total Assets

As of 31st December 2019, the Company's total assets increased by Baht 366 Million, or 3% compared with the end of 2018, with these following reasons:

- **Current assets** declined by Baht 220 Million, or 5%.
The decrease was due to decreasing of Baht 416

Million from cash, cash equivalents, and current investments (as payment in construction of the Market Bangkok Project), increasing of Baht 154 Million from trade and other receivables, increasing of Baht 42 Million from other current assets on refundable tax in construction of the Market Bangkok Project.

-
- **Non-current assets** increased of Baht 586 Million, or 9%. The increase was due to increasing of Baht 223 Million from investment properties and advance payment for construction of the Market Bangkok Project, increasing of Baht 274 Million from the property, plant, and equipment which mostly from record work in process of Holiday Inn Resort in Samui, increasing of Baht 108 Million from other non-current assets, while an intangible asset decreased by Baht 19 Million from amortization of the R-Walk Project.

6.2 Total Liabilities

As of 31st December 2019, the Company's total liabilities increased by Baht 211 Million, or 9% compared with the end of 2018. The increase was due to increasing of Baht 148 Million from trade and other payables, increasing of Baht 29 Million from

retention payables from contractors of the Market Bangkok Project, increasing of Baht 206 Million from accrued long-term land leasehold expenses of the Market Bangkok Project, meanwhile decreasing of Baht 153 Million from short-term and long-term unearned rental income due to recognition of rental income in 2019, decreasing of Baht 13 Million from short-term and long-term deposits and decreasing of Baht 6 Million from other liabilities.

6.3 Shareholders' Equity

As of 31st December 2019, the Company's shareholder's equity increased by Baht 155 Million, or 2% compared to last year. The increase was due mainly to the Company had profit of Baht 715 Million, whereas there was a dividend payment of Baht 560 Million.

Responsibility of the Board of Directors to Financial Statement

The Board of Directors of the Platinum Group Public Company Limited is responsible for the separated and consolidated financial statements of the Company and its subsidiaries as well as any financial information presented in the Company's annual report. The financial statements are prepared in accordance with generally accepted accounting standards under selected accounting policies which are followed appropriately and consistently with careful discretion. The disclosure of significant information relating to the accounting policies and accounting methods in the notes to the financial statements is sufficient, transparent and aimed for the benefits of shareholders and investors.

The Board of Directors has established and maintained effective internal controls to sensibly ensure that the accounting information is accurate, complete and adequate to safeguard the Company's assets.

The Board of Directors has appointed the Audit Committee which consists solely of independent directors to be responsible for the quality of the Company's financial statements and internal control system. The opinion of the Audit Committee on this matter is shown in report of the Audit Committee.

The separate financial statements and consolidated financial statements of the Company have been audited by the EY Office Limited, the Company independent auditor, with fully supports from the Company in providing related information and documents to ensure that the auditor was able to review and comment on the conformity with accounting standards. The comment of the independent auditor is shown in the Auditor's report, which is a part of the Company's Annual Report.

The Board of Directors opines that the internal control system of the Company, as a whole, is proper and sufficient, which reassures our reasonable confidence of the reliability of the Company's separated and consolidated financial statements as at December 31, 2019



Mr. Palakorn Suwanrath
Chairman of the Board of Directors



Mr. Surachai Chotjurangkool
Chairman of the Executive Committee



**TEAM POTENTIALISE
IS ACHIEVE OF BUSINESS GOALS**

Independent Auditor's Report and Statement of Financial Position

At December 31, 2019

Independent Auditor's Report

To the Shareholders of The Platinum Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of The Platinum Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated 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, and have also audited the separate financial statements of The Platinum Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Platinum Group Public Company Limited and its subsidiaries and of The Platinum Group Public Company Limited as at 31 December 2019, 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 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 as relevant to my audit of the 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to a matter is described below.

Revenue recognition

The Group is organised into 3 business segments based on its products and services, with major revenues of the Group derived from shopping center business (representing 66 percent of total revenues). The Group has entered into agreements with a large number of retail customers and there are a variety of conditions in these agreements. In addition, the Group's revenues from hotel business and food and beverage sales from food center business (representing 29 percent of total revenues) are derived from recurring daily transactions, included rooms sales, food and beverages sales and fees for related services. There is therefore a risk with respect to the amount and timing of revenue recognition.

I examined the revenue recognition of the Group by assessing and testing the Group's IT system and its internal controls relevant to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. I also applied a sampling method to select sales invoices to examine the revenue recognition, a sampling method to select rental and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. On a sampling basis, I examined supporting documents for sales transactions occurring during the year and near the end of the accounting period. In addition, I performed analytical procedures to detect possible irregularities in revenue transactions throughout the period.

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 Financial Statements

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

In preparing the 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 Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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.

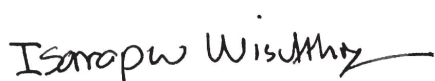
-
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding 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 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.

I am responsible for the audit resulting in this independent auditor's report.



Isaraporn Wisutthiyan

Certified Public Accountant (Thailand) No. 7480

EY Office Limited

Bangkok: 28 February 2020

Statements of financial position

The Platinum Group Public Company Limited and its subsidiaries
As at 31 December 2019

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | <u>Note</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 219,766,832 | 625,723,324 | 80,479,925 | 570,513,196 |
| Current investments | 8 | 4,012,577,565 | 4,021,920,066 | 4,012,577,565 | 4,021,920,066 |
| Trade and other receivables | 6, 9 | 201,158,808 | 47,407,522 | 51,305,312 | 46,678,453 |
| Inventories | 10 | 14,426,467 | 13,996,626 | 14,253,870 | 13,996,626 |
| Other current assets | | 198,896,157 | 157,397,002 | 6,483,622 | 5,730,054 |
| Total current assets | | 4,646,825,829 | 4,866,444,540 | 4,165,100,294 | 4,658,838,395 |
| Non-current assets | | | | | |
| Loans to and interest receivable from related parties | 6 | - | - | 3,609,706,468 | 2,835,587,396 |
| Investments in subsidiaries | 11 | - | - | 702,699,400 | 702,699,400 |
| Investment in joint venture | 12 | 628,543 | 623,496 | 49,900 | 49,900 |
| Advance payments for construction | | 3,442,251 | 10,034,377 | - | - |
| Investment properties | 13 | 5,186,581,105 | 4,957,473,250 | 1,147,793,722 | 1,211,694,186 |
| Property, plant and equipment | 14 | 1,443,929,556 | 1,170,216,955 | 620,799,119 | 690,016,688 |
| Intangible assets | 15 | 213,405,403 | 231,171,275 | 82,053,657 | 87,848,901 |
| Leasehold rights | | 29,974,825 | 32,105,230 | 29,974,825 | 32,105,230 |
| Deferred tax assets | 21 | 86,378,935 | 38,777,032 | 21,698,987 | 19,246,231 |
| Other non-current assets | | 73,665,478 | 11,676,689 | 13,181,533 | 10,382,221 |
| Total non-current assets | | 7,038,006,096 | 6,452,078,304 | 6,227,957,611 | 5,589,630,153 |
| Total assets | | 11,684,831,925 | 11,318,522,844 | 10,393,057,905 | 10,248,468,548 |

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

The Platinum Group Public Company Limited and its subsidiaries
As at 31 December 2019

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|---------------|-------------------------------|-------------|
| | Note | 2019 | 2018 | 2019 | 2018 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 6, 16 | 879,644,569 | 732,118,734 | 110,697,681 | 109,458,889 |
| Current portion of liabilities under finance lease agreements | | 6,833,423 | 3,739,723 | 1,656,692 | 3,739,723 |
| Income tax payable | | 112,791,648 | 124,785,499 | 112,791,648 | 124,785,499 |
| Current portion of unearned rental income | 17 | 171,656,088 | 168,087,142 | 164,509,852 | 167,843,697 |
| Short-term deposits received of rental and services income | | 187,512,407 | 204,238,339 | 167,274,993 | 187,442,804 |
| Current portion of accrued long-term lease of land | 18 | 108,224,723 | 8,324,979 | - | - |
| Other current liabilities | | 60,716,651 | 68,118,341 | 42,975,812 | 58,257,022 |
| Total current liabilities | | 1,527,379,509 | 1,309,412,757 | 599,906,678 | 651,527,634 |
| Non-current liabilities | | | | | |
| Liabilities under finance lease agreements - | | | | | |
| net of current portion | | 10,817,205 | 3,665,126 | 2,008,435 | 3,665,126 |
| Unearned rental income - net of current portion | 17 | 77,318,824 | 234,057,744 | 77,318,824 | 234,057,744 |
| Long-term deposits received of rental and services income | | 198,748,860 | 194,968,947 | 56,495,998 | 60,287,867 |
| Accrued long-term lease of land - net of current portion | 18 | 582,483,857 | 476,085,108 | - | - |
| Retention payables | | 146,342,578 | 117,542,576 | 6,061,978 | 6,125,524 |
| Provision for long-term employee benefits | 19 | 21,910,722 | 16,185,551 | 21,152,728 | 15,853,345 |
| Other non-current liabilities | | 3,686,928 | 5,456,653 | - | - |
| Total non-current liabilities | | 1,041,308,974 | 1,047,961,705 | 163,037,963 | 319,989,606 |
| Total liabilities | | 2,568,688,483 | 2,357,374,462 | 762,944,641 | 971,517,240 |

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

The Platinum Group Public Company Limited and its subsidiaries
As at 31 December 2019

| | | (Unit: Baht) | | | |
|---|--|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | | Consolidated financial statements | | Separate financial statements | |
| Note | | 2019 | 2018 | 2019 | 2018 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| | 2,800,000,000 ordinary shares of Baht 1 each | 2,800,000,000 | 2,800,000,000 | 2,800,000,000 | 2,800,000,000 |
| Issued and fully paid | | | | | |
| | 2,800,000,000 ordinary shares of Baht 1 each | 2,800,000,000 | 2,800,000,000 | 2,800,000,000 | 2,800,000,000 |
| | Share premium | 4,409,618,494 | 4,409,618,494 | 4,409,618,494 | 4,409,618,494 |
| | Deficit on business combination under common control | (5,120,772) | (5,120,772) | - | - |
| Retained earnings | | | | | |
| | Appropriated - statutory reserve | 247,529,210 | 201,869,210 | 247,529,210 | 201,869,210 |
| | Unappropriated | 1,664,116,510 | 1,554,781,450 | 2,172,965,560 | 1,865,463,604 |
| Total shareholders' equity | | 9,116,143,442 | 8,961,148,382 | 9,630,113,264 | 9,276,951,308 |
| Total liabilities and shareholders' equity | | 11,684,831,925 | 11,318,522,844 | 10,393,057,905 | 10,248,468,548 |
| | | - | - | - | - |

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income

The Platinum Group Public Company Limited and its subsidiaries
For the year ended 31 December 2019

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Note | 2019 | 2018 | 2019 | 2018 |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Rental income | | 1,115,488,215 | 958,750,264 | 930,380,219 | 958,750,264 |
| Service income | | 511,872,971 | 372,904,021 | 384,430,216 | 372,904,021 |
| Revenues from hotel operations | | 454,461,742 | 434,454,369 | 454,529,032 | 434,684,368 |
| Revenues from food and beverage | | 251,318,187 | 267,498,925 | 244,591,330 | 267,619,064 |
| Other income | | | | | |
| Interest income | 6 | 55,530,047 | 44,852,256 | 156,508,701 | 118,707,174 |
| Others | | 75,833,353 | 38,368,644 | 46,012,470 | 33,978,606 |
| Total revenues | | <u>2,464,504,515</u> | <u>2,116,828,479</u> | <u>2,216,451,968</u> | <u>2,186,643,497</u> |
| Expenses | | | | | |
| Cost of rental and services | 6 | 741,078,531 | 326,658,146 | 334,607,936 | 326,658,146 |
| Cost of hotel operations | | 215,796,112 | 196,758,798 | 215,796,112 | 196,758,798 |
| Cost of food and beverage | | 189,398,149 | 203,393,282 | 183,578,264 | 203,393,282 |
| Selling expenses | | 113,803,902 | 83,781,825 | 68,211,219 | 77,456,694 |
| Administrative expenses | | 305,186,155 | 305,914,583 | 272,139,420 | 276,223,684 |
| Total expenses | | <u>1,565,262,849</u> | <u>1,116,506,634</u> | <u>1,074,332,951</u> | <u>1,080,490,604</u> |
| Profit before share of profit from investment in joint venture, finance cost and income tax expenses | | 899,241,666 | 1,000,321,845 | 1,142,119,017 | 1,106,152,893 |
| Share of profit from investment in joint venture | 12.2 | 5,047 | 58,397 | - | - |
| Profit before finance cost and income tax expenses | | 899,246,713 | 1,000,380,242 | 1,142,119,017 | 1,106,152,893 |
| Finance cost | | (762,760) | (695,420) | (319,021) | (695,420) |
| Profit before income tax expenses | | 898,483,953 | 999,684,822 | 1,141,799,996 | 1,105,457,473 |
| Income tax expenses | 21 | (183,490,293) | (214,641,976) | (228,639,440) | (222,436,657) |
| Profit for the year | | <u>714,993,660</u> | <u>785,042,846</u> | <u>913,160,556</u> | <u>883,020,816</u> |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | | | |
| Actuarial gain | | - | 2,728,885 | - | 2,814,324 |
| Less: Income tax effect | 21 | - | (545,777) | - | (562,864) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax | | - | 2,183,108 | - | 2,251,460 |
| Other comprehensive income for the year | | <u>-</u> | <u>2,183,108</u> | <u>-</u> | <u>2,251,460</u> |
| Total comprehensive income for the year | | <u>714,993,660</u> | <u>787,225,954</u> | <u>913,160,556</u> | <u>885,272,276</u> |
| Earnings per share | 25 | | | | |
| Basic earnings per share | | | | | |
| Profit attributable to equity holders of the Company | | <u>0.26</u> | <u>0.28</u> | <u>0.33</u> | <u>0.32</u> |

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity

The Platinum Group Public Company Limited and its subsidiaries
For the year ended 31 December 2019

| Consolidated financial statements | | | | | | | (Unit: Baht) |
|--|------|--|---------------|--|-------------------------------------|----------------|----------------------------------|
| | Note | Issued and paid-up share capital | Share premium | Deficit on business combination under common control | Retained earnings | | Total shareholders' equity |
| | | | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2018 | | 2,800,000,000 | 4,409,618,494 | (5,120,772) | 157,709,210 | 1,371,715,496 | 8,733,922,428 |
| Profit for the year | | - | - | - | - | 785,042,846 | 785,042,846 |
| Other comprehensive income for the year | | - | - | - | - | 2,183,108 | 2,183,108 |
| Total comprehensive income for the year | | - | - | - | - | 787,225,954 | 787,225,954 |
| Transferred unappropriated retained earnings | | | | | | | |
| to statutory reserve | 20 | - | - | - | 44,160,000 | (44,160,000) | - |
| Dividend paid | 23 | - | - | - | - | (560,000,000) | (560,000,000) |
| Balance as at 31 December 2018 | | 2,800,000,000 | 4,409,618,494 | (5,120,772) | 201,869,210 | 1,554,781,450 | 8,961,148,382 |
| Balance as at 1 January 2019 | | 2,800,000,000 | 4,409,618,494 | (5,120,772) | 201,869,210 | 1,554,781,450 | 8,961,148,382 |
| Profit for the year | | - | - | - | - | 714,993,660 | 714,993,660 |
| Other comprehensive income for the year | | - | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | - | 714,993,660 | 714,993,660 |
| Transferred unappropriated retained earnings | | | | | | | |
| to statutory reserve | 20 | - | - | - | 45,660,000 | (45,660,000) | - |
| Dividend paid | 23 | - | - | - | - | (559,998,600) | (559,998,600) |
| Balance as at 31 December 2019 | | 2,800,000,000 | 4,409,618,494 | (5,120,772) | 247,529,210 | 1,664,116,510 | 9,116,143,442 |

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

The Platinum Group Public Company Limited and its subsidiaries
For the year ended 31 December 2019

| Separate financial statements | | | | | | (Unit: Baht) |
|--|----------------------------------|----------------------|----------------------------------|----------------------|----------------------------|--------------|
| Note | Issued and paid-up share capital | Share premium | Retained earnings | | Total shareholders' equity | |
| | | | Appropriated - Statutory reserve | Unappropriated | | |
| Balance as at 1 January 2018 | | | | | | |
| Profit for the year | - | 4,409,618,494 | 157,709,210 | 1,584,351,328 | 8,951,679,032 | |
| Other comprehensive income for the year | - | - | - | 883,020,816 | 883,020,816 | |
| Total comprehensive income for the year | - | - | - | 2,251,460 | 2,251,460 | |
| Transferred unappropriated retained earnings | - | - | - | 885,272,276 | 885,272,276 | |
| to statutory reserve | - | - | 44,160,000 | (44,160,000) | - | |
| Dividend paid | - | - | - | (560,000,000) | (560,000,000) | |
| Balance as at 31 December 2018 | <u>2,800,000,000</u> | <u>4,409,618,494</u> | <u>201,869,210</u> | <u>1,865,463,604</u> | <u>9,276,951,308</u> | |
| Balance as at 1 January 2019 | | | | | | |
| Profit for the year | - | 4,409,618,494 | 201,869,210 | 1,865,463,604 | 9,276,951,308 | |
| Other comprehensive income for the year | - | - | - | 913,160,556 | 913,160,556 | |
| Total comprehensive income for the year | - | - | - | - | - | |
| Transferred unappropriated retained earnings | - | - | - | 913,160,556 | 913,160,556 | |
| to statutory reserve | - | - | 45,660,000 | (45,660,000) | - | |
| Dividend paid | - | - | - | (559,998,600) | (559,998,600) | |
| Balance as at 31 December 2019 | <u>2,800,000,000</u> | <u>4,409,618,494</u> | <u>247,529,210</u> | <u>2,172,965,560</u> | <u>9,630,113,264</u> | |

The accompanying notes are an integral part of the financial statements.

Cash flow statement

The Platinum Group Public Company Limited and its subsidiaries
For the year ended 31 December 2019

| | (Unit: Baht) | | | |
|--|--|--------------------|--------------------------------------|--------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Cash flows from operating activities | | | | |
| Profit before tax | 898,483,953 | 999,684,822 | 1,141,799,996 | 1,105,457,473 |
| Adjustments to reconcile profit before tax to | | | | |
| net cash provided by (paid from) operating activities: | | | | |
| Doubtful accounts (reversal) | 8,726,980 | 673,020 | (673,020) | 673,020 |
| Depreciation and amortisation | 315,532,676 | 176,022,147 | 154,431,898 | 160,320,137 |
| Loss (gain) on sales of equipment | (9,921) | 330,026 | (9,921) | 330,026 |
| Loss on written-off of assets | 182,658 | 21,711 | 182,658 | 21,711 |
| Revenue recognition of unearned rental income during the year | (160,072,765) | (164,212,472) | (160,072,765) | (164,212,472) |
| Unrealised loss (gain) on changes in fair value of investments | (12,461,631) | 50,048,908 | (12,461,631) | 50,048,908 |
| Share of profit from investment in joint venture | (5,047) | (58,397) | - | - |
| Provision for long-term employee benefits expenses | 5,725,171 | 4,411,049 | 5,299,383 | 4,251,396 |
| Interest income | (55,530,047) | (44,852,256) | (156,508,701) | (118,707,174) |
| Land lease expenses | 95,347,755 | - | - | - |
| Interest expenses | 762,760 | 695,420 | 319,021 | 695,420 |
| Profit from operating activities before changes | | | | |
| in operating assets and liabilities | 1,096,682,542 | 1,022,763,978 | 972,306,918 | 1,038,878,445 |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (156,502,853) | (4,525,422) | 2,021,574 | (3,837,606) |
| Inventories | (429,841) | (1,283,745) | (257,244) | (1,283,745) |
| Other current assets | (40,514,593) | (86,961,036) | (753,567) | 1,937,225 |
| Other non-current assets | (61,988,789) | (306,736) | (2,799,312) | (224,736) |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 43,487,991 | 17,447,227 | 3,679,317 | 11,545,060 |
| Unearned rental income | 6,902,791 | 5,988,489 | - | 5,745,044 |
| Deposits received of rental and services income | (12,946,019) | 159,021,183 | (23,959,680) | 3,952,979 |
| Other current liabilities | (7,401,690) | 20,839,593 | (15,281,210) | 18,938,552 |
| Accrued long-term lease of land | (8,324,979) | - | - | - |
| Provision for long-term employee benefits | - | (254,628) | - | (254,628) |
| Other non-current liabilities | 27,030,277 | 67,055,852 | (63,546) | (265,546) |
| Cash flows from operating activities | 885,994,837 | 1,199,784,755 | 934,893,250 | 1,075,131,044 |
| Cash paid for interest expenses | - | (12,923) | - | (12,923) |
| Cash paid for corporate income tax | (246,634,057) | (218,894,279) | (243,086,047) | (218,786,948) |
| Net cash flows from operating activities | 639,360,780 | 980,877,553 | 691,807,203 | 856,331,173 |

The accompanying notes are an integral part of the financial statements.

Cash flow statement (continued)

The Platinum Group Public Company Limited and its subsidiaries
For the year ended 31 December 2019

| | (Unit: Baht) | | | |
|--|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Consolidated financial statements | | Separate financial statements | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash flows from investing activities | | | | |
| Decrease in current investments | 22,145,035 | 1,213,932,038 | 22,145,035 | 1,213,932,038 |
| Increase in loans to related parties | - | - | (672,900,000) | (1,099,250,000) |
| Advance payments for construction | (29,792,803) | (9,115,000) | - | - |
| Cash paid for acquisition of investment properties | (343,654,840) | (1,142,751,535) | (4,830,530) | (25,387,238) |
| Cash paid for acquisition of plant and equipment | (174,803,089) | (59,685,293) | (7,149,250) | (11,389,369) |
| Cash paid for acquisition of intangible assets | (3,377,465) | (1,194,377) | (3,031,200) | (395,323) |
| Cash paid for acquisition of leasehold rights | (1,161,238) | (21,950,337) | (1,161,238) | (21,950,337) |
| Proceeds from sales of equipment | 170,739 | 988,195 | 170,739 | 988,195 |
| Cash receipts from interest | 49,213,732 | 41,814,422 | 48,973,313 | 41,623,307 |
| Net cash flows from (used in) investing activities | (481,259,929) | 22,038,113 | (617,783,131) | 98,171,273 |
| Cash flows from financing activities | | | | |
| Cash paid for liabilities under finance lease agreements | (4,058,743) | (5,649,111) | (4,058,743) | (5,649,111) |
| Dividend paid | (559,998,600) | (560,000,000) | (559,998,600) | (560,000,000) |
| Net cash flows used in financing activities | (564,057,343) | (565,649,111) | (564,057,343) | (565,649,111) |
| Net increase (decrease) in cash and cash equivalents | (405,956,492) | 437,266,555 | (490,033,271) | 388,853,335 |
| Cash and cash equivalents at beginning of year | 625,723,324 | 188,456,769 | 570,513,196 | 181,659,861 |
| Cash and cash equivalents at end of year | 219,766,832 | 625,723,324 | 80,479,925 | 570,513,196 |
| | - | - | - | - |
| Supplemental cash flows information | | | | |
| Non-cash transactions | | | | |
| Increase in payables from acquisition of investment properties | 55,822,042 | 455,528,436 | - | 1,762,406 |
| Increase in payables from acquisition of plant and equipment | 167,870,703 | 41,982,028 | 47,065 | 468,333 |
| Increase in payables from acquisition of leasehold rights | - | 1,138,768 | - | 1,138,768 |
| Increase in payable from acquisition of intangible assets | 759,584 | - | 72,800 | - |
| Increase in liabilities under financial lease agreements from acquisition of equipment | 12,561,762 | - | - | - |
| Transfer advance payments for construction to investments properties | 36,384,929 | 2,516,302 | - | - |
| Transfer input tax refundable to investment properties | 3,543,449 | - | - | - |
| Transfer investment properties to property, plant and equipment | 160,282 | - | - | - |
| Transfer investment properties to input tax refundable | - | 8,098,677 | - | - |
| Transfer property, plant and equipment to investment properties | - | 21,145,681 | - | - |
| Transfer property, plant and equipment to input tax refundable | - | 271,554 | - | - |

The accompanying notes are an integral part of the financial statements.

The Platinum Group Public Company Limited and its subsidiaries

For the year ended 31 December 2019

1. General information

The Platinum Group Public Company Limited (“the Company”) is incorporated as a limited company from the amalgamation under Thai law on 3 December 2013 and registered its transformation into a public limited company on 23 June 2014, and domiciled in Thailand. The Company is principally engaged in the provision of property rental, hotel operations and food center operations. The registered office of the Company is at 222/1398, The Platinum Fashion Mall Building, 11th Floor, Phetchaburi Road, Petchaburi Road Sub-District, Ratchathewi District, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of The Platinum Group Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

| Company's name | Nature of business | Country of incorporation | Percentage of shareholding | |
|-------------------------------------|--|--------------------------|----------------------------|-----------------|
| | | | 2019 Percent | 2018 Percent |
| The Platinum Market Company Limited | Property development and rental | Thailand | 100 | 100 |
| The Platinum Samui Company Limited | Hotel operations (Not started the operation) | Thailand | 100 | 100 |

-
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and joint venture under the cost method.

3. New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

| | |
|-------------------------|--|
| TAS 11 (revised 2017) | Construction Contracts |
| TAS 18 (revised 2017) | Revenue |
| TSIC 31 (revised 2017) | Revenue - Barter Transactions Involving Advertising Services |
| TFRIC 13 (revised 2017) | Customer Loyalty Programmes |
| TFRIC 15 (revised 2017) | Agreements for the Construction of Real Estate |
| TFRIC 18 (revised 2017) | Transfers of Assets from Customers |

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Recognition of credit losses on trade receivables and accrued rental and services income.
- Recognition of initial measurement and subsequent measurement on deposits received from rental and services contracts.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group is currently evaluating the impact of this standard on the financial statements and will consider the operating lease commitments described in Note 27.2 to the financial statements in recognising assets and liabilities in accordance with TFRS 16. However, the management of the Group expects the adoption of this accounting standard to have a material effect on the statement of financial position of the Group as at 1 January 2020, with significant increases in the Group's assets and liabilities.

4. Significant accounting policies

4.1 Revenue recognition

Rental income

Rental and related services income from retail space in shopping centers are recognised based on a straight-line basis over the lease term.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Revenues from hotel operations

Revenues from hotel operations mainly comprise room sales, food and beverage sales and revenues from auxiliary activities, and represent the invoiced value (excluding value added tax) of goods delivered and services rendered after deducting discounts and adding service charges.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods, revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and allowances.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (under the average method) and net realisable value and are charged to cost of sales whenever consumed.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investment in joint venture is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts are determined from their net asset value of the last working day of the year. The fair value of debt instruments are determined based on yield rates quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 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).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 30 years. Depreciation of the investment properties is included in determining income.

No depreciation is provided for investment properties under construction.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

| | |
|---|---------------|
| Buildings | 25 - 30 years |
| Building improvements | 5 - 20 years |
| Equipment | 3 - 5 years |
| Furniture, fixtures, and office and hotel equipment | 2 - 20 years |
| Motor vehicles | 5 years |

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Intangible assets

Intangible assets are comprised of computer software and construction costs resulting from the Group obtaining rights in the project to construct a Skywalk connecting to BTS Skytrain at Chidlom Station ("R-Walk Project). This Project is a joint investment between the Group and a shopping center.

The Group is initially recognise intangible assets at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The economic useful life of the cost of rights in the R-Walk Project corresponds to the term of the BTS Skytrain green line concession granted by The Bangkok Metropolitan Administration (15 years).

The useful life of computer software is 5 - 10 years.

4.9 Related party transactions

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 direction of the Company's operations.

4.10 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the lease asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and contributions of the Group is recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual result could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Investment properties

In determining depreciation of investment properties, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment properties for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

The relationships between the Group and joint venture are summarised as described in Notes 11 and 12 to financial statement and the relationships between the Company and other related parties are summarised below:

| Name | Relationship |
|--|---|
| S.P.C.Wealth Real Estate Company Limited | Common shareholders / Common director |
| The Wharf Plaza Samui Company Limited | Major shareholder and director is a close relatives of the Company's management |
| Rockworth Public Company Limited | Common shareholders / Common director |

- 6.1 During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | | Transfer pricing polic |
|---|--------------------------------------|------|----------------------------------|------|--------------------------------------|
| | 2019 | 2018 | 2019 | 2018 | |
| <u>Transactions with subsidiaries</u> | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | 101 | 74 | 2% - 7% per annum a MLR per annum |
| Management fee income | - | - | 4 | 4 | Contract price |
| <u>Transactions with joint venture</u> | | | | | |
| Project management expenses | 2 | 3 | 1 | 1 | Contract price |
| <u>Transactions with related companies</u> | | | | | |
| Rental expenses | 60 | 51 | 60 | 51 | Contract price |

- 6.2 As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|-------|----------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| Other receivables - related parties (Note 9) | | | | |
| Subsidiaries | - | - | 7,866 | 3,863 |
| Director | 21 | 21 | 21 | 21 |
| Total | 21 | 21 | 7,887 | 3,884 |
| Loans to and interest receivable - related parties | | | | |
| Subsidiaries - loans | - | - | 3,382,642 | 2,709,742 |
| Subsidiaries - interest receivable | - | - | 227,064 | 125,845 |
| Total | - | - | 3,609,706 | 2,835,587 |
| Trade payables - related parties (Note 16) | | | | |
| Subsidiary | - | - | 7 | - |
| Related company | 2,734 | 4,861 | 2,734 | 4,861 |
| Total | 2,734 | 4,861 | 2,741 | 4,861 |
| Other payables - related parties (Note 16) | | | | |
| Directors | 25 | 56 | 25 | 56 |

6.3 Loans to and interest receivable from related parties

As at 31 December 2019 and 2018, the balances of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

| Loans to | Relationship | Separate financial statements | | | Balance as at 31 December 2019 |
|--|--------------|-----------------------------------|----------|----------|-----------------------------------|
| | | Balance as at 31 December 2018 | Increase | Decrease | |
| The Platinum Market Company Limited | Subsidiary | 2,475,900 | 491,200 | - | 2,967,100 |
| The Platinum Samui Company Limited | Subsidiary | 233,842 | 181,700 | - | 415,542 |
| Total | | 2,709,742 | 672,900 | - | 3,382,642 |

Loans are in the form of promissory notes, carrying interest at fixed rates and MLR per annum, and due at call. However, the management of the Company has decided that the Company will not demand the subsidiaries to make repayment for at least one year from 31 December 2019. Therefore, as at 31 December 2019, the Company has classified the loans and interest receivable as non-current assets and presented them under the caption of “Loans to and interest receivable from related parties” in the separate statement of financial position.

6.4 Directors and management’s benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

| | Consolidated / Separate financial statements | |
|------------------------------|---|--------|
| | 2019 | 2018 |
| Short-term employee benefits | 51,341 | 64,396 |
| Post-employment benefits | 1,879 | 1,762 |
| Other long-term benefits | 7 | 6 |
| Total | 53,227 | 66,164 |

6.5 Guarantee obligations with related party

The Company has outstanding guarantee obligations with its related party, as described in Note 27.4.1 to the financial statements.

7. Cash and cash equivalents

| | (Unit: Thousand Baht) | | | |
|---------------|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Cash | 3,821 | 4,301 | 2,920 | 3,514 |
| Bank deposits | 215,946 | 621,422 | 77,560 | 566,999 |
| Total | <u>219,767</u> | <u>625,723</u> | <u>80,480</u> | <u>570,513</u> |

As at 31 December 2019, bank deposits in savings accounts and fixed deposits carried interests between 0.10 and 0.50 percent per annum (2018: between 0.10 and 1.75 percent per annum).

8. Current investments

| | (Unit: Thousand Baht) | |
|--|-------------------------|------------------|
| | Consolidated / Separate | |
| | financial statements | |
| | <u>2019</u> | <u>2018</u> |
| Fixed deposits and special saving deposits with maturity date more than 3 months | <u>1,804,162</u> | <u>2,556,614</u> |
| Investments in trading securities | | |
| Investments in debt instruments funds | 2,185,168 | 978,379 |
| Government and state-owned enterprise bonds | - | 126,706 |
| Domestic private debt securities | - | 349,435 |
| Total investments in trading securities - cost | <u>2,185,168</u> | <u>1,454,520</u> |
| Add: Unrealised gain on changes in value of investments | <u>23,248</u> | <u>10,786</u> |
| Total investments in trading securities - fair value | <u>2,208,416</u> | <u>1,465,306</u> |
| Total current investments | <u>4,012,578</u> | <u>4,021,920</u> |

9. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 18,170 | 19,468 | 13,793 | 19,478 |
| Past due | | | | |
| Up to 3 months | 18,928 | 5,447 | 4,178 | 5,447 |
| 3 - 6 months | 4,284 | 18 | 488 | 18 |
| 6 - 12 months | 1,766 | 674 | 218 | 674 |
| Over 12 months | 13 | 314 | 13 | 314 |
| Total | 43,161 | 25,921 | 18,690 | 25,931 |
| Less: Allowance for doubtful debts | - | (673) | - | (673) |
| Total trade receivables - unrelated parties - net | 43,161 | 25,248 | 18,690 | 25,258 |
| <u>Other receivables</u> | | | | |
| Other receivables - related parties (Note 6) | 21 | 21 | 7,887 | 3,884 |
| Other receivables - unrelated parties | 4,747 | 5,430 | 1,440 | 827 |
| Accrued rental and services income | 141,276 | 1,330 | 1,934 | 1,330 |
| Interest receivable - unrelated parties | 21,354 | 15,379 | 21,354 | 15,379 |
| Total | 167,398 | 22,160 | 32,615 | 21,420 |
| Less: Allowance for doubtful debts | (9,400) | - | - | - |
| Total other receivables - net | 157,998 | 22,160 | 32,615 | 21,420 |
| Total trade and other receivables - net | 210,159 | 47,408 | 51,305 | 46,678 |

10. Inventories

| | (Unit: Thousand Baht) | | | |
|--------------------|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Food and beverages | 4,001 | 3,832 | 3,833 | 3,832 |
| Supplies | 10,425 | 10,165 | 10,421 | 10,165 |
| Total | 14,426 | 13,997 | 14,254 | 13,997 |

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

| Company's name | Separate financial statements | | | | | |
|-------------------------------------|-------------------------------|---------|-------------------------|------|---------|---------|
| | Paid-up capital | | Shareholding percentage | | Cost | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| The Platinum Market Company Limited | 683,000 | 683,000 | 100 | 100 | 683,000 | 683,000 |
| The Platinum Samui Company Limited | 19,699 | 19,699 | 100 | 100 | 19,699 | 19,699 |
| Total | | | | | 702,699 | 702,699 |

During 2019 and 2018, no dividend income was received from its investments in subsidiaries.

12. Investment in joint venture

12.1 Details of investment in joint venture

The Company and a shopping center have jointly incorporated Bangkok Skyline Company Limited, a jointly control entity, to implement a project to construct and maintain a skywalk connecting a skytrain station to a shopping center and shopping plaza (R-walk Project). Details of the investment is as follows:

(Unit: Thousand Baht)

| Joint venture | Shareholding percentage | | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-------------------------|-------|---|------|-------------------------------|------|
| | | | Carrying amounts based on equity method | | Cost | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Bangkok Skyline Company Limited | 49.90 | 49.90 | 628 | 628 | 50 | 50 |

12.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements as follows:

| Jointly controlled entity | (Unit: Thousand Baht) | |
|---------------------------------|--|------|
| | Consolidated | |
| | financial statements | |
| | Share of profit from investment in joint venture during the year | |
| | 2019 | 2018 |
| Bangkok Skyline Company Limited | 5 | 58 |

During 2019 and 2018, no dividend income was received from its investment in joint venture.

12.3 Summarised financial information about material joint venture

Summarised information about financial position

| | (Unit: Thousand Baht) | |
|---------------------|-----------------------|---------|
| | As at 31 December | |
| | 2019 | 2018 |
| Current assets | 3,340 | 2,922 |
| Current liabilities | (2,080) | (1,673) |
| Net assets | 1,260 | 1,249 |

Summarised information about comprehensive income

| | (Unit: Thousand Baht) | |
|-------------------------|--------------------------------|---------|
| | For the year ended 31 December | |
| | 2019 | 2018 |
| Revenues | 5,378 | 4,740 |
| Expenses | (5,368) | (4,623) |
| Net profit for the year | 10 | 117 |

13. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | | | |
|--------------------------------------|----------------|----------------|--|----------------|---|------------------|------------------|------------------|
| | Land | | Building and building improvement for rental | | Building and building improvement for rental - under construction | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | | | | |
| Cost | 241,336 | 241,336 | 5,164,484 | 1,689,241 | 715,742 | 3,751,740 | 6,121,562 | 5,682,317 |
| <u>Less</u> Accumulated depreciation | - | - | (934,981) | (724,844) | - | - | (934,982) | (724,844) |
| Net book value | <u>241,336</u> | <u>241,336</u> | <u>4,229,503</u> | <u>964,397</u> | <u>715,742</u> | <u>3,751,740</u> | <u>5,186,581</u> | <u>4,957,473</u> |

(Unit: Thousand Baht)

| Separate financial statements | | | | | | | | |
|--------------------------------------|----------------|----------------|--|----------------|---|--------------|------------------|------------------|
| | Land | | Building and building improvement for rental | | Building and building improvement for rental - under construction | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | | | | |
| Cost | 241,336 | 241,336 | 1,696,609 | 1,689,241 | 2,003 | 5,961 | 1,939,948 | 1,936,538 |
| <u>Less</u> Accumulated depreciation | - | - | (792,154) | (724,844) | - | - | (792,154) | (724,844) |
| Net book value | <u>241,336</u> | <u>241,336</u> | <u>904,455</u> | <u>964,397</u> | <u>2,003</u> | <u>5,961</u> | <u>1,147,794</u> | <u>1,211,694</u> |

A reconciliation of the net book value of investment properties for the year ended 2019 and 2018 is presented below.

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Net book value at beginning of year | 4,957,473 | 3,417,706 | 1,211,694 | 1,258,621 |
| Acquisitions | 435,861 | 1,600,796 | 3,410 | 27,149 |
| Write-off - net book value | - | (3) | - | (3) |
| Depreciation for the year | (210,137) | (74,073) | (67,310) | (74,073) |
| Transfers from (to) property, plant and equipment | | | | |
| (Note 14) | (160) | 21,146 | - | - |
| Transfers from to other current assets | 3,544 | (8,099) | - | - |
| Net book value at end of year | <u>5,186,581</u> | <u>4,957,473</u> | <u>1,147,794</u> | <u>1,211,694</u> |

On 14 February 2019, the subsidiary opened a new mixed-use project in the Ratchaprasong area, called “The Market Bangkok”. At present, only the shopping mall section is open for business.

As at 31 December 2019, the fair values of the above investment properties are approximately Baht 14,285 million (the Company only: Baht 9,085 million) (2018: Baht 7,677 million, the Company only: Baht 7,677 million) and has been determined based on valuation performed by an accredited independent valuer. The fair values of building space for rental has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2019, the Company has mortgaged land and construction thereon, part of its investment properties, with a total net book value of Baht 537 million (2018: Baht 564 million), as collateral against credit facilities received from a financial institution. Since the third-quarter of 2014, the Company has repaid the loan in full, and currently the Company’s management is considering redemption of the collateral.

14. Property, plant and equipment

| | Consolidated financial statements | | | | | | | (Unit: Thousand Baht) | |
|--|-----------------------------------|-----------|----------------------|-------------------------------|------------------------|------------------|----------------|--|-----------|
| | Land | Buildings | Building improvement | Operating equipment and tools | Furniture and fixtures | Office equipment | Motor vehicles | Assets under installation and under construction | Total |
| Cost | | | | | | | | | |
| As at 1 January 2018 | 318,381 | 398,334 | 361,825 | 84,788 | 271,183 | 35,933 | 24,163 | 219,726 | 1,714,333 |
| Additions | - | - | 4,349 | 7,871 | 647 | 2,538 | - | 86,263 | 101,668 |
| Disposals/write-off | - | - | - | (217) | - | (386) | (1,617) | - | (2,220) |
| Transfers | - | - | 509 | - | - | - | - | (509) | - |
| Transfers to investment properties (Note 13) | - | - | - | - | - | - | - | (21,146) | (21,146) |
| Transfers to other assets | - | - | - | - | - | - | - | (272) | (272) |
| As at 31 December 2018 | 318,381 | 398,334 | 366,683 | 92,442 | 271,830 | 38,085 | 22,546 | 284,062 | 1,792,363 |
| Additions | - | - | - | 20,559 | 1,917 | 5,182 | - | 327,577 | 355,235 |
| Disposals/write-off | - | - | (341) | (1,439) | (247) | (79) | - | - | (2,106) |
| Transfers from (to) investment properties (Note 13) | - | - | - | - | 525 | - | - | (365) | 160 |
| As at 31 December 2019 | 318,381 | 398,334 | 366,342 | 111,562 | 274,025 | 43,188 | 22,546 | 611,274 | 2,145,652 |
| Accumulated depreciation | | | | | | | | | |
| As at 1 January 2018 | - | 92,966 | 179,341 | 69,322 | 169,902 | 20,214 | 11,239 | - | 542,984 |
| Depreciation for the year | - | 13,414 | 26,118 | 4,166 | 26,775 | 5,715 | 3,857 | - | 80,045 |
| Depreciation on disposals/write-off | - | - | - | (195) | - | (239) | (449) | - | (883) |
| As at 31 December 2018 | - | 106,380 | 205,459 | 73,293 | 196,677 | 25,690 | 14,647 | - | 622,146 |
| Depreciation for the year | - | 13,414 | 23,931 | 8,232 | 26,624 | 6,017 | 3,129 | - | 81,347 |
| Depreciation on disposals/write-off | - | - | (341) | (1,147) | (230) | (53) | - | - | (1,771) |
| As at 31 December 2019 | - | 119,794 | 229,049 | 80,378 | 223,071 | 31,654 | 17,776 | - | 701,722 |
| Net book value | | | | | | | | | |
| As at 31 December 2018 | 318,381 | 291,954 | 161,224 | 19,149 | 75,153 | 12,395 | 7,899 | 284,062 | 1,170,217 |
| As at 31 December 2019 | 318,381 | 278,540 | 137,293 | 31,184 | 50,954 | 11,534 | 4,770 | 611,274 | 1,443,930 |
| Depreciation for the year | | | | | | | | | |
| 2018 (Baht 67 million depreciation included in cost of rental and services, hotel operations, food and beverage sales, and the balance in selling and administrative expenses) | | | | | | | | | 80,045 |
| 2019 (Baht 71 million depreciation included in cost of rental and services, hotel operations, food and beverage sales, and the balance in selling and administrative expenses) | | | | | | | | | 81,347 |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | |
|--|-------------------------------|-----------|----------------------|-------------------------------|------------------------|------------------|----------------|
| | Land | Buildings | Building improvement | Operating equipment and tools | Furniture and fixtures | Office equipment | Motor vehicles |
| Cost | | | | | | | Total |
| As at 1 January 2018 | 126,672 | 398,334 | 353,301 | 84,788 | 269,476 | 35,057 | 24,163 |
| Additions | - | - | 2,270 | 7,318 | 109 | 2,160 | - |
| Disposals/write-off | - | - | - | (217) | - | (386) | (1,617) |
| As at 31 December 2018 | 126,672 | 398,334 | 355,571 | 91,889 | 269,585 | 36,831 | 22,546 |
| Additions | - | - | - | 6,041 | 353 | 802 | - |
| Disposals/write-off | - | - | (341) | (1,439) | (247) | (79) | - |
| As at 31 December 2019 | 126,672 | 398,334 | 355,230 | 96,491 | 269,691 | 37,554 | 22,546 |
| Accumulated depreciation | | | | | | | |
| As at 1 January 2018 | - | 92,966 | 173,428 | 69,322 | 168,448 | 19,558 | 11,239 |
| Depreciation for the year | - | 13,414 | 23,930 | 4,138 | 26,445 | 5,549 | 3,857 |
| Depreciation on disposals/write-off | - | - | - | (196) | - | (238) | (449) |
| As at 31 December 2018 | - | 106,380 | 197,358 | 73,264 | 194,893 | 24,869 | 14,647 |
| Depreciation for the year | - | 13,414 | 22,507 | 5,615 | 26,175 | 5,239 | 3,129 |
| Depreciation on disposals/write-off | - | - | (341) | (1,147) | (230) | (53) | - |
| As at 31 December 2019 | - | 119,794 | 219,524 | 77,732 | 220,838 | 30,055 | 17,776 |
| Net book value | | | | | | | |
| As at 31 December 2018 | 126,672 | 291,954 | 158,213 | 18,625 | 74,692 | 11,962 | 7,899 |
| As at 31 December 2019 | 126,672 | 278,540 | 135,706 | 18,759 | 48,853 | 7,499 | 4,770 |
| Depreciation for the year | | | | | | | |
| 2018 (Baht 67 million depreciation included in cost of rental and services, hotel operations, food and beverage sales, and the balance in selling and administrative expenses) | | | | | | | 77,333 |
| 2019 (Baht 68 million depreciation included in cost of rental and services, hotel operations, food and beverage sales, and the balance in selling and administrative expenses) | | | | | | | 76,079 |

17. Unearned rental income

Unearned rental income is advance rental income that the Group collected from the lessees of retail space in the shopping centers, in accordance with the conditions specified in each lease agreement. The lease agreements have terms of between 1 and 10 years.

As at 31 December 2019 and 2018, the amounts of unearned rental income to be recognised as revenue in the future in accordance with the lease terms are as follows.

| | (Unit: Thousand Baht) | | | |
|------------------------------|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Recognise as income: | | | | |
| In up to 1 year | 171,656 | 168,087 | 164,510 | 167,844 |
| In over 1 and up to 2 years | 77,319 | 234,058 | 77,319 | 234,058 |
| Total unearned rental income | <u>248,975</u> | <u>402,145</u> | <u>241,829</u> | <u>401,902</u> |

18. Accrued long-term lease of land

The Platinum Market Company Limited, a subsidiary, entered into a land lease agreement with The Crown Property Bureau. The land lease agreement grants a 30-year operating lease, commencing from the end date of the first construction period specified in the agreement or within four years from 14 December 2015. The subsidiary made advance payments for the lease and expenses incurred in transfer of the leasehold rights totaling Baht 626 million on the rental contract date. The remainder of the payment for the lease of the land will be made on a monthly basis starting from December 2019 until the lease expires.

As at 31 December 2019, the Group had vehicles and operating equipment with net book value of Baht 14 million (the Company only: Baht 4 million) (2018: Baht 7 million, the Company only: Baht 7 million) which was acquired under finance lease agreements.

As at 31 December 2019, certain building improvement and equipment items were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 212 million (the Company only: Baht 201 million) (2018: Baht 153 million, the Company only: Baht 151 million).

The Company has mortgaged part of its land and construction thereon, with a total net book value of Baht 485 million (2018: Baht 512 million) as collateral against credit facilities received from a financial institution. Since the third quarter of 2014, the Company has repaid the loan in full, and currently the Company's management is considering redemption of the collateral.

15. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | |
|--------------------------------------|--|----------------|-------------------|---------------|----------------|----------------|
| | Cost of rights under the R-Walk Project | | Computer software | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | | |
| Cost | 277,123 | 276,090 | 31,027 | 27,931 | 308,150 | 304,021 |
| <u>Less</u> Accumulated amortisation | (76,382) | (56,408) | (18,363) | (16,442) | (94,745) | (72,850) |
| Net book value | <u>200,741</u> | <u>219,682</u> | <u>12,664</u> | <u>11,489</u> | <u>213,405</u> | <u>231,171</u> |

(Unit: Thousand Baht)

| Separate financial statements | | | | | | |
|--------------------------------------|--|---------------|-------------------|---------------|---------------|---------------|
| | Cost of rights under the R-Walk Project | | Computer software | | Total | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | | | | | |
| Cost | 102,695 | 102,695 | 30,937 | 27,841 | 133,632 | 130,536 |
| <u>Less</u> Accumulated amortisation | (33,236) | (26,254) | (18,342) | (16,433) | (51,578) | (42,687) |
| Net book value | <u>69,459</u> | <u>76,441</u> | <u>12,595</u> | <u>11,408</u> | <u>82,054</u> | <u>87,849</u> |

A reconciliation of the net book value of intangible assets for the year 2019 and 2018 is presented below.

| | (Unit: Thousand Baht) | | | |
|-------------------------------------|-----------------------|----------------|----------------------|---------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Net book value at beginning of year | 231,171 | 252,172 | 87,849 | 96,195 |
| Acquisitions | 4,137 | 732 | 3,104 | 395 |
| Write-off | (8) | - | (8) | - |
| Amortisation | (21,895) | (21,733) | (8,891) | (8,741) |
| Net book value at end of year | <u>213,405</u> | <u>231,171</u> | <u>82,054</u> | <u>87,849</u> |

16. Trade and other payables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Trade payables - related parties (Note 6) | 2,734 | 4,861 | 2,741 | 4,861 |
| Trade payables - unrelated parties | 65,046 | 53,734 | 53,903 | 53,734 |
| Other payables - related parties (Note 6) | 25 | 56 | 25 | 56 |
| Other payables - unrelated parties | 28,102 | 11,561 | 14,679 | 5,545 |
| Payables and accrued expenses from | | | | |
| purchase of fixed assets | 725,141 | 621,103 | 2,534 | 4,974 |
| Accrued expenses | 58,597 | 40,804 | 36,816 | 40,289 |
| Total trade and other payables | <u>879,645</u> | <u>732,119</u> | <u>110,698</u> | <u>109,459</u> |

19. Provision for long-term employee benefits

Provision for long-term employee benefits, was as follows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|---|-----------------------------------|---------------|---|--------------|---------------|---------------|
| | Post-employment benefits plan | | Other long-term employee benefits plan | | Total | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Provision for long-term employee | | | | | | |
| benefits at beginning of year | 14,353 | 13,197 | 1,833 | 1,561 | 16,186 | 14,758 |
| Included in profit or loss: | | | | | | |
| Current service cost | 4,056 | 3,491 | 292 | 161 | 4,348 | 3,652 |
| Interest cost | 463 | 393 | 28 | 26 | 491 | 419 |
| Past service costs | 1,850 | - | (964) | - | 886 | - |
| Actuarial gain | - | - | - | 340 | - | 340 |
| Included in other comprehensive income: | | | | | | |
| Actuarial (gain) loss arising from | | | | | | |
| Demographic assumptions changes | - | 2,043 | - | - | - | 2,043 |
| Financial assumptions changes | - | (2,301) | - | - | - | (2,301) |
| Experience adjustments | - | (2,470) | - | - | - | (2,470) |
| Benefits paid during the year | - | - | - | (255) | - | (255) |
| Provision for long-term employee | | | | | | |
| benefits at end of year | <u>20,722</u> | <u>14,353</u> | <u>1,189</u> | <u>1,833</u> | <u>21,911</u> | <u>16,186</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|---|----------------------------------|---------------|---|--------------|---------------|---------------|
| | Post-employment benefits plan | | Other long-term employee benefits plan | | Total | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Provision for long-term employee | | | | | | |
| benefits at beginning of year | 14,156 | 13,121 | 1,697 | 1,550 | 15,853 | 14,671 |
| Included in profit or loss: | | | | | | |
| Current service cost | 3,733 | 3,458 | 241 | 158 | 3,974 | 3,616 |
| Interest cost | 457 | 391 | 25 | 26 | 482 | 417 |
| Past service costs | 1,808 | - | (964) | - | 844 | - |
| Actuarial gain | - | - | - | 218 | - | 218 |
| Included in other comprehensive income: | | | | | | |
| Actuarial (gain) loss arising from | | | | | | |
| Demographic assumptions changes | - | 2,039 | - | - | - | 2,039 |
| Financial assumptions changes | - | (2,250) | - | - | - | (2,250) |
| Experience adjustments | - | (2,603) | - | - | - | (2,603) |
| Benefits paid during the year | - | - | - | (255) | - | (255) |
| Provision for long-term employee | | | | | | |
| benefits at end of year | <u>20,154</u> | <u>14,156</u> | <u>999</u> | <u>1,697</u> | <u>21,153</u> | <u>15,853</u> |

The Group expects to pay Baht 0.7 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.7 million) (2018: Baht 0.2 million, separate financial statement: Baht 0.2 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit of the Group is approximately 14 and 16 years (Separate financial statements: 14 years) (2018: 14 and 16 years, separate financial statements: 14 years).

Significant actuarial assumptions are summarised below:

| | Consolidated financial statements | | (Unit: percent per annum) Separate financial statements | |
|----------------------------------|--------------------------------------|------------|---|------------|
| | | | | |
| | 2019 | 2018 | 2019 | 2018 |
| Discount rate | 3.1 - 3.2 | 3.0 - 3.1 | 3.1 | 3.0 |
| Salary increase rate | 5.0 - 6.0 | 5.0 - 6.0 | 6.0 | 6.0 |
| Turnover rate (depending on age) | 3.8 - 34.4 | 3.8 - 34.4 | 3.8 - 34.4 | 3.8 - 34.4 |

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation from post-employment benefits plan as at 31 December 2019 and 2018 are summarised below:

| | (Unit: Million Baht) As at 31 December 2019 | | | |
|----------------------|--|--------------|----------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (2.1) | 2.5 | (2.1) | 2.4 |
| Salary increase rate | 2.6 | (2.2) | 2.5 | (2.1) |
| | Increase 20% | Decrease 20% | Increase 20% | Decrease 20% |
| | (2.8) | 3.7 | (2.7) | 3.5 |
| | | | | |

| | (Unit: Million Baht) As at 31 December 2018 | | | |
|----------------------|--|--------------|----------------------------------|--------------|
| | Consolidated financial statements | | Separate financial statements | |
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate | (1.5) | 1.8 | (1.5) | 1.7 |
| Salary increase rate | 1.7 | (1.5) | 1.6 | (1.4) |
| | Increase 20% | Decrease 20% | Increase 20% | Decrease 20% |
| | (1.8) | 2.3 | (1.7) | 2.2 |
| | | | | |

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 2 million (The Company only: Baht 2 million) as a result. The Group recorded the effect of the change by recognising past service costs as expenses in the statement of comprehensive income of the current period.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

21. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|----------------|----------------------|----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Current income tax: | | | | |
| Current income tax charge | 231,805 | 242,954 | 231,805 | 242,954 |
| Adjustment in respect of income tax of previous year | (713) | 2,067 | (713) | 2,067 |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (47,602) | (30,379) | (2,453) | (22,584) |
| Income tax expense reported in profit or loss | <u>183,490</u> | <u>214,642</u> | <u>228,639</u> | <u>222,437</u> |

The reconciliation between accounting profit and income tax expense is shown below.

| (Unit: Thousand Baht) | | | | |
|--|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Accounting profit before tax | 898,484 | 999,685 | 1,141,800 | 1,105,457 |
| Applicable tax rate | 20 percent | 20 percent | 20 percent | 20 percent |
| Accounting profit before tax multiplied by | | | | |
| income tax rate | 179,697 | 199,937 | 228,360 | 221,091 |
| Adjustment in respect of income tax | | | | |
| of previous year | (713) | 2,067 | (713) | 2,067 |
| Unused tax losses which not be utilised | 1,369 | 7,772 | - | - |
| Effects of elimination entries on the consolidated | | | | |
| financial statements | (22) | (32) | - | - |
| Effects of: | | | | |
| Non-deductible expenses | 7,595 | 8,160 | 1,824 | 2,541 |
| Additional expense deductions allowed | (6,363) | (1,705) | (884) | (1,705) |
| Others | 1,927 | (1,557) | 52 | (1,557) |
| Total | 3,159 | 4,898 | 992 | (721) |
| Income tax expense reported in profit or loss | 183,490 | 214,642 | 228,639 | 222,437 |

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

| (Unit: Thousand Baht) | | | | |
|-------------------------------------|---------------------|-------------|---------------------|-------------|
| | Consolidated | | Separate | |
| | financial statement | | financial statement | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Deferred tax on actuarial estimates | - | (546) | - | (563) |

The components of deferred tax assets and deferred tax liabilities are as follows:

| (Unit: Thousand Baht) | | | | |
|--|----------------------------------|---------------|----------------------|---------------|
| | Statements of financial position | | | |
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Deferred tax assets | | | | |
| Allowance for doubtful debts | - | 139 | - | 139 |
| Provision for long-term employee benefits | 4,382 | 3,237 | 4,231 | 3,170 |
| Differences of depreciation for accounting and tax purpose | 11,624 | 9,094 | 11,624 | 9,094 |
| Deposits received of rental and service income | 35,934 | 9,000 | 10,494 | 9,000 |
| Other unearned revenues | 1,091 | 1,445 | - | - |
| Unused tax losses | 103,061 | 14,435 | - | - |
| Deferred tax relating to intercompany transactions | 23,187 | 21,455 | - | - |
| Total | 179,279 | 58,805 | 26,349 | 21,403 |
| Deferred tax liabilities | | | | |
| Differences of tax and accounting of cost of investment properties and property, plant and equipment | 88,250 | 17,871 | - | - |
| Unrealised gain from revaluation of trading investments | 4,650 | 2,157 | 4,650 | 2,157 |
| Total | 92,900 | 20,028 | 4,650 | 2,157 |
| Deferred tax assets (liabilities) - net | 86,379 | 38,777 | 21,699 | 19,246 |
| Presentation in the statements of financial position | | | | |
| Deferred tax assets | 86,379 | 38,777 | 21,699 | 19,246 |

As at 31 December 2019, the subsidiaries have unused tax losses totaling Baht 94 million (2018: Baht 131 million), on which deferred tax assets have not been recognised as the subsidiaries' management believe that future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

| | (Unit: Million Baht) | |
|------------------|-----------------------------------|-------------|
| | Consolidated financial statements | |
| | <u>2019</u> | <u>2018</u> |
| 31 December 2019 | - | 44 |
| 31 December 2020 | 48 | 48 |
| 31 December 2021 | 41 | 36 |
| 31 December 2022 | 1 | 1 |
| 31 December 2023 | 2 | 2 |
| 31 December 2024 | 2 | - |
| | <u>94</u> | <u>131</u> |

22. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and its employees each contribute to the fund monthly at the rate of 4 to 6 percent of basic salary. The fund, which is managed by Thanachart Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 6 million (the Company only: Baht 6 million) were recognised as expenses. (2018: Baht 6 million, the Company only: Baht 6 million).

23. Dividends

| Dividends | Approved by | Total dividends (Million Baht) | Dividend per share (Baht) |
|--------------------------|--|-----------------------------------|------------------------------|
| Dividends for 2017 | Annual General Meeting of the shareholders on 24 April 2018 | 560 | 0.20 |
| Total dividends for 2018 | | <u>560</u> | <u>0.20</u> |
| Dividends for 2018 | Annual General Meeting of the shareholders on 23 April 2019 | 560 | 0.20 |
| Total dividends for 2019 | | <u>560</u> | <u>0.20</u> |

24. Expenses by nature

Significant expenses classified by nature are as follows:

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Salaries, wages and other employee benefits | 307,192 | 301,429 | 262,692 | 290,225 |
| Depreciation and amortisation expenses | 315,533 | 176,022 | 154,432 | 160,320 |
| Utilities expenses | 200,807 | 134,210 | 136,706 | 132,091 |
| Rental expenses | 189,805 | 80,572 | 93,746 | 80,396 |

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic earnings per share:

| | Consolidated | | Separate | |
|---|----------------------|-------------|----------------------|-------------|
| | financial statements | | financial statements | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Profit for the year (Thousand Baht) | 714,994 | 785,043 | 913,161 | 883,021 |
| Weighted average number of ordinary shares (Thousand shares) | 2,800,000 | 2,800,000 | 2,800,000 | 2,800,000 |
| Earnings per share (Baht per share) | 0.26 | 0.28 | 0.33 | 0.32 |

26. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Board of Executive Directors.

For management purposes, the Group is organised into business units based on its products and services and have three reportable segments as follows:

- (1) Development and rental of retail space in shopping center and related services segment.
- (2) Hotel operations segment
- (3) Food and beverages center segment

The Group has not aggregated the above operating segments. In addition, the Group operates in Thailand only, and so all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

For the year 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

The following tables present revenue, profit and total assets information regarding the Group operating segments for the year ended 31 December 2019 and 2018 are made up as follows:

| | (Unit: Million Baht) | | | | | |
|--|--|-------|--------------------------|-------|----------------------------------|--------|
| | Development and rental of retail space in shopping center and related services segment | | Hotel operations segment | | Food and beverage center segment | |
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenue: | | | | | | |
| Revenue from sale, rental and service external customers | 1,627 | 1,332 | 455 | 435 | 251 | 267 |
| | | | | | 2,333 | 2,034 |
| Operating profit: | | | | | | |
| Segment profit | 874 | 884 | 174 | 176 | 35 | 34 |
| Interest income | | | | | 56 | 45 |
| Other income | | | | | 76 | 38 |
| Depreciation and amortisation | | | | | (316) | (176) |
| Interest expenses | | | | | (1) | (1) |
| Profit before income tax expenses | | | 898 | 1,000 | | |
| Income tax expenses | | | (183) | (215) | | |
| Net profit for the year | | | 715 | 785 | | |
| Segment total assets: | | | | | | |
| Investment properties | 5,187 | 4,958 | - | - | - | - |
| Property, plant and equipment | 48 | 43 | 1,361 | 1,085 | 35 | 42 |
| Intangible assets | 212 | 230 | 1 | 1 | - | - |
| Leasehold rights | 30 | 32 | - | - | - | - |
| Unallocated assets | | | | | 4,811 | 4,928 |
| Total | | | | | 11,685 | 11,319 |

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of approximately Baht 464 million (The Company only: Baht 1 million) (2018: Baht 806 million, The Company only: Baht 3 million), relating to the construction of buildings, investment properties and hotel.

27.2 Operating lease and services commitments

The Group has entered into several operating lease and service agreements in respect of the lease of land, building space and other services. The terms of the agreements are generally between 1 to 30 years.

Future minimum lease payments of the Group required under these contracts were as follows:

| | (Unit: Million Baht) | | | |
|-----------------------------|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | As at 31 December | | As at 31 December | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Payable: | | | | |
| In up to 1 year | 273 | 128 | 91 | 116 |
| In over 1 and up to 5 years | 722 | 620 | 197 | 173 |
| In over 5 years | 6,568 | 6,704 | 20 | 21 |

Part of future minimum payments amounting to Baht 693 million (The Company only: Baht 3 million) (2018: Baht 489 million, The Company only: Baht 5 million) are recorded as liabilities under the straight line basis over the lease term in the consolidated statement of financial position as at 31 December 2019.

As at 31 December 2019, future minimum sublease payments expected to be received under subleases totaled approximately Baht 1,115 million (the Company only: Baht 21 million) (2018: Baht 18 million, the Company only: Baht 18 million). During the year 2019, the Group recognised rental expenses and subleasing revenue of Baht 69 million and Baht 452 million (the Company only: Baht 61 million and Baht 112 million) (2018: Baht 54 million, and Baht 90 million, the Company only: Baht 54 million and Baht 90 million).

27.3 Management agreements

- 27.3.1 The Company entered into a hotel management agreement with a company, whereby it was to receive hotel management services. The Company is required to comply with the conditions and pay fees at the rate specified in the agreement. The agreement is for a period of 10 years and effective from the date that the hotel has started its operations in 2011.
- 27.3.2 A subsidiary company entered into hotel management agreements with a company whereby it was to receive hotel management services. The subsidiary company is required to comply with the conditions and pay fees at the rate specified in the agreements. The agreement are for a period of 15 years, and will be effective when the hotel starting operation. At present, these hotels are in the process of design and preparation for the construction.
- 27.3.3 Another subsidiary company entered into hotel management agreements with a company whereby it was to receive hotel management services. The subsidiary company is required to comply with the conditions and pay fees at the rate specified in the agreements. The agreements are effective from the agreement date to 13 December 2049. At present, these hotels are in the process of preparation for the construction.

27.4 Guarantees

- 27.4.1 As at 31 December 2019, the Company has guaranteed bank credit facilities of the subsidiary amounting to Baht 12 million (2018: Baht 8 million).
- 27.4.2 As at 31 December 2019, the Group has outstanding bank guarantees of Baht 21 million (The Company only: Baht 9 million) (2018: Baht 34 million, The Company only: Baht 26 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee to guarantee electricity use and to guarantee payments due to construction creditors, among others.

28. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|---------|---------|--------|
| | As at 31 December 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Investments in trading securities debt instrument: | - | 2,208 | - | 2,208 |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | - | 14,285 | 14,285 |

(Unit: Million Baht)

| | Separate financial statements | | | |
|--|-------------------------------|---------|---------|-------|
| | As at 31 December 2019 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Investments in trading securities | | | | |
| debt instruments | - | 2,208 | - | 2,208 |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | - | 9,085 | 9,085 |

(Unit: Million Baht)

| | Consolidated/Separate financial statements | | | |
|--|--|---------|---------|-------|
| | As at 31 December 2018 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| Assets measured at fair value | | | | |
| Investments in trading securities | | | | |
| debt instruments | - | 1,465 | - | 1,465 |
| Assets for which fair value are disclosed | | | | |
| Investment properties | - | - | 7,677 | 7,677 |

29. Financial instruments

29.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, loans to, trade and other payables, liabilities under financial lease agreements, deposit receipts, accrued long-term lease of land and retention payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables. The Group manages the risk by adopting appropriate credit control and deposits policies and procedures and therefore, do not expect to incur material financial losses. Credit risk exposure from the granting of loans, since the borrowers are subsidiaries which are controlled over by the same management team, the Group does not expect to incur material financial losses in respect of these loans.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, current investments and loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019

| | Fixed interest rates | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
|---|----------------------|----------------|---------------------------|-------------------------|--------------|---|
| | Within 1 year | 1 - 5 years | | | | |
| Financial assets | | | | | | |
| Cash and cash equivalent | - | - | 216 | 4 | 220 | 0.10 - 0.50 |
| Current investments | 1,804 | - | - | 2,209 | 4,013 | 2.00 |
| Trade and other receivables | - | - | - | 201 | 201 | - |
| | <u>1,804</u> | <u>-</u> | <u>216</u> | <u>2,414</u> | <u>4,434</u> | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | 880 | 880 | - |
| Liabilities under finance lease agreements | 7 | 11 | - | - | 18 | 4.35 - 5.07 |
| Short-term deposits of rental and service income | - | - | - | 188 | 188 | - |
| Long-term deposits of rental and service income | - | - | - | 199 | 199 | - |
| Accrued long-term lease of land | - | - | - | 691 | 691 | - |
| Retention payables | - | - | - | 146 | 146 | - |
| | <u>7</u> | <u>11</u> | <u>-</u> | <u>2,104</u> | <u>2,122</u> | |

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018

| | Fixed interest rates | | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
|---|----------------------|----------------|-----------------|---------------------------|-------------------------|--------------|---|
| | Within 1 year | 1 - 5 years | Over 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalent | 300 | - | - | 322 | 4 | 626 | 0.10 - 1.75 |
| Current investments | 2,596 | 305 | 4 | - | 1,117 | 4,022 | 1.65 - 4.80 |
| Trade and other receivables | - | - | - | - | 47 | 47 | - |
| | <u>2,896</u> | <u>305</u> | <u>4</u> | <u>322</u> | <u>1,168</u> | <u>4,695</u> | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 732 | 732 | - |
| Liabilities under finance lease agreements | 4 | 3 | - | - | - | 7 | 5.07 - 7.23 |
| Short-term deposits of rental and service income | - | - | - | - | 204 | 204 | - |
| Long-term deposits of rental and service income | - | - | - | - | 195 | 195 | - |
| Accrued long-term lease of land | - | - | - | - | 484 | 484 | - |
| Retention payables | - | - | - | - | 118 | 118 | - |
| | <u>4</u> | <u>3</u> | <u>-</u> | <u>-</u> | <u>1,753</u> | <u>1,760</u> | |

(Unit: Million Baht)

Separate financial statements as at 31 December 2019

| | Fixed interest rates | | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
|--|----------------------|----------------|-----------------|---------------------------|-------------------------|--------------|---|
| | Within 1 year | 1 - 5 years | Over 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalent | - | - | - | 77 | 3 | 80 | 0.10 - 0.50 |
| Current investments | 1,804 | - | - | - | 2,209 | 4,013 | 2.00 |
| Trade and other receivables | - | - | - | - | 51 | 51 | - |
| Loans to and interest receivable from related parties | - | 705 | 2,498 | 180 | 227 | 3,610 | 2.00 - 7.00, MLR |
| | <u>1,804</u> | <u>705</u> | <u>2,498</u> | <u>257</u> | <u>2,490</u> | <u>7,754</u> | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 111 | 111 | - |
| Liabilities under finance lease agreements | 2 | 2 | - | - | - | 4 | 5.07 |
| Short-term deposits of rental and service income | - | - | - | - | 167 | 167 | - |
| Long-term deposits of rental and service income | - | - | - | - | 56 | 56 | - |
| Retention payables | - | - | - | - | 6 | 6 | - |
| | <u>2</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>340</u> | <u>344</u> | |

(Unit: Million Baht)

Separate financial statements as at 31 December 2018

| | Fixed interest rates | | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
|--|----------------------|----------------|-----------------|---------------------------|-------------------------|--------------|---|
| | Within 1 year | 1 - 5 years | Over 5 years | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalent | 300 | - | - | 267 | 4 | 571 | 0.10 - 1.75 |
| Current investments | 2,596 | 305 | 4 | - | 1,117 | 4,022 | 1.65 - 4.80 |
| Trade and other receivables | - | - | - | - | 47 | 47 | - |
| Loans to and interest receivable from related parties | - | - | 2,530 | 180 | 126 | 2,836 | 2.00 - 7.00, MLR |
| | <u>2,896</u> | <u>305</u> | <u>2,534</u> | <u>447</u> | <u>1,294</u> | <u>7,476</u> | |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 109 | 109 | - |
| Liabilities under finance lease agreements | 4 | 3 | - | - | - | 7 | 5.07 - 7.23 |
| Short-term deposits of rental and service income | - | - | - | - | 187 | 187 | - |
| Long-term deposits of rental and service income | - | - | - | - | 60 | 60 | - |
| Retention payables | - | - | - | - | 6 | 6 | - |
| | <u>4</u> | <u>3</u> | <u>-</u> | <u>-</u> | <u>379</u> | <u>386</u> | |

Foreign currency risk

The Group has no material exposure to foreign currency risk.

29.2 Fair values of financial instruments

Since the majority of the Group's financial instruments, except for investments in trading securities, are short-term in nature or carry interest at rates close to market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

30. Capital management

The primary objective of the Group's capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 0.28:1 (2018: 0.26:1) and the Company's was 0.80:1 (2018: 0.10:1).

31. Events after the reporting period

On 28 February 2020, the Company's Board of Directors meeting passed a resolution to propose the payment of a dividend of Baht 0.20 per share from the net profit of year 2019, totaling Baht 560 million, for approval at the 2019 Annual General meeting of the shareholders.

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2020.



**POSITIVE ATTITUDE
MOTIVATE TO BUSINESS GROWTH**

Audit Fee

Audit Fee

- In 2019 audit fee of the Company and its subsidiaries has been paid for audit firm (EY Office Limited) in the amount of Baht 3.71 million. While, in 2018 the Company and its subsidiaries had been paid for audit firm in the amount of Baht 3.41 million.

Non-Audit Fee

- None

Project Location

The Platinum Fashion Mall



Address : 222 The Platinum Fashion Mall Building 11th Floor,
Petchaburi Road, Ratchathewi,
Bangkok 10400
Telephone : 0 2121 9999, 0 2121 8000

The Wharf Samui



Address : 62 Mo.1 Bophut, Samui Island,
Surat Thani 84320
Telephone : 0 7742 5499, 0 7742 5500

Novotel Bangkok Platinum Pratunam



Address : 220 Petchaburi Road, Ratchathewi
Bangkok 10400
Telephone : 0 2209 1700

The Market Bangkok



Address : 111 Ratchadamri Road, Lumpini,
Pathum Wan, Bangkok 10330

Corporate Information

The Platinum Group Public Company Limited

| | |
|-------------------------|--|
| Business type | Develop and lease property, hotel and food court |
| Head office | 222/1398 The Platinum Fashion Mall Building 11th Floor, Petchaburi Road, Ratchathewi, Bangkok 10400 |
| Telephone | 0 2121 9999 |
| Tax | 0 2121 9500 |
| Company Register Number | 0107557000241 |
| Registered capital | 2,800,000,000 Baht |
| Paid-in capital | 2,800,000,000 Baht comprised of ordinary share of 2,800,000 shares |
| Par value | par of 1 Baht |
| Preferred stock | none |
| Website | www.theplatinumgroup.co.th |

| | |
|--------------------|--|
| Investor Relations | 222/1398 The Platinum Fashion Mall Building 11th Floor, Petchaburi Road, Ratchathewi, Bangkok 10400 |
| Telephone | 0 2121 9999 ext 55 |
| Email | ir@theplatinumgroup.co.th |

Reference Firm

| | |
|----------------------------|--|
| Registrar of common shares | Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building Floor 1st Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 |
| Telephone | 0-2009-9999 |
| Authorized Auditor | EY Office Limited 33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110 Isaraporn Wisutthiyan Certified Public Accountant (Thailand) No.7480 Telephone 0 2264 0777 Fax 0 2264 0789 |
| Financial Advisor | Maybank Kim Eng Securities (Thailand) Public Company Limited 999/9 The Office at Central World 20th - 21st Floor, Rama 1 Road, Pathumwan, Bangkok 10330 Telephone 0 2658 6300 |



THE PLATINUM GROUP PUBLIC COMPANY LIMITED

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