



# ANNUAL REPORT 2019





## VISION

CHEWATHAI aspires to be the preferred choice in real estate by relentlessly enhancing its products and services to transcend customers' satisfaction.

## MISSION

1. Nurture Life-partnerships with customers
2. Invest continuously in its human capital
3. Foster resilient bonds with business associates
4. Embrace utmost responsibility towards its community & environment



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# BUILD A LIFE

Build a life with top convenience living. Located in a desirable location with an international standard of constructions completed with professional teams that are ready to welcome every Chewathai residents.











# CHEWATHAI RESIDENCE SERIES

CHEWATHAI RESIDENT is a High-rise project the answer of luxury life style. The unique design focus on privacy with delicacy to choose the best thing for every detail.





 <p>CHEWATHAI RESIDENCE BANG PHO</p>	<p>CHEWATHAI RESIDENCE THONGLOE</p>
<p>CHEWATHAI RESIDENCE THONGLOE</p>	 <p>CHEWATHAI RESIDENCE ASOKE</p>




# CHEWATHAI SERIES

CHEWATHAI Brand is a High-rise project focus on convenience and comfort. Living functions are the answer of your expectations and full of desired utilities.





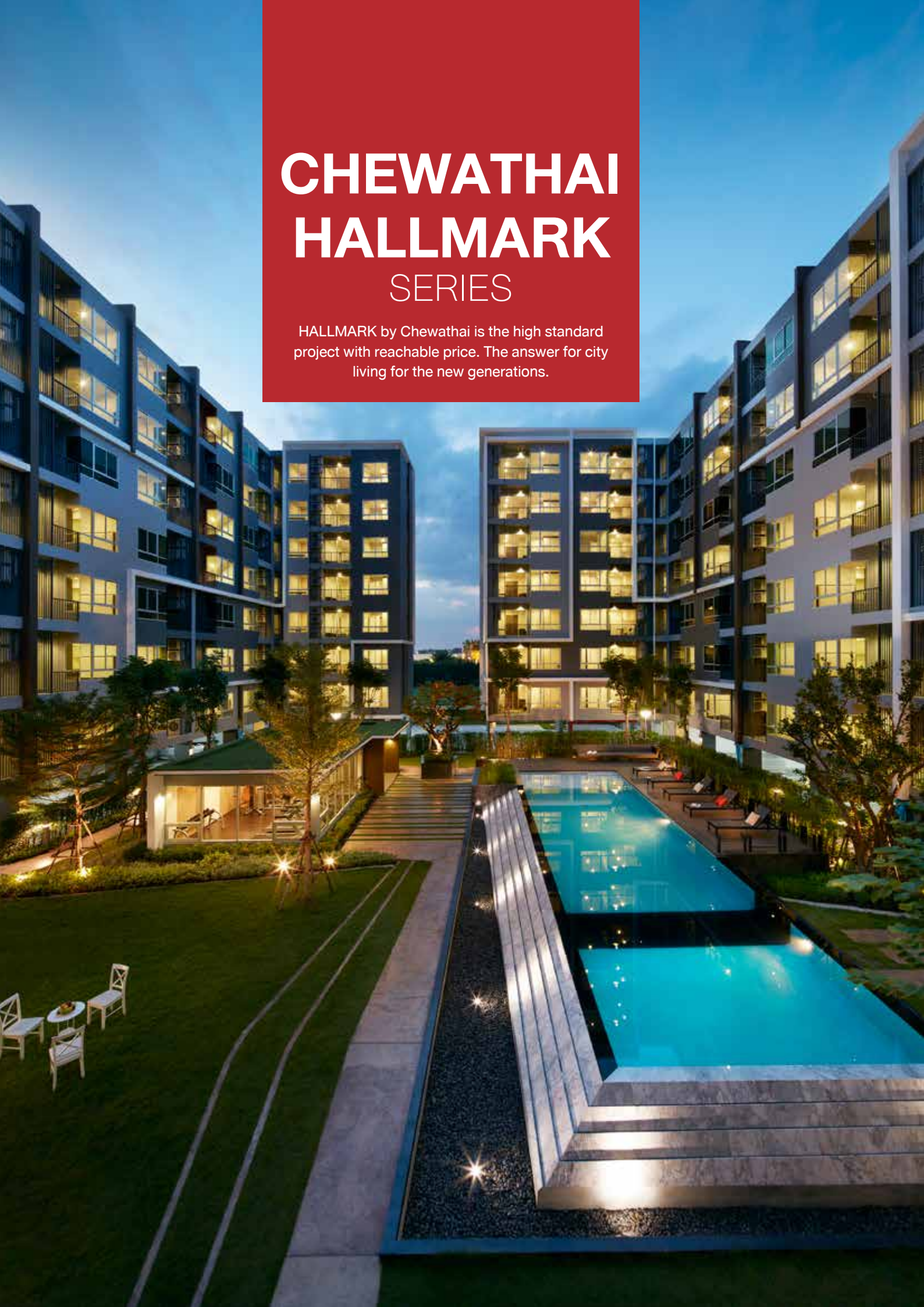


<p><b>CHEWATHAI</b> KASET-NAWAMIN</p>		<p><b>CHEWATHAI</b> PHETKASEM 27</p>
<p><b>CHEWATHAI</b> PINKLAO</p>		
<p><b>CHEWATHAI</b> RATCHAPRAROP</p>	<p><b>The Surawong</b> By Chewathai Group</p>	<p><b>CHEWATHAI</b> RAMKHAMHAENG</p>



# CHEWATHAI HALLMARK SERIES

HALLMARK by Chewathai is the high standard project with reachable price. The answer for city living for the new generations.









# CHEWATHAI HOUSES & TOWNHOMES SERIES

Creating a sustainable family living with Chewa Home – the beyond quality home in charming location. Aesthetic in view and outstanding in function common area for the leisure of all residents.









# CHEWATHAI READY BUILT FACTORIES

CHEWATHAI has Ready Built Factories for Rent with cater to various needs and requirements. Our factories are designed to give tenants great flexibility and convenience to shorten start - up period and save start - up costs. Chewathai also provides built - to - suit factories for tenants with specific technical or location requirements.





# HOME OFFICES

CHEWA BIZ HOME

Chewathai sees the potential of the growth of your business with a home office, not just a workplace but is a residence at the same time. Since we consider the importance of a family that has to walk together with your business dreams



**CHEWA  
BIZ HOME**  
EKACHAI - BANGBON



# FINANCIAL

## HIGHLIGHTS

(Unit: Million Baht)

For the year ended 31 December	2019	2018	2017	2016	2015
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### Financial position

Total Assets	6,404.31	4,465.39	3,646.39	3,171.30	2,354.98
Total Liabilities	4,663.86	2,623.80	2,537.12	2,195.03	1,667.85
Total Shareholders' Equity	1,740.45	1,841.59	1,109.27	976.27	687.13

### Operating Results

Total Revenues	1,154.37	2,676.34	2,042.42	1,200.72	1,429.94
Revenue from sales of real estate	1,113.89	2,621.60	2,013.69	1,158.13	1,401.58
Rental and services income from rental	25.32	20.45	19.59	16.53	13.54
Gross Profit from sales of real estate	292.72	782.87	573.09	327.76	390.92
Selling & Administrative expenses	360.15	444.15	360.88	239.94	247.71
Profit for the Years	(55.06)	264.81	155.50	63.08	83.22

### Financial Ratio

Current Ratio (Times)	1.51	6.38	1.63	1.59	1.66
Return on Assets (%)	(0.83)	9.37	6.77	4.42	7.29
Return on Equity (%)	(3.07)	17.96	14.91	7.58	15.96
Gross Profit Margin from sales of real estate (%)	26.28	29.86	28.46	28.30	27.89
Gross Profit Margin from rental factory (%)	48.38	40.07	44.98	34.82	20.38
Net Profit Margin (%)	(4.77)	9.89	7.61	5.25	5.82
Debt to Equity Ratio (Times)	2.68	1.42	2.29	2.25	2.43
Interest-Bearing Debt to Equity Ratio (Times)	2.42	1.30	1.71	1.87	2.03

### Stock detail

Basic Earnings per Share (Baht)	(0.04)	0.24	0.21	0.09	0.25
Book Value per Share (Baht)	1.37	1.44	1.48	1.30	1.41
Market price per Share (Baht)	0.49	1.08	1.34	1.62	-

### Financial Position 2019

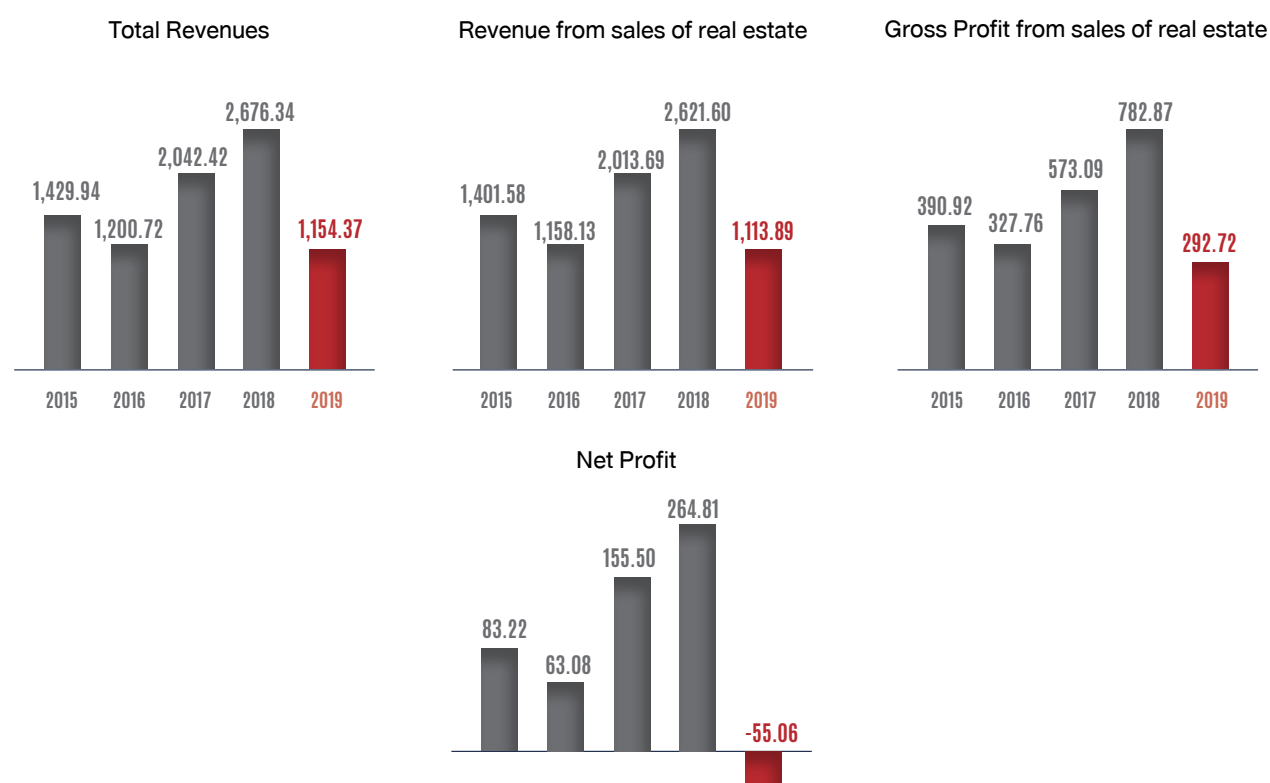
(Unit : Million Baht)





## Operations Results 2019

(Unit : Million Baht)



## Financial Ratio 2019







**Chewathai Public Company Limited**  
was affected by the economic challenges,  
it continues to follow the policy of product  
and service quality development.

**Mr. Chartchai Panichewa**  
Chairman



# **MESSAGE**

## FROM CHAIRMAN

In 2019, the economic situation had various challenges, especially the residential real estate market, that were caused by the economic slowdown affecting confidence and consumers' purchasing power that had not recovered from the previous year as well as measures from the Bank of Thailand to control the quality of credit in the system (LTV), which is a factor that significantly influences the purchase decision, including many accumulated inventories in the market until they cause a price war. Although there are positive factors from the Cabinet that approved economic stimulating measures at the end of the year, measures to reduce the burden of expenses for the purchase of housing and marketing support for housing operators to motivate buying decisions during the last quarter of the year.

Despite Chewathai Public Company Limited ("the Company") was affected by the economic challenges, it continues to follow the policy of product and service quality development, particularly the improvement of the after-sales service system, which is the key to maintain customer groups, product quality-oriented strategy adjustment, improvement of the internal management system for effective management with the highest standard in order to create a competitive advantage, including searching for business alliances to be another strategy that will help meet various needs of customers and create more competitive potential. Nowadays, the company has a total of 24 vertical and horizontal projects under development in Bangkok and its surrounding provinces, representing approximately 24,877 million baht and continues to develop new projects to expand the product categories and more varieties. For the inventory management, the company implements quite well. The company does not have a very high amount of inventories that is an important part of the ability to manage financial statements with maximum efficiency.

The Board gives priority to the management under the principles of good corporate governance, commitment to the development of sustainable business growth, keeping up with the economic, social and environmental changes, along with the continuous development of morality and transparency. Investors, shareholders and all stakeholders are able to monitor and check operations, and the company supports the Board of Directors, executives and employees to be committed in performing their duties according to the good corporate governance policy of the company because creation of a good image will generate credibility and trust.

Finally, as the Chairman of the Board, I would like to thank all customers, shareholders, investors, institutional investors, business partners, and the company's employees for their valuable support to the company. The company will take care and maintain the maximum interests of all stakeholders with our full capability to strengthen our business growth alongside social and environmental sustainability.



# REPORT

## OF THE AUDIT COMMITTEE

The Audit Committee of Chewathai Public Company Limited consist of 3 directors who are expert and have experience in finance, accounting, law, and management. Mrs. Supaporn Burapakusonsri is the Chairman of Audit Committee while Mr. Chaityut Techatassanasoontorn and Mr. Pinit Hanpanich are the Audit Committee. The three Audit Committee members do not take part in the management and are not the Company's employees. All members are fully qualified as determined the Securities and Exchange Commission of Thailand.

Independent directors are able to give opinions independently and in accordance with the assignment on Board. In 2019, the Audit Committee organized 4 meetings and had special agendas for meeting with internal auditors and the auditors without the management's presence for discussion and inquire of cooperation officer and auditor's independence from the management, that cooperation from the management has accurate disclosure of all material information and independence verification in financial statement of company and subsidiary company. The subject matters can be summarized as follows:

**1. Audit of the financial statements of 2019:** The Audit Committee considered and audited the quarterly financial statements and the financial statements of 2019 with the internal auditor and the auditor. Independency of performance, the auditor's expression of opinions which may affect the financial statements, appropriateness of the accounting record, scope of audit, correct, complete, and sufficient disclosure of information as well as independency of the auditor were discussed to ensure that the financial statements were prepared in accordance with the legal provisions and financial report standards and that the auditor did not express opinions indicating that the Company's financial statements contain important remarks.

In each quarterly meeting, opinions were exchanged and remarks were acknowledged from the auditor. The Company is prepared to support the improved accounting system in timely, reliable and complete manner to endure accurate financial statements.

**2. Audit of connected transactions or related transactions or transactions which may cause conflict of interest:** The Audit Committee audited connected transactions or related transactions or transactions which may cause conflict of interest of the Company and its subsidiaries to ensure that the Company strictly complied with the rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), had transparency in operations and reasonably made connected or related transactions or the transactions which may cause conflict of interest as defined by the Stock Exchange of Thailand by considering the stakeholders' benefit. The Audit Committee suggests that the related transactions incurred during the year were normal course of business and made for the benefit of the Company. Also, the information was appropriately disclosed.

**3. Audit of the internal control system:** The Audit Committee audited the internal control system for the year 2019. The Company appointed Miss Watthanee Wongbutrod of Dharmniti Internal Audit Company Limited to be the Company's auditor who performed audit on the Company's operations, provided suggestions and followed up the results of performances. Also, the auditor reported the results of internal control system audit to the Audit Committee. According to the results, no weaknesses or faults were found in the internal control system which may significantly affect the Company's business operations. The Audit Committee expressed the opinion that the Company has effective and appropriate internal control system and risk management. The auditor also assessed the internal control system but not any significant weaknesses which may significantly affect the Company's financial statements were found.

**4. Audit under the anti-corruption measures:** The Audit Committee performed audit on the internal control measures as well as governance, compliance with the anti-corruption measures, and determination of preventive procedures for possible corruption by providing channels for complaints and whistleblowing through the Company's website and email. Training was arranged to communicate anti-corruption measures. The audit results show that no weaknesses or faults were detected in the internal control system in accordance with the significant anti-corruption measures, which the Audit Committee considers that the Company has appropriate internal control system and risk management measures in accordance with the anti-corruption measures as determined by the project of the Collective Action against Corruption.

**5. Audit of good corporate governance and compliance with the applicable law and regulations:** The Audit Committee performed audit on the Company's compliance with the good corporate governance policy and code of conduct as well as compliance with the rules, regulations and law and found that directors, executives and employees complied with the law, regulations and code of conduct of the Company. Furthermore, the Company provided various channels for misconduct reports via mail and other channels to ensure compliance with the policy on acceptance of complaints and whistleblowing based upon social and environmental responsibilities as well as performance of CG Code 2017 under the principles of sustainability.

**6. Performance report to the Board of Directors:** The Audit Committee made the report on performance of the Audit Committee and the results of financial statements audit submitted to the Board of Directors once every three months and made the Audit Committee's report to be disclosed in the annual report of 2019 as determined by SEC. In the past year, however, the Audit Committee did not find any events or circumstances indicating any transactions or actions which may significantly affect the Company's financial status or operating results.

**7. Charter and self-evaluation of the Audit Committee:** The Audit Committee reviewed the Audit Committee Charter on annual basis and conducted self-assessment in accordance with the good practices defined by the Stock Exchange of Thailand by conducting self-, group and individual evaluation. The results suggest that the Audit Committee performed their duties carefully and independently in accordance with the good practices and the Audit Committee Charter. The results of the Audit Committee performance shall be reported quarterly to be implemented as the guidelines of performance development.

**8. Selection of the auditor and consideration of the auditor's remuneration:** The Audit Committee considered the operating results in the past year of the certified public accountant and proposed for nomination of the certified public accountant from EY Company Limited as the Company's auditor for the year 2019 as well as proposing the auditor's remuneration for the year 2019 to the Board of Directors prior to presentation to the shareholders' meeting for approval of the auditor appointment and remuneration determination.

In conclusion, the Audit Committee considers that the Company adheres to the management in accordance with the good corporate governance policy, contributing to the Company's management system and internal control system not having any significant faults. Moreover, the Company operated its business by taking account of the utmost benefit of the Company subject to the Board of Directors' policies.



**Mrs. Supaporn Burapakusolsri**  
Chairman of the Audit Committee



# REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

As of 31 December 2019, the Nomination and Remuneration Committee consists of 3 members who are independent directors and fully qualified as defined in the requirements as follows:

1. Pol.Lt.Gen Visanu Prasattongsoth Chairman of Nomination and Remuneration Committee / Independent Director
2. Mrs. Supaporn Burapakusolsri Nomination and Remuneration Committee / Independent Director
3. Mr. Chaiyut Techatassanasoontorn Nomination and Remuneration Committee / Independent Director

The Nomination and Remuneration Committee performed their duties assigned by the Board of Directors as stipulated in the Nomination and Remuneration Committee Charter, which is to nominate qualified persons as assigned. In 2019, there were 2 meetings and the meeting results along with the opinions and suggestions were reported to the Board of Directors regularly. Important matters can be summarized as follows:

1. Review and approve the Nomination and Remuneration Committee Charter to be proposed to the Board of Directors for approval.
2. Propose the annual general shareholders' meeting to re-appoint the retired directors due to the end of term.
3. Determine remuneration of directors for 2019 by comparing the results of director remuneration survey in similar industry and business size to be proposed to the Board of Directors for approval prior to presenting to the shareholders' meeting for approval.
4. Consider performance of the rules on entitling minority, shareholders have the opportunity to participated effectively in decision-making involving significant corporate matters, establishing criteria that allow minority shareholders to propose agenda items for shareholders' meeting, nominate persons to serve as directors of the company shareholders should be allowed to submit questions prior to the 2020 Annual General Meeting of Shareholders and posted on the company's website.
5. Consider the methods of performance assessment of the Board of Directors, the sub-committees and the Chief Executive Officer in the form of self-evaluation in group and individually.
6. Determine succession plan for directors and executives to ensure continuity of work.
7. Consider criteria of pay raise for 2019 together with Human Capital Division and Executive Committee. The pay raise shall be made at appropriate rate in line with the Company's operating results to solicit and retain skilled employees having good performance.

In 2019, the Nomination and Remuneration Committee performed the duties assigned by the Board of Directors completely, carefully and independently for the overall benefit of the Company and shareholders.

**Pol.Lt.Gen Visanu Prasattongsoth**  
Chairman of Nomination and Remuneration Committee

# REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Company aims to maintain good corporate governance for sustainable and continuous development by taking account of all stakeholders, ethics, business transparency, accountability, and determination of practical anti-corruption policy. Therefore, the Corporate Governance Committee was formed, which consists of 2 independent directors and 1 executive director, on 11 November 2016. The role of the Corporate Governance Committee is to supervise the business operations to ensure equitable treatment for all stakeholders, contributing to the Company's sustainable growth in accordance with the principles of good corporate governance defined by the Stock Exchange of Thailand.

The 3 members of the Corporate Governance Committee are listed below.

- |                                     |   |
|-------------------------------------|---|
| 1. Mr. Chaiyut Techatassanasoontorn | Chairman of Corporate Governance Committee / Independent Director |
| 2. Mrs. Supaporn Burapakusolsri     | Corporate Governance Committee / Independent Director             |
| 3. Mr. Boon Choon Kiat              | Corporate Governance Committee / Managing Director                |

In 2019, there were 3 Corporate Governance Committee's meetings. Committee performed their duties within the scope of the roles and responsibilities defined in the Charter and assigned by the Board of Directors as follows:

1. **Considering, reviewing and presenting good corporate governance policy to the Board of Directors:** The Corporate Governance Committee reviewed the improvement of good corporate governance policy and code of conduct to ensure conformity of the principles of good corporate governance and the methods of listed companies' corporate governance defined by Thai Institute of Directors and proposed it to the Board of Directors for approval. The good corporate governance policy and code of conduct shall be further implemented as guidelines for operations and development of the Company's business.
2. **Explanation and dissemination of the principles of good corporate government:** The Corporate Governance Committee ensured that the Company disclosed and explained the essence of good corporate governance policy and procedure of fair treatment for stakeholder to directors, executives and employees as well as shareholders, creditors, debtors, partners, and all other stakeholders. In addition, the Company distributed code of conduct documents to directors, executives and employees who signed upon receipt to confirm their acknowledgement.
3. **Disclosure of information for corporate governance assessment:** The Corporate Governance Committee ensured that the Company disclosed complete information about its business operations and performance to external agencies for the purpose of survey and assessment as well as raking of the Company's good corporate governance. The results thereof shall be used as the basis for enforcing corporate governance principles on the Company's operations to ensure social and environmental responsibilities and create sustainable corporate value. Also, the Company was fostered to collaborate in the following surveys:
  - The Principles of Good Corporate Governance for Listed Companies
  - Corporate Governance Principles of Listed Companies (CGR) 2019 by Thai Institute of Directors (IOD)
  - Quality Assessment of 2019 Annual General Shareholders' Meeting by Thai Investors Association (TIA)
  - Corporate Governance Code under the new CG Code



4. **Participation on anti-corruption project:** The Corporate Governance Committee considered determining the basis of corporate governance related to anti-corruption policy and proposed the Board of Directors to approve of joining Thailand's Private Sector Collective Action Coalition Against Corruption.
5. **Review of Corporate Governance Committee Charter:** In 2019, the Corporate Governance Committee considered improving of Corporate Governance Committee Charter to align with participation in Thailand's Private Sector Collective Action Coalition Against Corruption and proposed it to the Board of Directors for approval.
6. **Supervision of performance:** The Corporate Governance Committee supervised team operations to ensure compliance with the Company's corporate governance principles and good corporate governance code. Sub-committees shall report their performance results to the Board of Directors, as well as the progress of projects related to corporate governance to achieve the indicated goals. Also, minority shareholders were encouraged to propose agendas for the shareholders' meeting and send their questions about the Company prior to the annual shareholders' meeting in accordance with the Securities and Stock Exchange Act and good corporate governance code.
7. **Self-evaluation:** The Board of Directors and individual directors were required to perform self-evaluation, as well as the sub-committees, Chief Executive Officer and the Company Secretary, on annual basis. The results shall be used as the basis for improvement and development of work efficiency.
8. **Audit of corporate governance report:** The corporate governance report disclosed in the annual report was audited to ensure conformity to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In conclusion, in 2019, the Corporate Governance Committee satisfactorily performed their duties as assigned by the Board of Directors to achieve the indicated objectives; for example,

- The Company was evaluated as being at excellent level (5 stars) in 2019 in the survey of Corporate Governance Report of Thai Listed Companies (CGR) conducted by Thai Institute of Directors (IOD).
- In the shareholders' meeting 2019 on 2 April 2019, the Company received 100 points from Thai Investors Association (TIA) which was best Developmental.
- On 26 February 2019, Thai Institute of Directors (IOD) certified the Company as a member of Thailand's Private Sector Collective Action Coalition Against Corruption.
- On 12 October 2019, the Company received Certified ISO 14001:2015 Scope : Sales of Condominiums.
- On 26 November 2019, The company has received the SET Award 2019 in the Outstanding Investor Relations Awards 2019, For company listed on mai.

The Corporate Governance Committee shall put their best effort on performing the duties assigned by the Board of Directors as well as maintaining, improving and developing work efficiency on the basis of correct and transparent business conduct, leading to effective and efficient achievement of the determined goals and objectives.

**Mr. Chaiyut Techatassanasoontorn**

President of the Corporate Governance Committee

# **REPORT OF THE**

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee consist of independent directors and executive directors who have knowledge and abilities as well as understanding the Company's business operation and risk management. The 3 members of the Risk Management Committee as listed below.

- |                                     |  |
|-------------------------------------|--|
| 1. Mrs. Supaporn Burapakusolsri     | Chairman of Risk Management Committee / Independent Director |
| 2. Mr. Chaikut Techatassanasoontorn | Risk Management Committee / Independent Director             |
| 3. Mr. Boon Chun Kiat               | Risk Management Committee / Managing Director                |

In 2019, there were 3 Risk Management Committee's meetings. The Committee performed their duties within the scope of the roles and responsibilities defined in the Charter and assigned by the Board of Directors as follows:

- Appointing 19 members of the Risk Management Team of the year 2019.
- Considering various types of risks including Strategic Risk, Operational Risk, Reporting Risk, Compliance Risk, and Anti-Corruption Risk and risk control measures were determined to minimize the opportunities and possible effects.
- Considering risk management plan according to the assessment results of the Risk Management Team and indicating the rank of risks along with risk management methods to limit them at acceptable level or minimize possible occurrences
- Monitoring and reviewing the operating results of risk management plan subject to the determined risk management policy and framework to ensure that the Company conducted risk management continuously and efficiently
- The Risk Management Committee reviewed and improved the risk management plan to align with the Company's business and conducted anti-corruption risk assessment which is part of anti-corruption policy
- The Risk Management Committee review and improve the charter annually to cover all rules, regulations and law which have been changing according to the current situations
- The Risk Management Committee assess their own performance in group and individually on annual basis. The results shall be used as the basis of performance improvement.

As the Board of Directors, executives and employees acknowledge the importance of compliance with the principles of good corporate governance and risk management, the Risk Management Committee are certain that their performance in the past year was successful in that it could ensure that the Company's risk management policy was appropriate and continuously implemented to the extent that the risks were at acceptable level, leading to the Company's achievement of the determined business's goals and the utmost benefit of shareholders and stakeholder.

**Mrs. Supaporn Burapakusolsri**  
Chairman of Risk Management Committee



# THE DIRECTORS



## 1. Mr. Chartchai Panichewa

- Chairman of the Board of Directors
- Chairman of the Executive Committee and The Authorized director of the Company

## 2. Mr. Boon Choon Kiat, CFA, CPA

- Director
- Executive Director
- Member of the Corporate Governance Committee
- Member of Risk Management Committee
- Managing Director and The Authorized director of the Company

## 3. Mrs. Somhatai Panichewa

- Directors
- Executive Director and The Authorized director of the Company

## 4. Mrs. Supaporn Burapakusolsri

- Independent Director
- Chairman of the Audit Committee
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance Committee
- Chairman of Risk Management Committee

## 5. Pol.Lt.Gen Visanu Prasattongosoth

- Independent Director
- Chairman of Nomination and Remuneration Committee

## 6. Mr. Chaiyut Techatassanasoontorn

- Independent Director
- Member of the Audit Committee
- Member of Nomination and Remuneration Committee
- Chairman of Corporate Governance Committee
- Member of Risk Management Committee

## 7. Mr. Pinit Harnphanich

- Independent Director
- Member of the Audit Committee



## Mr. Chartchai Panichewa

Chairman of the Board of Directors,  
Chairman of the Executive Committee and  
The Authorized director of the Company  
Age 58 Years

<b>Total of CHEWA shares</b>	2,076,923 shares (0.16%) (December 30, 2019)
<b>Date of Appointment</b>	13 March 2008
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>• Master Degree in International Business and Marketing University of San Francisco, USA</li> <li>• Bachelor Degree in Banking University of San Francisco, USA</li> <li>• Associated Degree from Roger Williams College, Rhode Island, USA</li> <li>• Director Accreditation Program (DAP) Class 9/2004</li> <li>• Diploma, National Defence College, The National Defence Course Class 2009</li> <li>• Top Executive Program, Capital Market Academy Class 13 (CMA.13) Capital Market Academy</li> <li>• Thailand Insurance Leadership Program Class 2 Office of Insurance Commission (OIC)</li> <li>• Advanced Security Management Program Class 3 National Defence College of Thailand</li> <li>• Top Executive Program in Commerce and Trade (TEPCoT) Class 6 Commerce Academy</li> <li>• Top Executive Program in Urban Green Development Class 3 (Mahanakorn 3) Navamindradhiraj University</li> <li>• Top Executive Program in Urban Leader Class 1 (Urban Leader 1) Navamindradhiraj University</li> <li>• Business Revolution and Innovation Network Class 1 (BRAIN 1) The Federation of Thai Industries</li> </ul>
<b>Work Experiences</b>	<ul style="list-style-type: none"> <li>• Advisor to Deputy Prime Minister</li> <li>• Secretary General of ASEAN Federation of Glass Manufacturers</li> <li>• Vice Chairman Glass Manufacturers of The Federation of Thai Industries</li> <li>• Vice Chairman Siam Tree Development Co., Ltd.</li> <li>• Executive Vice President Thai Asahi Glass Public Co., Ltd.</li> <li>• Executive Member The International Commission on Glass</li> <li>• Advisor to Chairman of The Federation of Thai Industries</li> <li>• Advisor to Committee of Industry, the House of Representatives</li> <li>• Director Chemical Marketing Co., Ltd.</li> <li>• Director of Sustainable Enterprise Advisory Center Thammasat Business School, Thammasat University</li> <li>• Chairman of Executive Director Paragon Car Rental Co., Ltd. (Hertz)</li> </ul>



**Current Position****Position in listed company**

1994 - Present	Executive	Director Cathay Leaseplan PLC.
2005 - Present	Chairman	ATP30 PLC.
2007 - Present	Executive Director	TTL Industries PLC.
2008 - Present	Chairman	Chewathai PLC.
2016 - Present	Chairman	ThaiSri Insurance PLC.

**Positions in other company**

2018 - Present	Director	TTL Capital Co.,Ltd.
2018 - Present	Director	Chewathai Home Office Co.,Ltd.
2018 - Present	Chairman	Glass Manufacturers Industry Club, The Faderation of Thai Industries
2018 - Present	Vice Chairman	The Faderation of Thai Industries
2018 - Present	Chairman	Thailand International Chamber of Commerce
2017 - Present	Director	Four Point O Plus Co.,Ltd.
2017 - Present	Director	Navamindradhiraj University
2017 - Present	Director	Chewa Heart Co.,Ltd.
2015 - Present	Committee Member of R.B.S.C.	Polo Club Badminton Committee
2015 - Present	Director	Paibul Business Co.,Ltd.
2014 - Present	Director	Paibul Capital Co.,Ltd.
2013 - Present	Director	DT and G Co.,Ltd.
2013 - Present	Director	Chewathai Interchange Co.,Ltd.
2011 - Present	Chairman	Global Environmental Technology Co., Ltd.
2008 - Present	Director	Chewathai Hup Soon Co.,Ltd.
2008 - Present	Vice Chairman	Bangkok Crystal Co., Ltd.
2006 - Present	Director	Pailuck Company Limited
2006 - Present	Director	Paibul Business Company Limited
2005 - Present	Director	Bangkok Crystal Company Limited
2005 - Present	Director	Kromadit Park Company Limited
2004 - Present	Director	Amata Petroleum Company Limited
1997 - Present	Director	Chartchewa Co.,Ltd.
1993 - Present	Executive Director	Chang Island Resort Co.,Ltd. (Barali Beach Resort)
1993 - Present	Executive Director	Sima Thani Hotel Co.,Ltd.



## Mr. Boon Choon Kiat, CFA, CPA

Director, Executive Director,  
Member of the Corporate Governance Committee,  
Member of Risk Management Committee,  
Managing Director and The Authorized director of the Company  
Age 46 years

**Total of CHEWA shares** None

**Date of Appointment** 13 March 2008

**Education/Training**

- Bachelor of Accountancy, Nanyang Technological University, Singapore
- CFA Charterholder
- Chartered Accountant (Singapore)
- Director Certification Program (DCP) Class 155/2012

### Work Experiences

- Non-Executive Director & Finance Director TEE Land Ltd., Singapore
- Director Viet-TEE Co.,Ltd. Vietnam
- Director Global Environmental Technology Co.,Ltd.
- Director Oscar Design and Decoration Co.,Ltd.
- Director Oscar Estate Management Co.,Ltd.
- Director Trans Equatorial Indochina Co.,Ltd.
- Director Oscar Property Management Co.,Ltd

### Current Position

#### Position in listed company

2015 - Present	Director	Chewathai PLC.
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#### Positions in other company

2017 - Present	Director, Managing Director	Chewa Heart Co.,Ltd.
2013 - Present	Director, Managing Director	Chewathai Interchange Co.,Ltd.
2008 - Present	Director	Chewathai Hup Soon Co.,Ltd.
2019 - Present	Director	Chewathai Home Office Co.,Ltd.
2019 - Present	Director	Kamala Senior Living Co.,Ltd.
2019 - Present	Director	Thai Condominium Association





## Mrs. Somhatai Panichewa

Directors,

Executive Director and The Authorized director of the Company

Age 54 Years

**Total of CHEWA shares** 1,298,076 shares (0.10%) (December 30, 2019)

**Date of Appointment** 13 March 2008

**Education/Training**

- Master of Management Sasin Graduate Institute of Business Administration Chulalongkorn University
- Bachelor of Education Chulalongkorn University
- Director Certification Program (DCP) Class 104/2008
- Top Executive Program, Capital Market Academy Class 9 (CMA.9) Capital Market Academy
- Top Executive Program in Urban Green Development Class 1 (Mahanakorn 1) Navamindradhiraj University
- Advance Security Management Program ASMP 8
- Thai-Chinese Leadership (TCL1)

### Work Experiences

- Director B. Grimm Power Co.,Ltd.
- Chief Business Officer, Amata Corporation PCL.
- Director Koll-Amata Co.,Ltd.
- Managing Director AMT Marketing & Consultant Co.,Ltd.
- Marketing Manager Bangpakong Industrial Park 2 Co.,Ltd.
- QA Supervisor Seagate Technology (Thailand) Co.,Ltd.

### Current Position

#### Position in listed company

2015 - Present	Director	Chewathai PLC.
2015 - Present	Director	ATP 30 PLC.
2012 - Present	Director, Chief Executive Officer	Amata VN PLC.

#### Positions in other company

2015 - Present	Chairperson	Amata Township Long Thanh JSC.
2013 - Present	Chief Executive office	Amata Asia Limited
2013 - Present	Director	Chewathai Interchange Co.,Ltd.
2011 - Present	Director	Global Environmental Technology Co.,Ltd.
2004 - Present	Director President	Amata City Bien Hoa Joint Stock Company
1997 - Present	Director	Chartchewa Co.,Ltd.
1995 - Present	Director	Amata Holding Company Limited
1994 - Present	Director	Amata City Bien Hoa JSC.

**Total of CHEWA shares**

None

**Date of Appointment**

18 February 2015

**Education/Training**

- Master of Accounting Program (MAP) Thammasat University
- Bachelor of Accounting (B.Acc.) Thammasat University Certified Public Accountant (CPA)
- Director Accreditation Program (DAP) class 87/2011 Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee Program (RCC) class 13/2011 Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) class 172/2013 Thai Institute of Directors Association (IOD)
- Advance Audit Committee Program (AACP) 23/2016 Thai Institute of Directors Association (IOD)
- New Financial Reporting Standards and taxation effect, EY
- The Audit Committee's Role in Compliance and Ethical Culture Oversight Thai Institute of Directors Association (IOD)
- The Business in the abnormalities era, EY
- Research Alliance Dialogue on Corporate Governance 2017 Thai Institute of Directors Association (IOD)
- Audit Committee Forum 2018, Thai Institute of Directors Association (IOD)
- Chief Financial Officer Certification Program Class 4, Federation of Accounting Professions
- The College of the Air Force Class 35, Royal Thai Air Force
- Management of Public Economics for Executives Class 7, King Prajadhipok's Institute
- Tax & Legal Insights, PwC
- New International Financial Reporting Standards (IFRSs) for 2018, PwC
- Financial reports for non-public stakeholders, Federation of Accounting Professions
- The ethics of the accounting practitioner, Federation of Accounting Professions
- News story and the company's accounting fraud, registered class 1/2018, Federation of Accounting Professions
- IT Directors need to hear but be afraid to ask, Thai Institute of Directors Association (IOD)
- Audit Committee of the future-driving through the era of disruption Thai Institute of Directors Association (IOD)
- COSO ERM 2017 Enterprise Risk Management Integrating with Strategy and Performance, SET
- Annual Seminar for Audit Committee under the heading "Sustainability of the business in the digital age: know quickly - use to be" EY
- Tax Insights, PwC
- New International Financial Reporting Standards (IFRSs) for 2019, PwC



**Education/Training  
(continue)**

- News story about corruption and violations of the accounting standards of listed companies, Class 1/62, Federation of Accounting Professions
- How Block chain influence the business operations, Federation of Accounting Professions
- Refreshment Traditional Costing Class 1/62, Federation of Accounting Professions
- The financial statements TFRS Class 2/62, Federation of Accounting Professions
- Proactive InsurTech for National Sustainability, Office of Insurance Commission (OIC)
- Seminar issues “Audit adjustment” SEC

**Work Experiences**

- Director Suvarnabhumi Airport Hotel Co.,Ltd.
- Senior Executive Vice President (Planning and Finance) Airport of Thailand PLC.

**Current Position**
**Position in listed company**

2015 - Present	Independent Director	Chewathai PLC.
2017 - Present	Independent Director	Thaivivat Insurance PLC

**Positions in other company**

2017 - Jan 2019	Independent Director, Chairman of the Audit Committee	S N Service Solutions Co.,Ltd.
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**Total of CHEWA shares**

None

**Date of Appointment**

12 September 2018

**Education/Training**

- Bachelor of Arts (Economics), Vanderbilt University Tennessee USA
- Master of Business Administration, University of San Francisco California USA
- Master of Political Sciences, Sukhothai Thammathirat Open University
- Diploma, National Defense College, The National Defense College (TNDC) Class 53
- Top Executive Program, Capital Market Academy Class 2 (CMA.2) Capital Market Academy
- Federal Bureau Investigation (FBI) National Academy
- Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) Class 11/2004
- Audit Committee and Continuing Development Program (ACP) Class 7/2005
- Finance for Non-Finance Director (FN) Class 19/2005
- Corporate Governance for Capital Market intermediaries (CGI) Class 3/2015
- Advance Audit Committee Program (AACP) Class 20/2015

**Work Experiences**

- Commissioner Office of Human Resources, Royal Thai Police
- Deputy Commissioner, Immigration Bureau, Royal Thai Police
- Commander, Foreign Affairs Division, Royal Thai Police
- Director SBI THAI ONLINE Co.,Ltd.

**Current Position****Position in listed company**

2018 - Present	Independent Director	Chewathai PLC
2009 - Present	Chairman of The Audit	Committee Finansia Syrus Securities PCL.
2004 - Present	Independent Director	Finansia Syrus Securities PLC.
2000 - Present	Director	Bangkok Airway PLC.

**Positions in other company**

2016 - Present	Assistant Commissioner General	Royal Thai Police
2009 - Present	Director	Khao Kor Wind Power Co.,Ltd.
2008 - Present	Director	Sustainable Energy Corporation Co.,Ltd.
2006 - Present	Director	Thai Kodama Co.,Ltd.
1994 - Present	Director	Bira Property Co.,Ltd.
1986 - Present	Director	Mae Arppn Co.,Ltd.
Present	Director	Modernmanu Co.,Ltd.



## Mr. Chaikut Techatassanasoontorn

Independent Director, Member of the Audit Committee,  
Member of Nomination and Remuneration Committee,  
Chairman of Corporate Governance Committee,  
Member of Risk Management Committee

Age 50 years

**Total of CHEWA shares** 1,661,538 shares (0.13%) (December 30, 2019)

**Date of Appointment** 18 February 2015

**Education/Training**

- Master of Management Johnson & Wales University, Rhode Island USA
- Bachelor of Law Thammasat University
- Director Accreditation Program (DAP) class 119/2015 Thai Institute of Directors Association (IOD)
- Audit Committee of the future-driving through the era of disruption Thai Institute of Directors Association (IOD)
- Annual Seminar for Audit Committee under the heading "Sustainability of the business in the digital age: know quickly - use to be" EY

### Work Experiences

- Senior Lawyer KANUNG & PARTNERS LAW OFFICE Co.,Ltd.

### Current Position

#### Position in listed company

2015 - Present	Independent Director	Chewathai PLC.
2012 - Present	Independent Director	TTL INDUSTRIES PLC

#### Positions in other company

2014 - Present	Director	Paibul Capital Co.,Ltd.
2014 - Present	Director	Kiartiland Co.,Ltd.
2013 - Present	Director	Kiarti Thane Country Club Co.,Ltd.
2009 - Present	Director	General Insurance Broker Co.,Ltd.
2009 - Present	Director	The Litigator Co.,Ltd.





## Mr. Pinit Harnphanich

Independent Director

Member of the Audit Committee

Age 64 years

<b>Total of CHEWA shares</b>	None	
<b>Date of Appointment</b>	12 September 2018	
<b>Education/Training</b>	<ul style="list-style-type: none"> <li>• Master degree of Political Science (Government), Thammasart University</li> <li>• Bachelor degree of Political Science (Public Administration), Thammasart University</li> <li>• Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD)</li> </ul>	
<b>Work Experiences</b>	<ul style="list-style-type: none"> <li>• The Governor Samutprakan Province</li> <li>• Director General Department of Lands</li> <li>• The Governor Lamphun Province</li> </ul>	
<b>Current Position</b>		
<b>Position in listed company</b>		
2018 - Present	Independent	Director Chewathai PLC.
2017 - Present	Director	Bangkok Chain Hospital PLC.
<b>Positions in other company</b>		
2016 - Present	Retired Government Official	Ministry of Interior

# MANAGEMENT

## TEAM



13

11

9

7

5

2

1

3

4

6

8

10

12

**1. Mr. Boon Choon Kiat, CFA, CPA**

- Managing Director

**2. Ms. Sunantra Mahaprasitchai**

- Executive Vice President Finance and Accounting

**3. Ms. Jirapat Chatpech**

- Executive Vice President Sales & Marketing CHEWA 3

**4. Mr. Yuthana Boonsitivaraporn**

- Executive Vice President Operation

**5. Mr. Nathanan Ratanaphan**

- Executive Vice President Sales & Marketing CHEWA 1

**6. Ms. Suparat Ngamsuptaweekoon**

- Senior Vice President Internal Audit

**7. Ms. Aunyapach Peerapakdeepong**

- Senior Vice President Sales & Marketing CHEWA 2

**8. Mr. Jerdpong Meephadung**

- Senior Vice President Aftersales Service

**9. Mr. Visuth Piriyaakkaradej**

- Senior Vice President Customer Service

**10. Mr. Peerapong Jumpeesri**

- Senior Vice President Human Capital

**11. Mr. Chatchai Praphaipant**

- Senior Vice President Construction

**12. Mr. Audomporn Chansributh**

- Senior Vice President Business Development

**13. Mr. Somnuk Prapruittitaweechai**

- Senior Vice President Operation

# SUPPORT

## MANAGEMENT TEAM



**Mr. Prathompat Poolruangpao**  
Vice President Construction



**Mr. Naruphon Janswang**  
Vice President Legal



**Mr. Peerapon Bantip**  
Vice President Government  
Relations



**Mr. Chatree Thiraworakul**  
Vice President Marketing  
Communication



**Mr. Panyapon Sopan**  
Vice President Product  
Development



**Ms. Oratai Arayayan**  
Vice President Purchasing



**Ms. Essaya Phankawong**  
Vice President Customer Service



**Ms. Chanitsara Yingnork**  
Company Secretary



**Ms. Katsama Arome**  
Vice President Finance and  
Accounting



**Ms. Kasamol Sanjaitham**  
Vice President Finance and  
Accounting



**Ms. Nitcha Thipattaradechasawet**  
Vice President Sales



**Mr. Thosaporn Chandet**  
Vice President Sales



**Mr. Poobest Samranrengjit**  
Vice President Customer  
Relationship Management



**Mr. Thajakorn Suwankhai**  
Vice President IT



**Ms. Apiradee Pistaengam**  
Vice President Sales



**Mr. Pakpong Chakthengtham**  
Vice President Marketing



**Mr. Supot Wantanaboon**  
Vice President Cost Control



**Mr. Saksit Boonwanich**  
Vice president Finance and  
Accounting



**Mr. Wanas Wongmas**  
Vice President Business  
Development



**Mr. Hariz Gro-thong**  
Vice President Aftersales Service



**Mr. Kittikhun Simanonthaparinya**  
Vice President Marketing



**Mr. Yoswaris Ponsombut**  
Vice President Business  
Development



**Ms. Paveena Chaisri**  
Vice President Business  
Development



# AWARDS



BCI

BCI Asia Top 10 Developer Awards 2019



CAC

Collective Action Coalition Against Corruption (CAC)



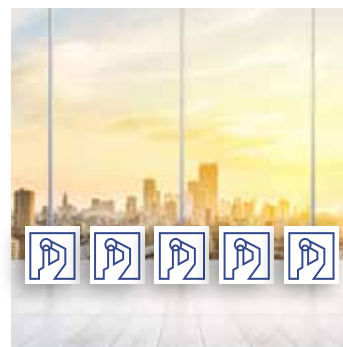
SET AWARDS 2019

Outstanding Investor Relations Awards 2019



CGR

Corporate Governance Report of Thai Listed Companies 2019 (CGR 2019)



TIA

Annual General Shareholders' Meeting 2019 Assessment Project

# ACTIVITIES

## IN 2019



### The 2019 Annual General Meeting of Shareholders

Mr. Chartchai Panichewa (the 4<sup>th</sup> individual from the left) Chairman and Mr. Boon Choon Kiat (the 3<sup>rd</sup> individual from the left), Managing Director and Directors, attended the 2019 annual meeting of shareholder. The shareholders agreed to issue not more than 1,500 million baht of debentures and to pay the dividend of 0.085 baht per share, the record date for dividend payment date on 10 April 2019 and dividend payment date on 29 April 2019 at Golden Tulip Sovereign Hotel Bangkok on 2 APR 2019.

### Chewathai Society Gave the Sacred Orange in Bags and the Chinese New Year's Gifts for the Happiness and Good Luck of the Residents in 2019

Chewathai Society conducted an activity for the happiness and good lucks of the residents that was "Chewathai Chinese New year 2019" during the Chinese New Year's Festival by preparing the gifts and sacred oranges for the residents in Chewarom Rangsit-Don Mueang and Chewathai Hallmark Ngamwongwan. There was also the lion dance by a famous lion dancing team, "Luang Pu Wat Krok Krak Team from Samut Sakhon Province" for the happiness and good lucks of the residents.



### Relationship Building Activity for the Communities around the Project in the National Children's Day

"Chewathai Society", which was led by Khun Phubet Samranroengjit, the Deputy Assistant Managing Director of the Department of Customer Relations, conducted the relationship building activity for the communities around the project in the national children's day at Mitsamphan Community in Khlong Nueng Sub-District, Pathum Thani Province. In the mentioned activity, the community leaders and villagers had good participation. Moreover, the good relationships between the nearby communities and Chewathai community were built.

### Chewathai (Public) Limited Company or CHEWA Received the Outstanding Investor Relations Awards 2019 for the Registered Companies in the MAI Stock Market

"Miss Sunantha Mahaprasitchai, the Deputy Managing Director of Finance and Accounting, received the Outstanding Investor Relations Awards 2019 for the registered companies in MAI stock market in the SET Awards 2019. This award was given to the registered company with the outstanding investor relations in order to reflect that the company valued the organizational involvement for building the trusts of the shareholders and investors on 26<sup>th</sup> November 2018 at the Stock Exchange of Thailand."





### The Certificate of Membership for the Thai Private Sector Collective Action Coalition Against Corruption (CAC)

Mr. Boon Choon Kiat (Left) Managing Director of Chewathai Public Company Limited or CHEWA received the Membership Certificate for the Thai Private Sector in the Collective Action Coalition Against Corruption or CAC ) from Mr. Kitipong Urapeepatthanapong (Right), the CAC committee, in the certificate ceremony for the companies approved as the members of CAC. There were the 24 approved companies. It was held in the Grand Ballroom of Inter Continental Hotel Bangkok.

### The Main Pillar Lifting Ceremony at Chewathai Residence Thonglor

On 18<sup>th</sup> January 2019, Mr. Chatchai Panichchewa, the chairperson, and Mr. Boon Chun Kiat, the managing director, led the sacred king post installation ceremony of Chewathai Residence Thonglor Project, which was the first condominium project in Thonglor area, with the company's employees and Sales Department of the project.



### Community Enterprise Supporting (Corporate Social Responsibility or CSR) Activity for Schools

Khun Boon Chun Kiat, the Managing Director, managers and employees treated the students in the project, "Chewathai Developing the Society for Sustainable Communities" to a meal at Ban Pa Lao School, Mae Sa-Ngae Campus, Mae Tha District, Lamphun Province. This activity bought the products and foods from the OTOP housewife group in Ban Hong, Lamphun Province, and it was also supported by the community leaders and villagers. Moreover, the good relationships between the nearby communities and villagers were built. The activity for the communities by Chewathai was also promoted to other people.

### mai Forum 2019 Attendance

Mr. Boon Choon Kiat, Managing Director, led the management team and employees to open the booth in mai Forum 2019 gathering new generations in the 20<sup>th</sup> anniversary of the implementation of the "Growth" "Partnership" and "Sustainable" concepts. Many investors were interested in the booth in the Bangkok Convention Center, 22<sup>nd</sup> Floor, Centara Grand at Central World Hotel on 13<sup>th</sup> July 2019.







### Merit Making for the 11<sup>th</sup> Anniversary of Chewathai Public Company Limited

On Tuesday 13<sup>th</sup> March 2019, Chewathai Public Company Limited or CHEWA made merits for the 11<sup>th</sup> anniversary of the establishment of the company with the secured growth. Mr. Chartchai Panichewa, Chairman and Mr. Boon Choon Kiat, Managing Director with Directors and Top management leading the company's employees to worship spirits and invite nine monks in order to conduct Buddhist rituals and chant prayers for the good luck of Chewathai Public Company Limited, Head Office.

### Chewathai Society Movie Day #5

Chewathai Society led by Mr. Boon Choon Kiat, Managing Director, conducted an activity, Chewathai Society Movie Day #5, by taking the residents and mass media to watch a film, "AVENGERS:END GAME". The atmospheres were impressive. There were games and gifts. The Chewathai family and mass media were not only full and satisfied, but they also enjoyed the great film at Esplanade Cineplex Ratchada.



### The Brahman Ritual, the Household Shrine Installation of "Chewathai Phetkasem 27"

The Executive and employees attend the Brahman ritual, the household shrine installation, and the opening of the flyover of Chewathai Phetkasem 27. Mr. Chartchai Panichewa, Chairman of Chewathai Public Company Limited and Mr. Boon Choon Kiat, Managing Director with executive and employees and residents of the project attend the ritual for the good lucks and the official opening of the flyover on the project on 6<sup>th</sup> June.

### Chewathai Society Movie Day #6

Chewathai Society conducted an activity, Chewathai Society Movie Day #6, by taking the residents and mass media to watch a film, "Tootsies and the Fake". The atmospheres were impressive. There were games and gifts. The Chewathai family and mass media were not only full and satisfied, but they also enjoyed the great film at Siam Paragon Cineplex @ Siam Paragon.





### The Learning Center Improvement and Provision for the School in the CSR Activity

Khun Boon Chun Kiat, the Managing Director, managers and employees gave the local wisdom learning center to Ban Pa Lao School, Mae Tha District, Lamphun Province in the project, "Chewathai Developing the Society for Sustainable Communities". The company valued the sustainability that may be beneficial for the school and community in many aspects; for example, improved life qualities and value added jobs for the sustainability of the community.



### The Exclusive Party at Chewathai Residence Asoke Project

Chewathai Society led by Mr. Poobest Samranrengjit, Vice President Customer Relationship Management, held the exclusive party with Atom for the residents of Chewathai Residence Asoke. The atmospheres were great with the classic sunset at the Sunset Lounge on the 9<sup>th</sup> floor with the exclusive show by a famous artist, Atom Chanakan. The feedbacks were good at Chewathai Residence Asoke.



### CHEWA Joined the Main Pillar Lifting Ceremony at Chewathai Kaset-Nawamin

It was the great occasion for the official Main Pillar Lifting at Chewathai Kaset-Nawamin. Mr. Boon Choon Kiat, Managing Director of Chewathai Public Company Limited, Mr. Pisan Sirisuksakulchai, Vice president of Pylon Public Company Limited, Mr. Thanapol Chuenjit, Managing director of UWORK999 Company Limited, managers and employees joined the ceremony at the ceremony area on Wednesday, 12<sup>th</sup> June 2019.





### The Main Pillar Lifting Ceremony at Chewathai Hallmark Charan 13

Mr. Chartchai Panichewa, Chairman and Mr. Boon Choon Kiat, Managing Director and Executive teams of Chewathai Public Company Limited or CHEWA had the great occasion for the official main pillar lifting at Chewathai Hallmark Charan 13 on Wednesday, 22<sup>nd</sup> May 2019 at the project's location.

### The Exclusive Party with Praew Kanitkul

On 23 February 2019, "Chewathai Society" led by Mr. Phubet Samranrerngjit, Vice President Customer Relationship Management held the #Exclusive Party with Praew Kanitkul at "Chewathai Residence Bang Pho" with the fun atmospheres for the happiness of the Chewathai's families in the project, #Nong Chewa, the Handsome Guy, and the invited artist, Praew Kanitkul, in the evening. There were also Free1 foods and drinks in the party. Importantly, "Praew Kanitkul also had a surprise by giving her handmade gifts to the families in the part". The activity on that day had good feedbacks.



### Giving Gifts from the Results of the CSR Policy to the Mass Media

Mr. Boon Chun Kiat, Managing director and Executive of Financial and Accounting and Executive of Public relations gave gift baskets with the yields from the Thai farmers and community enterprises under the company's CSR policy to the mass media in the occasion of the New Year 2019.

### "BCI Asia Top 10 Developer Awards 2019"

Chewathai Public Company Limited received the reward for "BCI Asia Top 10 Developer Awards 2019" or 1 in 10 best developers of Thailand of the country in Asia as Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand and, Vietnam for the honor property developers who have good quality products, beautiful designs and focus on supporting the creation of socially responsible architecture on 18<sup>th</sup> June 2019 at Grand Ballroom, Centara Grand at Central World.







### The TOA CUP Soccer Tournament

In June 2019, the company supported employees to join the TOA Cup soccer tournament with monetary support and jersey sets in order to promote workouts and good relationships with colleagues. The company's team entered the final round as the leader of the group.

### The Donation to the Temple

The Executives and employees donated money for public benefits and Wat Makok (near Chewawan Pinklao-Sathorn) on 28<sup>th</sup> June.



### The Building Provision for the School in the CSR Activity

Khun Boon Chun Kiat, the Managing Director, managers and employees gave the learning center for Ban Pa Lao, Mae Sa-Nage Campus, Mae Tha District, Lamphun Province in the project, "Chewathai Developing the Society for Sustainable Communities". The mentioned activity promote the younger people's awareness of learning and studying in their home community instead of other places in order to encourage them to love their hometown and develop their community.

# **GENERAL**

## COMPANY INFORMATION

<b>Company Name</b>	: <b>Chewathai Public Company Limited</b>
<b>Main Symbol</b>	: CHEWA
<b>Business Type</b>	: Property
<b>Registration No.</b>	: 0107558000181
<b>Registered and Paid-up Capital</b>	: THB 1,275,027,883 with a par value of THB 1.00
<b>Head Office</b>	: 1168/80 Lumpini Tower 27th Floor., Unit D, Rama IV Road, Tungmahamek Sub-District, Sathorn, Bangkok 10120, Thailand
<b>Telephone</b>	: (02) 679 8870 - 4
<b>Facimile</b>	: (02) 679 8875
<b>Website</b>	: <a href="http://www.chewathai.com">www.chewathai.com</a>
<b>Chewatahi Call Center</b>	: 1260
<b>Company's Secretary</b>	: <b>Ms. Chanitsara Yingnork</b> Telephone (02) 679 8870 - 4 ext. 163 Email <a href="mailto:companysecretary@chewathai.com">companysecretary@chewathai.com</a>
<b>Investor Relations</b>	: <b>Ms. Jitraporn Yakae</b> Telephone (02) 679 8870 - 4 ext. 137 e-mail: <a href="mailto:ir@chewathai.com">ir@chewathai.com</a>

### Reference

<b>Share Registrar</b>	: <b>The Thailand Securities Depository Co., Ltd</b>
<b>Address</b>	: The Stock Exchange of Thailand Building, 93 Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400
<b>Telephone</b>	: (02) 009 9000
<b>Facimile</b>	: (02) 009 9991
<b>Auditor</b>	: <b>Ms. Rungnapa Lertsuwankul</b>
<b>Auditor No.</b>	: 3516
<b>Company Name</b>	: EY Office Limited
<b>Address</b>	: 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
<b>Telephone</b>	: (02) 264 9090
<b>Facimile</b>	: (02) 264 0789-90



<b>Legal Counselor</b>	:	<b>Kudun &amp; Partners</b>
<b>Address</b>	:	127 Gaysorn Tower , 23th Floor, Unit C, F , Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand
<b>Telephone</b>	:	(02) 656 0818
<b>Facimile</b>	:	(02) 656 0819
<b>Internal Auditor</b>	:	<b>Dharmniti Internal Audit Company Limited</b>
<b>Address</b>	:	178 Dharmniti Building 5th Floor, Soi Permsap (Pracha Chuen 20), Pracha Chuen Road, Bangsue, Bangkok 10800, Thailand
<b>Telephone</b>	:	(02) 596 0500
<b>Facimile</b>	:	(02) 596 0539

Investors can find further information on the Company from the Company's Annual Registration Statement (56-1) which can be downloaded at [www.sec.or.th](http://www.sec.or.th) or [www.chewathai.com](http://www.chewathai.com).





# NATURE OF BUSINESS

## OPERATION AND PRODUCTS

Chewathai Public Company Limited and its subsidiaries operate the business in a manner of 2 main business groups including the residential real estate development and ready-built factory for rent.

### 1. Residential Real Estate Development

The company will focus on the development of real estate for sale by giving priority to the selection of project locations in Bangkok and perimeter areas or potential communities with convenient transportation. The company places importance on locations on the main roads that are convenient to travel, near expressways or along the rail transport stations, both in the present and the future. The company also focuses on locations with good community environments with full facilities to create new options for those who want to live in good environment with safety and convenience for travelling to various places.

Currently, there are subsidiaries and joint venture companies under the management of Chewathai Public Company Limited for operating the residential real estate development business, namely Chewathai Interchange Company Limited (“Chewathai Interchange”), Chewa Heart Company Limited (“Chewa Heart”), Chewathai Hup Soon Company Limited (“Chewathai Hup Soon”), and Chewathai Home Office Company Limited that is the real estate development business in the form of a home office. Furthermore, the company established a joint venture with Kamala Senior Living Company Limited as well.

#### 1.1 Condominium Project Development

The company started its real estate development business from developing condominium projects for sale, both the high rise and low rise buildings with different project design concepts by considering several important factors, especially the characteristics and needs of the target customers of that project. The company also considers the maximum utilization of the space of a suite and the selection of decorations or furniture, sanitary ware and various materials with superior quality. The company has a wide range of quality and various products that cover all price levels to meet the needs of consumers according to the unique characteristics of the product groups.

**CHEWATHAI  
RESIDENCE**



#### CHEWATHAI RESIDENCE SERIES

Product : Luxury Condominium

**CHEWATHAI**



#### CHEWATHAI SERIES

Product : High Rise Condominium

**CHEWATHAI  
HALLMARK**



#### CHEWATHAI HALLMARK SERIES

Product : Low Rise Condominium

The condominium projects of the company and its subsidiaries can be divided into product groups as follows:

Project Name	<b>Chewathai Ratchprarop</b>
Developer	Chewathai Public Company Limited
Location	Ratchaprarop Rd., Makkasan Sub -District, Ratchathewi District, Bangkok.
Project Land Area	2-0-90 Rai
Sellable Area	17,093 sq.m.
Project Value	A high-rise (26-storey) condominium building
Project Value	1,350 million THB
Total Units	325 units
Construction progress	100%
Sales progress	100%



Project Name	<b>The Surawong</b>
Developer	Chewathai Hup Soon Co.,Ltd.
Location	Surawong Rd., Si Phraya Sub — District, Bang Rak District, Bangkok.
Project Land Area	0-2-40 Rai
Sellable Area	2,774 sq.m.
Project Value	A low-rise (8-storey) condominium building
Project Value	350 million THB
Total Units	52 units
Construction progress	100%
Sales progress	100%



Project Name	<b>Chewathai Ramkhamhaeng</b>
Developer	Chewathai Public Company Limited
Location	Ramkhamhaeng Rd., Hua Mak Sub - District, Bang Kapi District, Bangkok.
Project Land Area	3-3-32 Rai
Sellable Area	17,054 sq.m.
Project Value	A high-rise (33-storey) condominium building
Project Value	1,100 million THB
Total Units	535 units
Construction progress	100%
Sales progress	100%



## CHEWATHAI RATCHAPRAROP

## The Surawong By Chewathai Hup Soon

## CHEWATHAI RAMKHAMHAENG



Project Name	<b>Chewathai Interchange</b>
Developer	Chewathai Interchange Co.,Ltd.
Location	Pracharaj sai 2 Rd., Bangsue Sub-District/ District, Bangkok.
Project Land Area	1-3-12.5 Rai
Sellable Area	10,353 sq.m.
Project Value	A high-rise (26-storey) condominium building
Project Value	1,050 million THB
Total Units	279 units
Construction progress	100%
Sales progress	100%

## CHEWATHAI HALLMARK CHAENGWATTANA



Project Name	<b>Hallmark Chaengwattana</b>
Developer	Chewathai Public Company Limited
Location	Chaeng Watthana - Pak Kret Soi 17 Rd., Bang Pud Sub - District, Pak Kret District, Nonthaburi.
Project Land Area	3-1-75 Rai
Sellable Area	13,193 sq.m.
Project Value	Two low-rise (8-storey) condominium buildings
Project Value	780 million THB
Total Units	427 units
Construction progress	100%
Sales progress	100%

## CHEWATHAI HALLMARK NGAMWONGWAN



Project Name	<b>Hallmark Ngamwongwan</b>
Developer	Chewathai Interchange Co., Ltd.
Location	Soi Duangmanee, Bang Khen Sub - District, Mueang Nonthaburi District, Nonthaburi.
Project Land Area	7-0-70.5 Rai
Sellable Area	23,265 sq.m.
Project Value	Four low-rise (8-storey) condominium buildings
Project Value	1,200 million THB
Total Units	792 units
Construction progress	100%
Sales progress	100%



Project Name	<b>Chewathai Residence Bang Pho</b>
Developer	Chewathai Public Company Limited
Location	Pracharaj sai 2 Rd., Bangsue Sub - District/ District, Bangkok.
Project Land Area	1-1-94.3 Rai
Sellable Area	2,364 sq.m.
Project Value	A high-rise (24-storey) condominium building
Project Value	1,040 million THB
Total Units	172 units
Construction progress	100%
Sales progress	100%

## CHEWATHAI RESIDENCE BANG PHO



Project Name	<b>Chewathai Phetkasem 27</b>
Developer	Chewathai Public Company Limited
Location	Phetkasem Rd., Bang Wah Sub - District, Phasicharoen District, Bangkok, Thailand
Project Land Area	4-0-36 Rai
Sellable Area	17,989 sq.m.
Project Value	A high-rise (26-storey) condominium building
Project Value	1,564 million THB
Total Units	652 units
Construction progress	100%
Sales progress	95%

## CHEWATHAI PHETKASEM 27



Project Name	<b>Chewathai Residence Asoke</b>
Developer	Chewathai Public Company Limited
Location	Asoke - Dindaeng Rd., Makkasan Sub-district, Rajchathewi District, Bangkok,
Project Land Area	1-2-66 Rai
Sellable Area	9,477.65 sq.m.
Project Value	A high-rise (30 storey) condominium building
Project Value	1,694 THB million
Total Units	315 units
Construction progress	100%
Sales progress	89%

## CHEWATHAI RESIDENCE ASOKE



## CHEWATHAI HALLMARK CHARAN 13



Project Name	Hallmark Charan 13
Developer	Chewathai Public Company Limited
Location	Charansanitwong Road 13, Wat Tha Phra Sub-District, Bangkok Yai District, Bangkok
Project Land Area	1-1-76 Rai
Sellable Area	5,201.31 sq.m.
Project Value	A low-rise (8-storey) condominium buildings
Project Value	430 million THB
Total Units	184 unit
Construction progress	95%
Sales progress	34%

## CHEWATHAI RESIDENCE THONGLOR



Project Name	Chewathai Residence Thonglor
Developer	Chewathai Public Company Limited
Location	Sukhumvit 55 Road, Khlong Tan Nuea Sub-District, Watthana District, Bangkok
Project Land Area	1-0-89 Rai
Sellable Area	5,439.48 sq.m.
Project Value	A low-rise (8-storey) condominium buildings
Project Value	1,000 million THB
Total Units	130 unit
Construction progress	24%
Sales progress	32%

## CHEWATHAI KASET-NAWAMIN



Project Name	Chewathai Kaset Nawamin
Developer	Chewathai Public Company Limited
Location	Prasert Manukit Road, Sena Nikhom Sub-District, Chatuchak District, Bangkok
Project Land Area	5-0-44 Rai
Sellable Area	19,223.07 sq.m.
Project Value	A high-rise (25 storey) condominium building
Project Value	1,700 million THB
Total Units	649 unit and Shop 5 unit
Construction progress	40%
Sales progress	35%

Project Name	Hallmark Ladprao-Chokchai 4
Developer	Chewathai Public Company Limited
Location	Sangkhom Songkhro Road, Lat Phrao Sub-District, Lat Phrao District, Bangkok
Project Land Area	8-3-58 Rai
Sellable Area	27,323 sq.m.
Project Value	Four low-rise (8-storey) condominium buildings A low-rise (4-storey) condominium buildings
Project Value	2,011 million THB
Total Units	Phase 1 - 434 unit and Shop 1 unit Phase 2 - 380 unit and Shop 1 unit
Construction progress	Under construction
Sales progress	35% of Phase 1



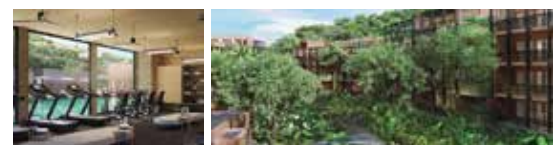
## CHEWATHAI PINKLAO



Project Name	Chewathai Pinklao
Developer	Chewathai Public Company Limited
Location	Arun Ammarin Roads, Bang Yi Khan, Bang Phlat, Bangkok, Thailand
Project Land Area	4-0-75 Rai
Sellable Area	17,859 sq.m.
Project Value	13 Storey Condomonium
Project Value	1,587 million THB
Total Units	588 Units and Shop 5 unit
Construction progress	Under construction
Sales progress	25%

Project Name	Otium Phuket
Developer	Kamala Senior Living Company Limited
Location	Kamala Sub - District, Kratu District, Phuket.
Project Land Area	50-2-75 Rai
Sellable Area	26,256 sq.m.
Project Value	Senior Living Village
Project Value	3,500 million THB
Total Units	Under construction

## Otium Phuket





Project Name	Chewathai Interchange Lumsali
Developer	Chewathai Public Company Limited
Location	Ramkhamhaeng Road, Hua Mak Subdistrict Bangkapi District, Bangkok
Project Land Area	2-0-85 Rai
Sellable Area	14,718.5 sq.m.
Project Value	A high-rise (34-storey) condominium building
Project Value	1,336 million THB
Total Units	495 units



## 1.2 Horizontal Project or Residential Project Development

The company has developed low-rise projects for sale in a variety of forms, such as a single house, semi-detached house and townhome in potential locations surrounded by complete infrastructure to respond to all needs of customer groups. The company has a policy to sell houses with allocated land that the house must be completed before opening sale so that customers can see the real house ready to live or may be under construction to give customers the confidence that the house will be completed according to the specified time. The company started pioneering the low-rise market in 2016 by opening the first single house and semi-detached house project called Chewarom Rangsit - Don Mueang Project, which is currently closed for sale. The company is committed to continuously develop horizontal projects by expanding the development of home office project for sale, developed by the company's subsidiary, Chewathai Home Office Company Limited. This is another project that has been added to the horizontal product group to completely cover all segments to meet the target customer groups.

The low-rise projects of the company and its subsidiaries can be divided into product groups as follows:

### CHEWAWAN

#### CHEWAWAN SERIES

Product : Luxury Single House

Price : 20 - 40 Million Baht

### Chewarom

#### CHEWAROM SERIES

Product : High - End Single House

Price : 8 - 18 Million Baht



HEART

#### HEART SERIES

Product : High - End Town home

Price : 12 - 30 Million Baht

### CHEWA HOME

#### CHEWA HOME SERIES

Product : Town home

Price : 2 - 5 Million Baht

### CHEWA BIZ HOME

#### CHEWA BIZ HOME

product series : Home office

Price : 5 - 7 Million Baht

Project Name	<b>Chewarom Rangsit — Don Mueang</b>
Developer	Chewathai Public Company Limited
Location	Rangsit - Nakhon Nayok Rd., Prachathipat Sub - District, Thanyaburi District, Pathumthani.
Project Land Area	15-1-76 Rai
Sellable Area	3,648.15 sq.m.
Project Type	Detached House and Semi-Detached House
Project Value	475 million THB
Total Units	Detached House - 15 units Semi-Detached House - 66 units
Construction progress	100%
Sales progress	100%

## Chewarom

Rangsit-Don Mueang



Project Name	<b>Heart Sukhumvit 62/1</b>
Developer	Chewa Heart Company Limited
Location	Soi Sukhumvit 62/1, Bang Jak Sub-District, Prakanong District, Bangkok
Project Land Area	0-2-9.38 Rai
Sellable Area	1,750 sq.m.
Project Type	Town Home
Project Value	160 million THB
Total Units	9 unit
Construction progress	83%
Sales progress	25%



## HEART

Sukhumvit 62/1

Project Name	<b>Heart Sukhumvit 36</b>
Developer	Chewa Heart Company Limited
Location	Soi Sukhumvit 36, Prakanong Sub-District, Khlong Toei District, Bangkok
Project Land Area	0-3-70 Rai
Sellable Area	2,777 sq.m.
Project Type	Town Home
Project Value	270 million THB
Total Units	9 unit
Construction progress	62%
Sales progress	25%

## HEART

Sukhumvit 36



## CHEWAWAN

PINKLAO-SATHORN



Project Name	Chewawan Pinklao-Sathorn
Developer	Chewathai Public Company Limited
Location	Phutthamonthon Sai 1 Road, Bang Ramat Subdistrict, Taling Chan District, Bangkok
Project Land Area	26-3-20 Rai
Sellable Area	26,000 sq.m.
Project Type	Detached House
Project Value	1,200 million THB
Total Units	52 unit
Construction progress	Under construction of Phase 2
Sales progress	25% of Phase 1

## CHEWA HOME

WONGWAEN-LAMLUKKA



Project Name	Chewa Home Wongwaen-Lamlukka
Developer	Chewathai Public Company Limited
Location	Praong Chao Sai Khlong 4 Road, Lat Sawai Subdistrict, Lam Luk Ka District, Pathum Thani
Project Land Area	32-0-67 Rai
Sellable Area	34,717 sq.m.
Project Type	Town Home
Project Value	700 million THB
Total Units	Townhome 271 unit Commercial Building 3 unit
Construction progress	Under construction of Phase 3
Sales progress	98%

## CHEWA HOME

SUKSAWAT PRACHA U-THIT



Project Name	Chewa Home Pracha U-thit Suksawat
Developer	Chewathai Public Company Limited
Location	Pracha Uthit 90 Road, Ban Suan Sub-District, Phra Samut Chedi District, Samut Prakarn
Project Land Area	31-2-87 Rai
Sellable Area	38,852 sq.m.
Project Type	Town Home
Project Value	890 million THB
Total Units	359 unit
Construction progress	Under construction of Phase 2
Sales progress	100% of Phase 1



Project Name	Chewarom Nakhon In
Developer	Chewathai Public Company Limited
Location	Nakhon In Road Bang Khanun Subdistrict Bang Kruai, Nonthaburi Province
Project Land Area	40-3-43 Rai
Sellable Area	37,714 sq.m.
Project Type	Town Home
Project Value	1,593 million THB
Total Units	139 unit
Construction progress	Under construction of Phase 2
Sales progress	57% of Phase 1

**Chewarom**  
Nakhon In



Project Name	Chewa Biz Home Ekachai-Bangbon
Developer	Chewathai Home Office Company Limited
Location	Ekachai Road, Khlong Bang Bon Subdistrict, Bang Bon District, Bangkok
Project Land Area	16-7-99 Rai
Sellable Area	15,927 sq.m.
Project Type	Home Office
Project Value	765 million THB
Total Units	168 unit
Construction progress	Under construction of Phase 2
Sales progress	63%



**CHEWA  
BIZ HOME**  
EKACHAI-BANGBON



Project Name	Chewa Home Krungthep - Pathum
Developer	Chewathai Public Company Limited
Location	Bang Dua Subdistrict, Mueang Pathum Thani District, Pathum Thani
Project Land Area	32-7-19 Rai
Sellable Area	30,123 sq.m.
Project Type	Town Home
Project Value	903 million THB
Total Units	333 unit
Construction progress	85% of Phase 1
Sales progress	On sale in 2020

**CHEWA HOME**  
KRUNGTHEP-PATHUM



Project Name	Chewa Home Rangsit-Pathum
Developer	Chewathai Public Company Limited
Location	Ban Klang Subdistrict, Mueang Pathum Thani District, Pathum Thani
Project Land Area	40-3-59 Rai
Sellable Area	36,775 sq.m.
Project Type	Townhome, detached house and commercial building
Project Value	1,093 million THB
Total Units	Townhomes 329 Units Twin houses 40 Units Commercial buildings 16 Units
Construction progress	Under construction
Sales progress	On sale in 2020



## Marketing and Competition

### Target Customer Groups

The company is aware of the needs of the target customer groups without any specific target customer group only because each project has different characteristics according to the locations and functions, which leads to price determination to be in line with the target group of that project. The company has studied the needs of consumers that change over time and closely monitored popularity to perfectly respond to the needs of customer groups under convenience and worthwhile quality.

### Marketing Strategy

#### Location Strategy

The selection of land or location for each project development, the company gives priority by exploring that zone to study the market conditions and consumer needs in detail. The company emphasizes potential locations near communities, convenient transportation routes, close to expressways, and along the rail transport stations in Bangkok and the perimeter area, in both the present and the future. In addition, the company is aware of the environment in communities and the maximum security system so that customers or residents who have made a purchase or investment decision in the company's projects have a better environment and quality of life.

#### Product Strategy

The company has different project design concepts by considering many factors to be consistent with every process starting from the location and sale and marketing reference data, in particular the project characteristics and the number of units, to determine in accordance with the needs of the target customers of that project. The company also brings technology that has a variety of functions to help facilitate and tighten security, including the selection of decorations or furniture with superior quality. Besides, the company also designs the project plan taking into account the maximum utilization of a common area to allow the residents to use and relax it in order to create a good atmosphere around the project.

### **Delivery of Products on Time**

The company is determined to develop the project to complete as scheduled to deliver the products with quality beyond customer satisfaction. The company wishes to build confidence and credibility for its brands, so the company realizes that the progress of every project under construction is important; therefore, the information and the project progress have been revealed periodically through [www.chewathai.com](http://www.chewathai.com) to allow customers to track and use it as information to help make a purchase decision or a prediction to deliver the products on time.

### **Provision of Services and Building Good Relationships with Customers**

The company implements the products and customer service management with the standard and ethics under the following operations:

- Being determined to develop the products to meet the customer needs and delivering the products with quality under the fair conditions.
- Providing information about various products and services correctly and completely to provide customers with sufficient information for making decision, such as the project details, credit information, information on the room quality inspection service, etc. The provision of the information must not speak or communicate through other channels beyond reality that causes customers to misunderstand about the conditions of products and services under the service mind in order to reduce customers' complaints as many as possible.
- The company has a channel for customers to inform suggestions, problems and complaints regarding inappropriate products or services so that the company can rapidly improve or solve problems for customers and also bring suggestions to improve the products and services in the future.
- The company sets up Chewa Care Department to provide the after-sales customer service with channels to notify the repair, repair consultation and repair tracking for the Chewathai residents to facilitate convenience and speed in tracking the work.
- The company sets up the Chivathai Society Visa All Smart Pay Project to give special privileges to the Chewathai customers only, such as special discounts from restaurants, beauty institutes, leading shops, booking/attendance to new projects, and activities from Chewathai, car rental with the right to access to the Society, etc.

The products and services management above is to create a good relationship to impress customers before and after the sale and is part of retaining the existing customer base and creating new customer groups through word of mouth of customers who have ever had a good experience with the company's services.

## **2. Ready Built Factories**

The company has developed ready-built factories for rent with international quality standards to meet the needs of entrepreneurs, especially small and medium-sized industrial business entrepreneurs that are likely to increase steadily, both companies in Thailand itself and foreign companies or investors coming to establish a production base or investment in Thailand without holding ownership of the factory and for entrepreneurs who want to use the factory to do business but do not yet have the need or are not ready to invest in a long term, including entrepreneurs who want to reduce operating costs, investment time and risks or other factors that may occur from investment in building a factory.



## Ready-Built Factories

<b>Developer</b>	Chewathai Public Company Limited
<b>Location</b>	Amata City Industrial Estate, Highway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong
<b>Project Area</b>	26-0-72 Rai
<b>Rental Area</b>	17,120 sq.m.
<b>Rental Unit</b>	10 units
<b>Project Value</b>	300 million THB
<b>Approximately Rental Price per Sq.m.</b>	200 THB
<b>Tryp of Project</b>	Ready Built Factories Factory area 1,512 sq.m. total 5 units. Factory area 1,812 sq.m. total 1 unit. Factory area 1,937 sq.m. total 4 units.
<b>Sales progress</b>	100%

## Ready-Built Factories Phase 2

<b>Developer</b>	Chewathai Public Company Limited
<b>Location</b>	Amata City Industrial Estate, Highway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong
<b>Project Area</b>	13-7-28 Rai
<b>Rental Area</b>	8,905 sq.m.
<b>Rental Unit</b>	4 units
<b>Project Value</b>	165 million THB
<b>Approximately Rental Price per Sq.m.</b>	220 THB
<b>Tryp of Project</b>	Ready Built Factories Phase 2 Factory area 2,190 sq.m. total 1 units. Factory area 2,543 sq.m. total 1 unit. Factory area 2,472 sq.m. total 1 units. Factory area 1,700 sq.m. total 1 units
<b>Construction progress</b>	Under construction
<b>Sales progress</b>	On sale in 2020

## CHEWATHAI

### Ready Built Factories



## Marketing and Competition

### Characteristics of Customers and Target Customers

The target customers for the ready-built factory for rent are light industrial entrepreneurs who manufacture products to support the heavy industry business that the factory location is nearby, small and medium-sized industrial entrepreneurs who are not ready or do not want to invest in a long term for constructing a factory due to a long construction period and high investment. The company, therefore, envisages a way to support the business of such entrepreneurs by giving them the option to do the business by renting ready-built factories to reduce costs of the investment and operating costs in order to use the investment money for further business expansion in other areas.

Besides, another important target customer group of the company is a group of foreign entrepreneurs investing in or having a joint venture in Thailand, both temporarily and permanently, that choose to rent a ready-built factory instead of investing in a permanent factory because they want to reduce the risk of supplying contractors and legal restrictions on land ownership of foreigners, including the political instability of the country that may affect the change in foreign trade and investment policy, or even any government promotion measures. The ready-built factories for rent of the company can create flexibility in the said legal restrictions for the business operations of entrepreneurs clearly. This will increase the opportunities of doing business in Thailand for foreigners to be more successful.

## Marketing Strategy

### Location of Ready-built Factories for Rent

The location of ready-built factories for rent is an important factor that business entrepreneurs will consider first in renting such factories of the company. As a result, the company selects the location for building the factory for rent by mainly focusing on the project development within the industrial estates to enable operators to have a goods and materials transportation system to various important locations rapidly by covering all routes, for example, ports, airports, railroad freight, etc. to be a distribution center. In this regard, for the selection of the factory location, the company considers the benefits of the lessees as priority to provide the entrepreneurs the opportunity to receive privileges from the Investment Promotion Zone of the Board of Investment (BOI) and the investment promotion for driving the economy from the development of the Eastern Economic Corridor (EEC) ) as well.

### Pricing Policy

For ready-built factories for rent, the company has the standardized pricing policy by taking into account many factors that mainly consist of 2 parts, they are

1. The factory rental is fixed by the size of the rented area, number of units, duration, and other additional services.
2. The utilities fees, such as waste water treatment, disposal of garbage and sewage, etc., will be paid to the industrial estate development company.

### Consulting Service for Lessees

The company has a professional team ready to serve as consultants to advise lessees closely in terms of coordination with relevant government agencies, such as the Industrial Estate Authority of Thailand, the Board of Investment, etc. Moreover, the company also provides a consulting service on the design, extension, modification of the areas, both outside and inside the factory, and coordination with various utilities, for example, water supply, electricity, waste water treatment and disposal, telephone and internet, etc. to facilitate the lessees to operate their businesses at full efficiency.

# **POLICIES AND OVERVIEW**

## OF BUSINESS OPERATION

Chewathai Public Company Limited was established on 13 March 2008 as the joint investment between Chartchewa Company Limited and TEE Development Pte Ltd. The Company's objective is to operate real estate business upon the idea of being a quality residence developer in response to the needs of all sectors of customers. Also, the Company aims to become a leading real estate developer in customers' mind by striving hard to create and deliver quality products and services beyond customer satisfaction under the principles of good corporate governance.

As of 31 December 2019, the Company has two subsidiary which is Chewathai Interchange Company Limited, which operates residential property business, Chewathai Home Office Co.,Ltd. The Company's objective is to operate real estate business in Home Office and 3 affiliates which are 1) Chewathai Hup Soon Company Limited, which operates residential property business, 2) Chewa Heart Company Limited, which operates town home business and 3) Kamala Senior Living Company Limited, which operates premium Independent Senior Living business.

### **Long-term objectives and goals**

The Company determined the long-term objectives and goals which can be reflected on its vision and mission relied upon in business operations over the past years. Nevertheless, the Company reviews the vision, mission and strategies on annual basis and monitors implementation to create practical common goals of the organization.

### **Policies and business strategies for the Group of Companies' operations**

In 2019, the Company's business goals were as follows:

#### **Business goals**

**1. Chewathai developed real estate projects for sale:** Various types of projects have been developed, including single houses, twin houses, town homes, and condominium covering extensive price ranges in response to the needs of different customer groups while maintaining high quality under Chewathai's standards by focusing on development of the projects around the current and future rail transit areas in Bangkok Metropolitan Regions with expansion to the big cities. The prospective areas shall be located near the communities with convenient access in response to the residential requirements of customers and the needs of the Company's target groups. The Company put importance on acquisition of potential lands for the project launch. Market situation and customer needs were thoroughly examined. The number of units and project themes were indicated upon consideration of the customer needs with reference to the sales and marketing information and local surveys. The Company emphasized the importance of land acquisition for project development to ensure effective sales, construction and financial management.

**2. Chewathai developed furnished plant for rent** for small and medium sized business operators in need of some space for conducting business but are not ready to invest in plant construction or have limited budget as well as the business operators who require flexibility in using plants for temporary business operation or storage in a quality industrial estate. Also, Chewathai plans to expand the business of furnished plant for rent in the future to ensure sustainable growth and continuous income generation to offset the pending income during the period of residential property development. Feasibility, demand and growth of small and medium sized business operators shall be taken into account.



**3. Chewathai was open for various types of property business** by seeking for opportunities in development of other types of properties. The Company also coinvested with reliable business partners who have extensive expertise and experience to increase potentials of business operations which are not limited only to condominium or housing estate and land allocation, but Chewathai aims to grow sustainably and continuously to generate more income and prosperity to the Company's shareholders.

**4. Chewathai developed property projects received from other business operators** to increase more opportunities to develop the lands required by the Company. Opportunities and risks of accepting the projects from other operators for development would be assessed. Potential growth of the lands as well as returns from such development shall be considered to ensure profitability and reduction of development period. Also, it shall be another way to realize the income quickly and continuously.

### Administrative goals

The Company emphasizes transparency and good governance by disclosing information as required by the relevant rules and regulations to ensure fair treatment for all shareholders. In addition, the Company set up audit system conducted by internal and external independent auditors to ensure that the Company's management and business operations are correct and transparent.

### The Company's code of conduct

In conformity to the Company's vision, the business code of conduct shall be determined and communicated to related parties including directors, executives and employees to ensure their compliance. This includes appropriate treatment of shareholders, customers, employees, creditors, partners, business competitors, communities, and environment, non-violation of intellectual property, maintenance of information and information system, arrangement of anti-corruption training for directors and employees, anti-bribery to public officials, raising anti-corruption awareness of executives and employees, non-involvement in human rights violation, and communication of the Company's information through various channels.



# MAJOR CHANGE

## AND DEVELOPMENT

### Chewathai's History

Chewathai Public Company Limited (CHEWA) was registered as a limited company on the 13<sup>th</sup> of March 2008 with the initial registered and paid-up capitals of 10 million baht. Also, it is a joint venture between Chartchewa Co., Ltd. and TEE DEVELOPMENT PTE., LTD., Due to co-recognition of growth opportunity and capacity for the development of real estate business development with the objective to develop quality, elegant and functional properties to cater to consumer demand.

### Significant Milestones

Month/Year	Major Changes and Developments
<b>Year 2008</b>	
March	<ul style="list-style-type: none"> <li>Chartchewa Co., Ltd. and TEE Development Pte., Ltd. jointly founded Chewathai Co., Ltd. with the registered and paid up capitals of 10 million THB with a shareholding percentage ratio of 51:49, respectively.</li> </ul>
May	<ul style="list-style-type: none"> <li>The Company increased its registered and paid-up capitals from 10 million THB to 100 million THB.</li> </ul>
July	<ul style="list-style-type: none"> <li>The Company launched "Chewathai Ratchaprarop", which is the first high-rise condominium with 26 storeys and 325 units located on Ratchaprarop Road.</li> </ul>
November	<ul style="list-style-type: none"> <li>The Company increased its registered and paid-up capitals from 100 million THB to 200 million THB.</li> <li>The Company and United Motor Works (Siam) Public Company Limited jointly founded Chewathai Hup Soon Co., Ltd. for the purpose of developing the condominium project named "The Surawong".</li> <li>The Company launched "The Surawong", the 8-storey condominium.</li> </ul>
<b>Year 2010</b>	
November	<ul style="list-style-type: none"> <li>Chewathai launched "Chewathai Ramkhamhaeng", close to Ramkhamhaeng - Rama IV Elevated, the 33-storey condominium building.</li> </ul>
<b>Year 2011</b>	
June	<ul style="list-style-type: none"> <li>The Company acquired 100% share from Global Environmental Technology Co.,Ltd. ("GETCO"). The company held 100% shares, which is a wastewater treatment management business.</li> </ul>
<b>Year 2012</b>	
August	<ul style="list-style-type: none"> <li>Chewathai initiated and developed its first project of ready-built factories for rent, and subsequently launched its first 5 units for rent.</li> </ul>

Month/Year	Major Changes and Developments
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### Year 2013

January	<ul style="list-style-type: none"> <li>The Company divested Global Environmental Technology Co.,Ltd. (“GETCO”), acquired on June 2011, subsidized to the Company held 100% shares to Chartchewa Co.,Ltd. and TEE Resources Pte. Ltd. which is related company at 240.00 million THB for company restructure focusing on the real estate development only. GETCO became the subsidiary to the related company.</li> </ul>
June	<ul style="list-style-type: none"> <li>The Company jointed Thai Condominium Association for receiving the news and other important issues concern with real estate business through the seminar, the training class and e-news.</li> </ul>
October	<ul style="list-style-type: none"> <li>The Company acquired 100% shares in Rotaj Development Co., Ltd. which was the land owner of Cross Point condominium. The company name was changed to Chewathai Interchange Co., Ltd. and the project name was changed to Chewathai Interchange. This project is a 26-storey condominium building.</li> </ul>
December	<ul style="list-style-type: none"> <li>The Company increased the registered and paid-up capitals from 200 million THB to 240 million THB.</li> </ul>

### Year 2014

June	<ul style="list-style-type: none"> <li>The Company launched five more ready-built factories for rent in Phase 2, in Amata City Industrial Estate.</li> </ul>
October	<ul style="list-style-type: none"> <li>The Company launched “Hallmark Chaengwattana” - two 8- storey condominium buildings.</li> <li>Chewathai Interchange Co., Ltd., the Company’s subsidiary, took over the Dzio condominium project from Orada Co., Ltd. and changed the project name to “Hallmark Ngamwongwan”, which comprise of four 8-storey condominium buildings.</li> <li>Chewathai purchased additional 13 rai of land in Amata City Industrial Estate, Rayong Province, for developing ready-built factories for rent in Phase 2.</li> </ul>

### Year 2015

January	<ul style="list-style-type: none"> <li>The Company was granted ISO 9001 - 2008 accreditation (Provision of Sale &amp; Real Estate Services) for quality control system</li> </ul>
February	<ul style="list-style-type: none"> <li>The Company attended its membership of British Chamber of Commerce Thailand for the purpose of public relation the ready built factories to other memberships in the Chamber.</li> </ul>
April	<ul style="list-style-type: none"> <li>The Company attended its membership of German - Thai Chamber of Commerce for the purpose of public relation the ready built factories to other memberships in the Chamber.</li> <li>The Company converted the Company into a public limited company and was renamed to Chewathai Public Company Ltd. on the 24<sup>th</sup> April 2015, and changed par from 100 THB to 1 THB.</li> <li>Increased its registered paid-up capitals from 240 million THB to 580 million THB by issuing common shares in the amount of 340 million shares at par value of 1 THB to the existing shareholders which are Chartchewa Co.,Ltd and TEE Development Pte Ltd in total 108 million shares. The registered paid-up capital of the company was equal to 348 THB Million. The Company allocated 232 Million shares at 1 THB per share for Initial Public Offering (IPO).</li> </ul>
August	<ul style="list-style-type: none"> <li>The Company was granted the investment promotion from Thailand Board of Investment to support the ready built factories project which is located on Amata City Industrial Estate, Highway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong.</li> </ul>
September	<ul style="list-style-type: none"> <li>The Company launched the Chewathai Residence Bang Pho which is a 24-storey condominium building.</li> </ul>



Month/Year	Major Changes and Developments
October	<ul style="list-style-type: none"> <li>The Company decreased its registered paid-up capital to 232 million THB from 580 million THB by cutting 232 million shares at 1 THB per share that have been registered but not yet issued. The balance value was 348 million THB.</li> <li>Increased its registered paid-up capital from 348 million THB to 905 million THB by issuing common shares in amount of 557 million shares at par value of 1 THB to the existing shareholders which are Chartchewa Co. Ltd. and TEE Development Pte. Ltd for 1 THB per share in total 240 million shares. The company allocated 317 million shares at par value of 1 THB for Initial Public Offering (IPO).</li> </ul>

### Year 2016

February	<ul style="list-style-type: none"> <li>The Company decreased its registered paid-up capitals to 417 million THB from 905 million THB by cutting 417 million shares at 1 THB per share that have been registered but not yet issued. The balance value was 488 million THB.</li> <li>Increased its registered paid-up capitals from 488 million THB to 750 million THB by issuing common shares with the amount of 262 million shares at par value of 1 THB to allocate 262 million shares at par value of 1 THB for Initial Public Offering (IPO).</li> </ul>
March	<ul style="list-style-type: none"> <li>The Company offered ordinary shares for Initial Public Offering (IPO) with the amount of 262 million shares, offer to the public at 1.60 THB/share.</li> </ul>
April	<ul style="list-style-type: none"> <li>The Company was listed on the Market for Alternative Investment (mai).</li> </ul>
June	<ul style="list-style-type: none"> <li>Chewathai bought the AQ Aria Asoke and changed its name to “Chewathai Residence Asoke” - a 315-unit, 29-storey luxury condominium.</li> </ul>
August	<ul style="list-style-type: none"> <li>The Company started to develop and launch the Chewathai Phetkasem 27 - a 638-unit, 26-storey condominium project.</li> </ul>
September	<ul style="list-style-type: none"> <li>The Company was granted ISO 9001-2015 (Sales of Condominiums, Houses, Factories on Rent &amp; Real Estate Services) for quality control system.</li> </ul>
November	<ul style="list-style-type: none"> <li>The Company launched the Detached House and Semi-Detached House, Chewarom Ransit Don Mueang with 81 units.</li> </ul>

### Year 2017

May	<ul style="list-style-type: none"> <li>The Company established “Chewa Heart Company Limited” which is a joint venture with Khun Kajit Launpitpong who is not a related party to the Company. The Company held 70% of total shares with the purpose to develop the Townhome project.</li> </ul>
July	<ul style="list-style-type: none"> <li>The Company has joined with Nye Estate Company Limited, L.P.N.D. Development Public Company Limited, and CH Karnchang Public Company Limited to establish Kamala Senior Living Company Limited, a joint venture, in order to develop the Lifestyle Senior Living Village at the premium level in Phuket Province. The jointed venture doesn’t related to the Company, the Company held 25% of the total shares</li> </ul>

### Year 2018

January	<ul style="list-style-type: none"> <li>TEE Development Pte Ltd sold 11.73% of the paid-up capital of Chartchewa Co., Ltd.</li> </ul>
April	<ul style="list-style-type: none"> <li>Increased its registered capital to 1,557,692,307 shares at par value of 1 THB from 750 million shares. The balance registered capital was 2,307,692,307 shares to support the distribution of the stock dividend, offer the new ordinary shares to its existing shareholders and reserve for the issuance of warrants.</li> </ul>

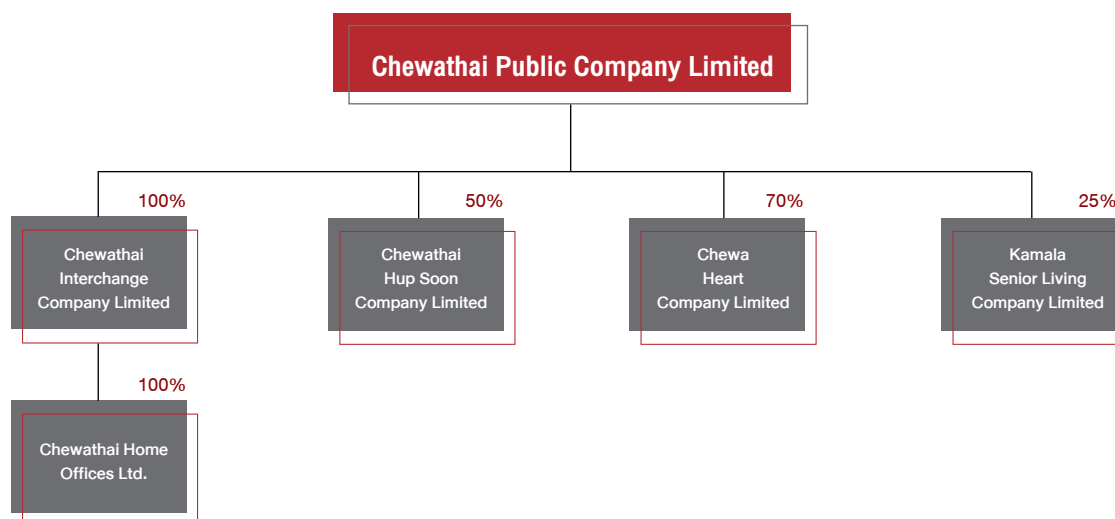
Month/Year	Major Changes and Developments
May	<ul style="list-style-type: none"> <li>The Company offered ordinary shares to shareholders (Right Offering) the subscription ratio is 1 existing shares to 1 new ordinary share, the offering price is Baht 1.15. The Company offered to sell the newly issued ordinary shares amount 467 million shares , the amount of 537 million baht.</li> <li>Issuance of Warrants to Purchase the Company's Ordinary Shares No.1 (CHEWA-W1) for the existing shareholders that subscribed the increase share capital in a ratio of 1 warrant for every 1 subscribed share. Term of warrant was 1 year and 6 months , Exercise price at 1.75 Baht per share</li> <li>Increased its registered paid-up capitals of 525,027,183 shares from the stock dividend of 57,691,379 shares and issuance new ordinary shares of 467,335,804 shares. The balance registered capital paid-up was 1,275,027,183 shares</li> </ul>
July	<ul style="list-style-type: none"> <li>TEE Development Pte Ltd. sold all shares to Chartchewa Co., Ltd. resulting in Chartchewa Co., Ltd. holding 67.64% of the shares. The management structure remains the same.</li> </ul>
October	<ul style="list-style-type: none"> <li>The Company launched the Chewathai Residence Thonglor - a 130-unit, 8-storey condominium project.</li> </ul>
December	<ul style="list-style-type: none"> <li>The Company launched the Hallmark Charan 13 - a 184-unit, 8-storey condominium project.</li> <li>The Company launched the Townhome, Chewa Home Wongwaen-Lamlukka with 274 units.</li> </ul>

## Year 2019

April	<ul style="list-style-type: none"> <li>The Company launched the Townhome, Chewa Home Suksawat Pracha U-Thit, 2 storey townhome with 359 units.</li> </ul>
May	<ul style="list-style-type: none"> <li>The Company launched the Low Rise Condominium, Chewathai Hallmark Ladprao — Chokchai 4, 8 storey condominium with 814 units.</li> <li>Chewathai Interchange Company Limited ("Chewathai Interchange"), a subsidiary of the Company, purchase shares of the Thaicorp Capital Company Limited ("Thaicorp Capital") which is a company that Property Development in amount 1.35 million shares or 100% of paid-up capital shares, Thaicorp Capital being a subsidiary of Chewathai Interchange and also a subsidiary of the Company. On 5<sup>th</sup> June 2019, Thaicorp Capital changed the acquired company name to Chewathai Home Offices Ltd.</li> </ul>
August	<ul style="list-style-type: none"> <li>The Company launched the High Rise Condominium, Chewathai Kaset-Nawamin, 25-storey condominium with 649 units.</li> </ul>
November	<ul style="list-style-type: none"> <li>The Company launched the 2 storey House, Chewarom Nakhon In with 139 units.</li> <li>The Company launched the Low Rise Condominium, Chewathai Pinklao, 13 storey with 593 units.</li> <li>The Last exercise of the right warrants to subscribe the newly issued shares of the company No.1 (CHEWA-W1)</li> <li>The Company issued and offered the right warrants to subscribe the newly issued shares of the Company No.1 ("CHEWA-W1") to the existing shareholders on 28<sup>th</sup> May 2018, prescribing the maturity date of 1 year 6 months, Exercise date on 28<sup>th</sup> December 2019, 28<sup>th</sup> June 2019 and the last 27<sup>th</sup> November 2019, Exercise ratio 1 warrant for 1 ordinary share at Baht 1.75 per share.</li> <li>Results of the Last Exercise of warrants, Exercised warrants 700 units, Shares derived from exercised warrants 700 shares, the Company changed of paid-up capital of the Company from 1,275,027,183 Baht to 1,275,027,883 Baht and The Stock Exchange of Thailand has granted additional shares of CHEWA as a listing securities since 16<sup>th</sup> December 2019.</li> </ul>

# GROUP

## OF THE COMPANY STRUCTURE



The details of subsidiaries are as follows;

### Chewathai Interchange Company Limited

Chewathai Interchange Co., Ltd (“Chewathai Interchange” or “CTIC”) was established on 25 July 2011 with current registered capital of 100 million Baht. CTIC office is located on 1168/80 Lumpini Tower, 27<sup>th</sup> Floor, Unit D, Rama IV Rd., Tungmahamek, Sathorn, Bangkok. Chewathai Interchange engages in real estate development for condominium. Currently, CTIC is developing the condominium projects.

the Company holds 999,998 shares, with a par value of 100 Baht per share accounting for 100% of CTIC’s registered capital.

### Chewathai Hup Soon Company Limited

Chewathai Hup Soon Co., Ltd (“Chewathai Hup Soon”) was established on 12 November 2008 with current registered capital of 14 million Baht, located on 1168/80 Lumpini Tower, 27<sup>th</sup> Floor, Unit D, Rama IV Rd., Tungmahamek, Sathorn, Bangkok. Chewathai Hup Soon engages in Low Rise Condominium development business.

The Company holds 70,000 share, with a par value of 100 Baht per share, or 50% of Chewathai Hup Soon’s registered capital.



**Chewa Heart Company Limited**

Chewa Heart Co., Ltd (“Chewa Heart”) was established on 26 May 2017 with current registered capital of 50 million Baht, located on 1168/80 Lumpini Tower, 27<sup>th</sup> Floor, Unit D, Rama IV Rd., Tungmahamek, Sathorn, Bangkok. Chewa Heart engages in Town Home development business. Currently, Chewa Heart is developing the Heart Sukhumvit 62/1 project and Heart Thonglor project.

The Company holds 350,000 share, with a par value of 100 Baht per share, or 70% of Chewa Heart's registered capital.

**Kamala Senior Living Company Limited**

Kamala Senior Living Co., Ltd (“Kamala Senior Living”) was established on 12 July 2017 with current registered capital of 1 million Baht, located on 21/14 and 21/16 Thaiwa Tower, South Satorn Rd., Tungmahamek, Sathorn, Bangkok. Kamala Senior Living engages in premium Independent Senior Living development in Phuket Province.

The Company holds 2,500,000 share, with a par value of 10 Baht per share, or 25% of Kamala Senior Living's registered capital.

**Chewathai Home Offices Ltd.**

Chewathai Interchange Company Limited (“Chewathai Interchange”), a subsidiary of the Company, purchase shares of the Thaicorp Capital Company Limited (“Thaicorp Capital”) which is a company that Property Development on 16<sup>th</sup> May 2019 and on 5<sup>th</sup> June 2019, Thaicorp Capital changed the acquired company name to Chewathai Home Offices Ltd. (“Chewathai Home Offices”), Authorized Capital 135 Million Baht, Chewathai Home Offices Ltd. located on 1168/80 Lumpini Tower 27<sup>th</sup> floor Rama 4 road, Tungmahamek area, Sathorn district, Bangkok 10120.

Chewathai Interchange holds 1,350,000 shares, with a par value of 100 Baht per share accounting for 100% of Chewathai Home Offices's authorized capital, that is controlled by the Company.

# **REPORT OF CHANGES**

## IN SECURITIES HOLDINGS OF DIRECTORS AND TOP EXECUTIVES.

The shareholding of the directors including their spouse and the first four top-ranking executives level as of 31 December 2019 accounts for 0.69% of all the distributed shares. The details in 2019 are as follows:

Name – Surname	Position	Shares				Increase / (decrease) during financial year
		As of December 31, 2018		As of December 31, 2019		
		No. of Shares	% of Share holding	No. of Shares	% of Share holding	
1. Mr. Chartchai Panichewa	Chairman of the Board of Director	2,076,923	0.16	2,076,923	0.16	-
2. Mrs. Somhatai Panichewa	Director	1,298,076	0.10	1,298,076	0.10	-
3. Mr. Boon Choon Kiat	Director / Managing Director / Executive Director / Member of the Corporate Governance Committee / Member of Risk Management Committee	-	-	-	-	-
4. Mrs. Supaporn Burapakusolsri	Independent Director / Chairman of the Audit Committee / Chairman of Risk Management Committee / Member of Nomination and Remuneration Committee / Member of Corporate Governance Committee	-	-	-	-	-
5. Mr. Chaiyut Techatassanasoontorn	Independent Director / Member of the Audit Committee / Chairman of Corporate Governance Committee / Member of Risk Management Committee / Member of Nomination and Remuneration Committee	1,661,538	0.13	1,661,538	0.13	-
6. Mr. Pinit Harnphanich	Independent Director / Member of the Audit Committee	-	-	-	-	-
7. Pol.Lt.Gen Visanu Prasarttong-Osoth	Independent Director / Chairman of Nomination and Remuneration Committee	-	-	-	-	-

Name – Surname	Position	Shares				Increase / (decrease) during financial year
		As of December 31, 2018		As of December 31, 2019		
		No. of Shares	% of Share holding	No. of Shares	% of Share holding	
8. Ms. Sunantra Mahaprasitchai	Excutive Vice President Accounting and financial	137,418	0.01	418,213	0.03	280,795
9. Ms. Jirapat Chatpech	Excutive Vice President Sales & Marketing	212,834	0.02	556,652	0.04	343,818
10. Mr. Nathanan Ratanaphan	Excutive Vice President Sales & Marketing	-	-	-	-	-
11. Mr. Yuthana Boonsitivaraporn <sup>(1)</sup>	Executive Vice President Operation	-	-	-	-	-
12. Mr. Chatchai Atthasathaworn <sup>(2)</sup>	Senior Vice President Construction	-	-	-	-	-
13. Mr. Somnuk Prapruittitaweechai <sup>(3)</sup>	Senior Vice President Operation	1,600,015	0.13	1,915,088	0.15	315,073
14. Mr. Visuth Piriyaakkaradej <sup>(4)</sup>	Senior Vice President Customer Service	90,661	0.01	235,189	0.02	144,528
15. Mr. Audomporn Chansributh <sup>(5)</sup>	Senior Vice President Business Development	111,415	0.01	289,709.00	0.02	178,294
16. Mr. Peerapong Jumpeesri <sup>(6)</sup>	Senior Vice President Human Capital	96,550	0.01	252,561	0.02	156,011
17. Mr. Pat-tapee Anantawan <sup>(7)</sup>	Senior Vice President Legal	-	-	-	-	-
18. Ms. Aunypach Peerapakdeepong <sup>(8)</sup>	Senior Vice President Sales & Marketing	-	-	-	-	-
19. Ms. Chanitsara Yingnork	Vice President Company Secretary	-	-	-	-	-

**Remark :**

- (1) Mr. Yuthana Boonsitivaraporn was appointed the position effective as of 4<sup>th</sup> June 2019.
- (2) Mr. Chatchai Atthasathaworn was resigned the position effective as of 3<sup>rd</sup> August 2019.
- (3) Mr. Somnuk Prapruittitaweechai was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.
- (4) Mr. Visuth Piriyaakkaradej was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.
- (5) Mr. Audomporn Chansributh was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.
- (6) Mr. Peerapong Jumpeesri was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.
- (7) Mr. Pat-tapee Anantawan was resigned the position effective as of 9<sup>th</sup> August 2019.
- (8) Ms. Aunypach Peerapakdeepong was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.



# SECURITIES

## AND SHAREHOLDING INFORMATION

### Registered Capital and Paid – Up Capital

The company has registered capital and fully paid-up of 2,307,692,307 THB, Paid up as the paid-up capital 1,275,027,883 THB which is ordinary share of 2,307,692,307 shares, par value of 1 THB (One baht only).

### Shareholders

As of the record date on 31 December 2019 of the list in accordance with the book closing method, the top ten shareholders of the Company are as follows:

Shareholders	No. of Share	%
1. Chartchewa Co.,Ltd.	862,419,161	67.64%
2. Mrs.Jaroonlak Panichewa	72,835,338	5.71%
3. Mrs.Supaporn Janseriwittaya	15,200,000	1.19%
4. Mr.Pisan Sirisuksakulchai	13,525,392	1.06%
5. Mr. Narong Wangjaroenwong	12,197,961	0.96%
6. Mr. Pipat setlikit	10,600,000	0.83%
7. Mr.Narongsak Mitripot	10,350,000	0.81%
8. Mr.Somkiat Tungkitanan	8,884,700	0.70%
9. Mr.Sukkamol Sapdeemongkol	7,421,076	0.58%
10. Miss Wanida Wongsalarp	6,105,346	0.48%
<b>Total</b>	<b>1,019,538,974</b>	<b>79.96%</b>
<b>Free Float</b>	<b>255,488,909</b>	<b>20.04%</b>
<b>Total</b>	<b>1,275,027,883</b>	<b>100.00%</b>

### Foreign Shareholding Limit

The foreign shareholding limit of the Company is 49% of all the shares of the Company. This is in accordance with No. 11 of the Article of Association of the Company. As of 31<sup>st</sup> December 2019, the 2 foreigners shareholding of the Company is 0.00% of all shares of the Company.

### Cross Shareholding

The Company does not have cross shareholding or pyramid shareholding structure in the company group and does not have cross shareholding with major shareholders or other shareholders. Therefore, there is no conflict of interest or business takeover process.

## Minor Shareholders (Free Float)

As of 31<sup>st</sup> December 2019 which is the book closing date, the total number of shareholders of the Company is 2,316 shareholder. The shareholder in amount of 2,307 are minor shareholders (free float), accounting for 20.52% of all the shareholders.

## Treasury Stock

During the past year, the Company does not have a policy related to treasury stock.

## Structural change of major shareholders

During the past year, the Company does not have a policy related to change structural of major shareholders.

## Issuance of other securities

### (1) Warrant

The right warrants to subscribe the newly issued shares of the Company No.1 ("CHEWA-W1") to the existing shareholders on 28<sup>th</sup> May 2018, Number of warrants 467,335,804 units, Underlying shares 467,335,804 shares, Terms of Warrant 1 Year 6 Months, Exercise ration 1 unit of warrant has the right to purchase 1 unit of ordinary share and Exercise Price 1.75 Baht, Exercise Date on 28<sup>th</sup> December 2018, 28<sup>th</sup> June 2019 and the last 27<sup>th</sup> November 2019.

The last exercise of warrants on 27<sup>th</sup> November 2019, Shares derived from exercised warrants 700 shares, the Company changed of paid-up capital of the Company from 1,275,027,183 Baht to 1,275,027,883 Baht, with the Public Company's Registrar at the Department of Business Development, Ministry of Commerce on 4<sup>th</sup> December 2019. Therefore, the Company now has the paid-up capital of Baht 1,275,027,883 divided into 1,275,027,883 ordinary shares at a par value of Baht 1.00 each and and The Stock Exchange of Thailand has granted additional shares of CHEWA as a listing securities since 16<sup>th</sup> December 2019.

### (2) Debentures

Approved by The Annual General Meeting of Shareholders of the Company held on 2 April 2019, Revolving amount of Baht 4,500 million, Term was Specify at each time, Any types of debentures such as secured and/or unsecured, Method of issuance, Public offering and/or private placement and/or institutional investors in Thailand or offshore.

As at 31 December 2019, the Company has unissued debentures under the above mentioned approval totaling Baht 2,316 million. The outstanding balance of debentures as at 31 December 2019 and 31 December 2018 are presented below

No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (Shares)	Amount (Baht)
No. 1/2018	Fixed rate 6.25%	2 years	At maturity	17 January 2020	498,500	498,500
No. 2/2018	Fixed rate 6.00%	2 years	At maturity	7 September 2020	1,200,000	1,200,000
No. 1/2019	Fixed rate 5.90%	2 years	At maturity	21 March 2021	486,000	486,000
<b>Total</b>					<b>2,184,500</b>	

# **DIVIDEND**

## POLICY

Dividend Policy of the Company The Board of Directors of the Company may consider paying annual dividend of the Company by obtaining approval from the meeting of shareholders, except the payment of interim dividend which the Board of Directors empowers to consider the occasional payment when the Board of Directors deems that the Company has appropriate retained earnings for the dividend payment. The approval of the Board of Directors on interim dividend payment shall be proposed to the next the meeting of shareholders for further acknowledgement.

The dividend policy of the Company is to pay a total dividend from its Separate Financial Statement of up to 40% of the net profit after tax and after the appropriation of required legal reserve and other reserves (if any). However, the Board of Directors of the Company will consider the dividend payment, and may amend the dividend policy, by taking into account reserves for debt payment, capital investment for production expansion, changing market conditions or as required to manage the company's future cash flows

### **Dividend Policy of subsidiaries**

The Board of Directors of the Company's subsidiaries may consider paying annual dividend of the Company's subsidiaries by obtaining approval from the meeting of shareholders, except the payment of interim dividend which the Board of Directors of the Company's subsidiaries empowers to consider the occasional payment when the Board of Directors of the Company's subsidiaries deems that the Company's subsidiaries has appropriate retained earnings for the dividend payment. The approval of the Board of Directors of the Company's subsidiaries on interim dividend payment shall be proposed to the next the meeting of shareholders for further acknowledgement.

The dividend policy of the Company's subsidiaries is to pay a total dividend from its Separate Financial Statement of up to 40% of the net profit after tax and after the appropriation of required legal reserve and other reserves (if any). However, the Board of Directors of the subsidiaries will consider the dividend payment, and may amend the dividend policy, by taking into account reserves for debt payment, capital investment for production expansion, changing market conditions or as required to manage the company's future cash flows.

### **The Dividend Payment Record**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Earnings per share ratio (Baht)	0.18	0.25	0.09	0.21	<b>0.24</b>
Dividend yield per share (Baht)	-	-	0.03	0.08547	<b>0.085</b>
Dividend Payout (%)	-	-	33.33	41.22	<b>40.93</b>



# RISK

## FACTORS

The risk factors of the businesses of Chewathai (Public) Company Limited, the “Company”, that may significantly affect the company’s operations and profits as well as the risk factor prevention guidelines are summarized as follows.

### The Risk from the Loan Management Measures (LTV) Announced on 1<sup>st</sup> April 2019

The main measure with positive and negative effects on the real estate market during 2018 — 2019 was the measure of the Bank of Thailand that reduced the loan-to-value (LTV) percentage to 80% from 90 — 95%. Some banks may provide 100% of loans by targeting real estate with contracts No. 2 and 3 and residential places with the prices not over 10 million baht. So, down payments must be increased. However, the first house buyers were not affected. The measure started being effective on 1st APR 2019.

The mentioned measure slowed down the changes of the numbers in the 2nd quarter in 2019 as compared to the same period in the previous year. According to the data of the Real Estate Information Center of the Government Housing Bank, the number of newly constructed residential places (Bangkok and perimeters) was 23,517. This was reduced for 14.55%.

**Table 1: the Newly Constructed Residential Places in Bangkok and Perimeters**

Section	Q1/61	Q2/61 <sup>R</sup>	Q3/61 <sup>R</sup>		Q1/62 <sup>R</sup>	Q2/62 <sup>R</sup>	H1/61	H1/62	QoQ	YoY	YTD
Housing	12,843	14,892	15,105	14,290	13,217	15,245	27,735	28,462	15.3%	2.4%	2.6%
condominium	22,432	12,632	22,226	14,382	10,903	8,272	35,064	19,175	-24.1%	-34.5%	-45.3%
<b>Total</b>	<b>35,275</b>	<b>27,542</b>	<b>37,331</b>	<b>28,672</b>	<b>24,120</b>	<b>23,517</b>	<b>62,799</b>	<b>47,637</b>	<b>-2.5%</b>	<b>-14.6%</b>	<b>-24.1%</b>

Source: Real Estate Information Center, Government Housing Bank

The total value of the ownership transfers for the residential places (Bangkok and perimeters) was 121,368 million baht. It was reduced for 16.47%. The total value of the loans for new residential places was 155,196 million baht. It was reduced for 9.8%. Thus, the mentioned number was significantly reduced in the first half of 2019.

**Table 2: the Increase of the Value of the Ownership Transfers for the Residential Places in Bangkok and Perimeters**

Section	Q1/61	Q2/61	Q3/61	Q4/61	Q1/62	Q2/62
Unit	QoQ	-12.3%	18.4%	-2.5%	15.3%	-14.8%
	YoY	42.4%	25.9%	5.0%	16.7%	13.5%
Data	QoQ	-12.5%	30.4%	-7.8%	30.2%	-23.8%
	YoY	39.4%	40.3%	14.6%	36.9%	19.3%

Source: Real Estate Information Center, Government Housing Bank

The number of the newly constructed residential places (Bangkok and perimeters) was 47,637 units. It was decreased for 14.6%. The total value of the ownership transfers for the residential places (Bangkok and perimeters) was 254,315 million baht. It was reduced for 16.5%. The total value of the loans for new residential places was 314,068 million baht. It was decreased for 3.4%.

According to the mentioned effects, the public sector used other measures. For example, the tax reduction with the limit of two hundred thousand baht for each first house buyer buying the house with price not over five million baht within 2019. The cost reduction measure was provided for both buyers and entrepreneurs by reducing the transfer fees from 2% to 0.01% for each single house, twin house, townhouse or condominium unit with the price not over one million baht by 31 MAY 2020.

The Bank of Thailand also softened the LTV measure in order to reduce the effects on co-borrowers. If they did not have the ownership of the residential places, then they would not be considered as borrowers in order to ensure that the co-borrowers have appropriate loans. Nonetheless, the mentioned measure was not enough to recover the real estate market because of uncontrollable external factors such as economic slowdown and reduced domestic purchasing power. Consequently, real estate businesses have to seriously adapt themselves to the changes by postponing new projects in the second half of the year, selling old projects as many as possible, and lowering sales and growth targets in this year according to the market (source: BANGKOKBIZNEWS).

## Competitors' Pricing Strategy Risk

There are many competitors' price war strategies because of the increased accumulated supplies, while most projects are opening and under construction because the transfers were hastened in late 2018 and early 2019 as could be seen from the average price of the condominiums in Bangkok was increased for over 40% in the last 10 years. However, the increase of the prices was reduced gradually. In the last five and three years, the prices were increased for 30% and 10%, respectively. In 2018, the prices were approximately increased for 5%.

With the mentioned factor, the entrepreneurs used the price war strategies in order to stimulate purchasing powers and to gain the limited market shares. In 2019, it was considered as a year that had more competitions than the normal market because most real estate entrepreneurs had many stocks and the stocked residential places in the market were increased. Thus, the entrepreneurs must used the price war strategies for about 3 - 5% in order to gain customers.

Stakeholders (e.g. the committees of the Thai Real Estate Association and the Board of Trade of Thailand) considered that using the price strategies as stimuli was not appropriate because the price war could destroy the whole system of the real estate market and negatively affected the businesses in the long term.

Accordingly, the entrepreneurs should adapt themselves according to the mentioned situations by developing products according to the actual needs and various options for the customers. Particularly, 65% of the sold projects should use the remaining profits for value additions (source: DDPROPERTY).

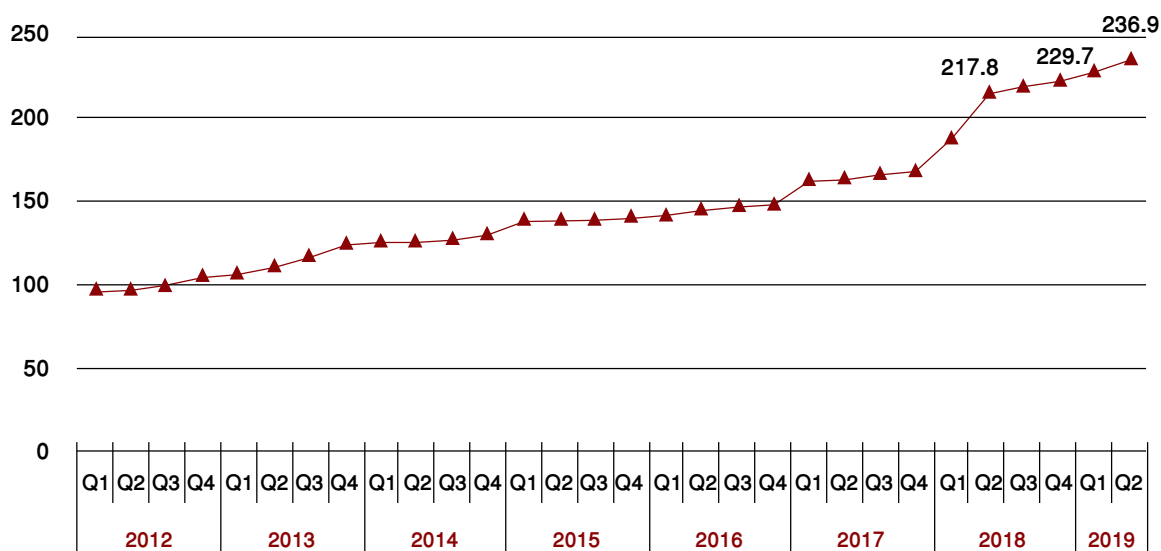
## Increasing Land Price Risk

The index of the land prices before developments in Bangkok and perimeters in the 2<sup>nd</sup> quarter of 2019 was 236.9 points. It was increased for 3.1% as compared to the index in the previous quarter that was 229.7 points. It was increased for 8.8 percent as compared to the index in the same period of the previous year that was 217.8 points. It was clear that the increase was slowed down after the significant increase for two digits in nine quarters from the 1<sup>st</sup> quarter in 2017 to the 1<sup>st</sup> quarter in 2019.

**Table 1: the Land Price Index before Developments in Bangkok and Perimeters in the 1<sup>st</sup> Quarter of 2019**

the Land Price Index before Developments	Q1/2561	Q2/2561	Q3/2561	Q4/2561	Q1/2562	Q2/2562
Bangkok and Perimeters	186.0	217.8	219.2	223.2	229.7	236.9
<b>QoQ</b>	12.3%	15.2%	0.6%	1.8%	2.9%	3.1%
<b>YoY</b>	16.0%	32.3%	31.6%	32.6%	21.5%	8.8%

Source: Department of Lands

**Graph 1: the Land Price Index before Developments in Bangkok and Perimeters**

Source: Department of Lands

Collected and processed by the Real Estate Information, Government Housing Bank

The top five lands with the highest increased prices before developments in the 2<sup>nd</sup> quarter of 2019 as compared to the same period in the previous year (YoY) were as follows. Firstly, Nakhon Pathom Province had the highest change of prices with the percentage of 62.6%. Most lands with the increased prices were in Sam Phran District, Phutthamonthon District and Mueang Nakhon Pathom District because of the future skytrain blue line from Hua Lamphong - Bang Khae being extended to Phutthamonthon Sai 4 and increasing the prices of lands in this area. Secondly, Samut Prakan Province had the lands' prices increased for 47.3%. Most lands with the increased prices were in Muang Samut Sakorn District and Krathum Baen District because the construction of the Bangkok - Wang Manao from the Rama 2 toll way. Thirdly, the prices of the lands in Bang Kruai - Bang Yai - Bang Bua Thong - Sai Noi were increased for 45.8%. Fourthly, the prices of the lands in Bang Khen - Sai Mai - Don Mueng - Lak Si were increased for 40.5 percent. Fifthly, the prices of the lands in Samut Prakan - Phra Pradaeng - Pra Samut Jedi were increased for 29.3% because of the skytrain green line (Bearing - Samut Prakan) that was constructed and started providing services on 6<sup>th</sup> December 2019.

The top five areas reflected the demands for the lands for developing residential places extended to perimeters and suburbs with low price bases and future skytrain plans. So, these areas had the increases of prices higher than those in the center of the city as compared to that in the same period in the previous year.

According to the mentioned factors, the entrepreneurs had the measures for the increased prices of the lands by seriously studying possibilities for developing horizontal real estates and condominiums, consumers' needs, financial possibilities and all possibilities of projects before making decisions to buy lands for developments (source: Real Estate Information Center, Government Housing Bank).

## International Trade Risk

In the last six months of 2019, the managers registered the CEO Survey): Economic Outlook and expected that the Thai economy in the second half of this year would be slowed down as compared to the results of the previous survey. It was expected that the Thai economy would grow for 2 - 3%, while most or 74% of CEOs expected that the Thai economy would grow for 3 - 4% in the previous survey in 2019. The Thai economy in the second half of the year would be mainly supported by domestic factors including commercial policies, public expenditures, national stability and tourism.

On the other hand, the important risk factors of the economic growth of Thailand were the factors connected to other countries such as globally economic situations, commercial wars, Thai currency value and exports affected by commercial directions. Eighty five percent of the CEOs expected that the commercial wars would negatively affect the Thai economy.

For the next 12 months, CEOs expected that the investment level would be maintained. They would wait for the clearness of the economic situations and increase their awareness of investments. However, it was found that 50% of the CEOs planned to extend their investments to other countries. The main targets were still neighboring countries in ASEAN including Cambodia, Laos, Myanmar, Vietnam (CLMV), Indonesia and Philippines.

Furthermore, most CEOs were anxious about domestic purchasing powers that mainly drove the economy and the economic situations of foreign business partners as the 2<sup>nd</sup> concerned issue since it had been the 8<sup>th</sup> concerned issue, while the lack of skilled workers was the 3<sup>rd</sup> concerned issue (source: Stock Exchange of Thailand)

## Risk Management Measures

While the condominium market has more competitions than the horizontal building market because most obstacles in this year were about buying for living not for making profits, the company has the risk management measures. The company still focuses on developing horizontal buildings in order to meet the target groups' needs by studying their needs and behaviors and continuously developing products for adding values to the future projects. To catch the target groups, the trends of demands in the market must be analyzed in order to catch the groups with purchasing powers. Moreover, the locations of lands being appropriate and having more potentials than competitors were studied.



# REAL ESTATE

## BUSINESS CONDITIONS IN 2019

The overall housing market for the year 2019 in terms of demand for housing ownership was expected to decrease by 10.2% and the value was expected to decrease by 7.1%. On the aspect of the supply side, new housing projects were expected to have fewer units, which was down by 12.7% and newly-built housing was expected to have a decrease in units by 9.1% in comparison with 2018. The slowdown in both supply and demand showed the adjustment of entrepreneurs, which would lead to a balance of the market. The trend of estimated residual supply for residential sales in the specific market in Bangkok - metropolitan area in 2019 was expected to be approximately 154,367 units, which were housing projects, approximately 88,727 units, equivalent to 57.5%. Condominium units are approximately 65,639 units, accounted for 42.5%. The maximum units were condominiums, accounted for 42.5% followed by townhouses, equivalent to 31.8%, detached houses 17.1%, the remaining were detached houses and commercial buildings.

As for the trend in 2020, the estimated remaining units for sale at the end of 2020 are expected to be around 139,000 units, which reduces from the previous year 2019 by 6.7% from the year 2019 due to the government issuing the measures to stimulate the real estate sector by reducing the ownership transfer fees and mortgage fees to 0.01% from November 2019 until the end of 2020, only for the purchase of residences at the price not over 3 million baht from entrepreneurs, excluding the purchase of second-hand houses, which are expected to accelerate the transfer of ownership of newly built residences by entrepreneurs and will help the accumulated excess supply in the market to be absorbed until the balance of the remaining supply is restored close to the average of the past 5 years at 138,720 units

### Supply Situation of the Housing Market in Bangkok and Metropolitan Area

Newly launched supply in the first quarter of the year 2019, there were a total of 50 housing estate projects and 30 condominium projects, in total of 80 projects. The housing projects had a decreasing number while the value of launches increased when compared to the first quarter of 2018. In the aspect of the condominium projects, there was a declining rate for both the number of projects and overall values. The projects that were the housing type, consisting of 53.5% townhouses with mostly in the price range of 2-3 million baht, 32.6% of detached houses with mostly in the price range of 10 million baht or more, 13% of detached houses in the price range of 3-5 million baht, and 0.9% commercial buildings for living with mostly in the price range of 10 million baht or more. The condominiums were divided into 1 bedroom type, accounted for 80.2% with mostly in the price range 2-3 million baht, studio room, accounted for 6.7% with mostly in the price range of 2-3 million baht, 2 bedroom type, accounted for 12.5% with mostly in the price range 3-5 million baht, and the 3-bedroom type, accounted for 0.7% with mostly in the price range of 10 million baht or more as shown in the diagrams below.

**Diagram 1 Number of new residential project units for sale in Bangkok - metropolitan area, the 1<sup>st</sup> quarter, year 2019**

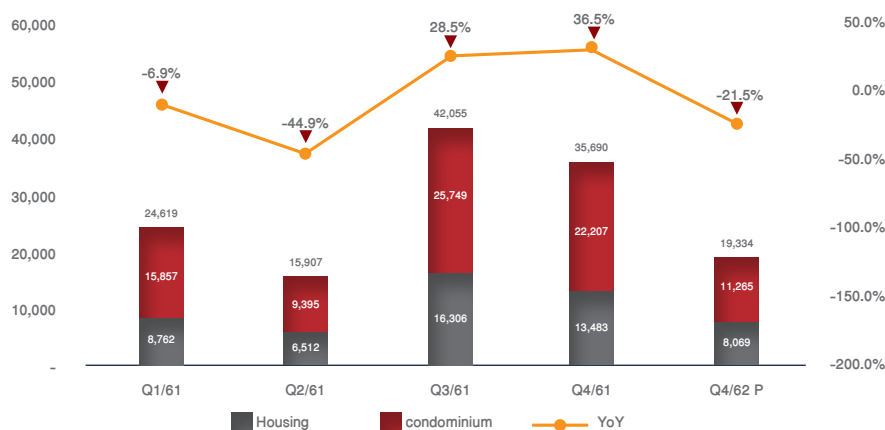
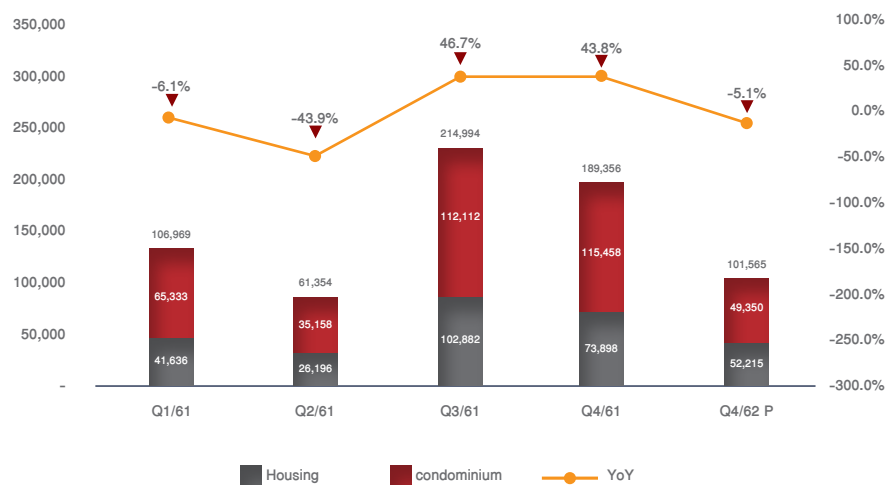
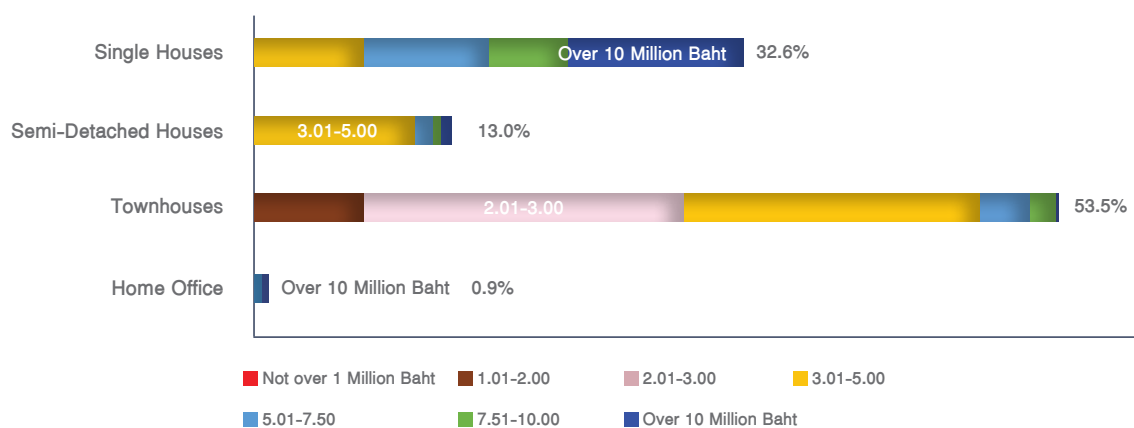
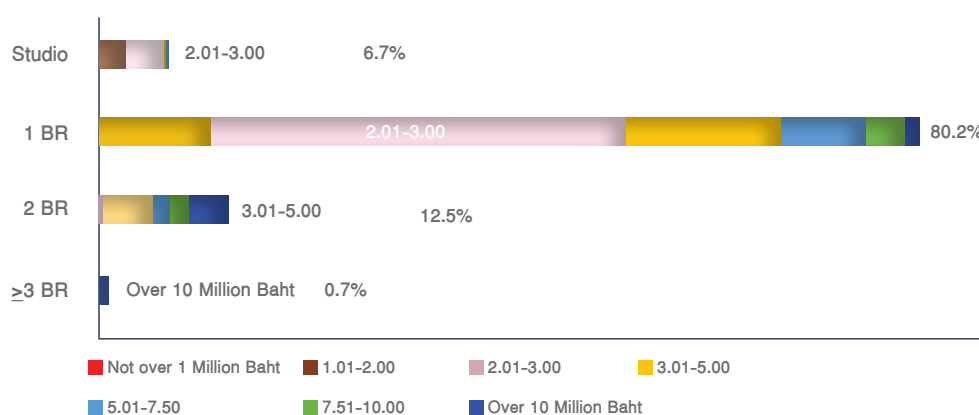
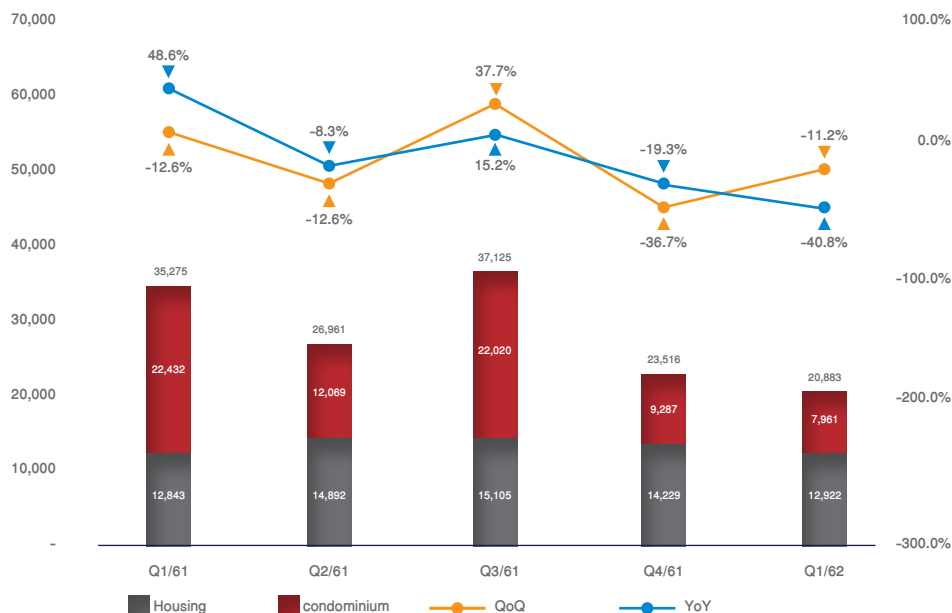


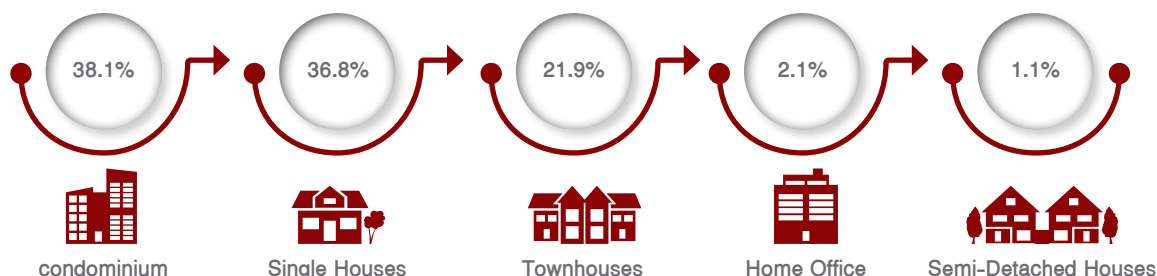
Diagram 2 Values of new residential projects for sale in Bangkok - metropolitan area, the 1<sup>st</sup> quarter, year 2019Diagram 3 Types and prices of housing units in the 1<sup>st</sup> quarter, year 2019Diagram 4 Types and prices of condominiums in the 1<sup>st</sup> quarter, year 2019

For newly completed housing projects that had been registered in the 1<sup>st</sup> quarter of the year 2019, the number of units decreased by 40.8% compared to the 1<sup>st</sup> quarter of the year 2018 and decreased by 11.2% from the 4<sup>th</sup> quarter of the year 2018 as shown in the diagrams below.

**Diagram 5 Newly completed housing that had been registered registered in Bangkok - metropolitan area, the 1<sup>st</sup> quarter, year 2019**



**Diagram 6 Proportion of the number of newly completed housing units that had been registered in the 1<sup>st</sup> quarter, year 2019, divided by housing types**



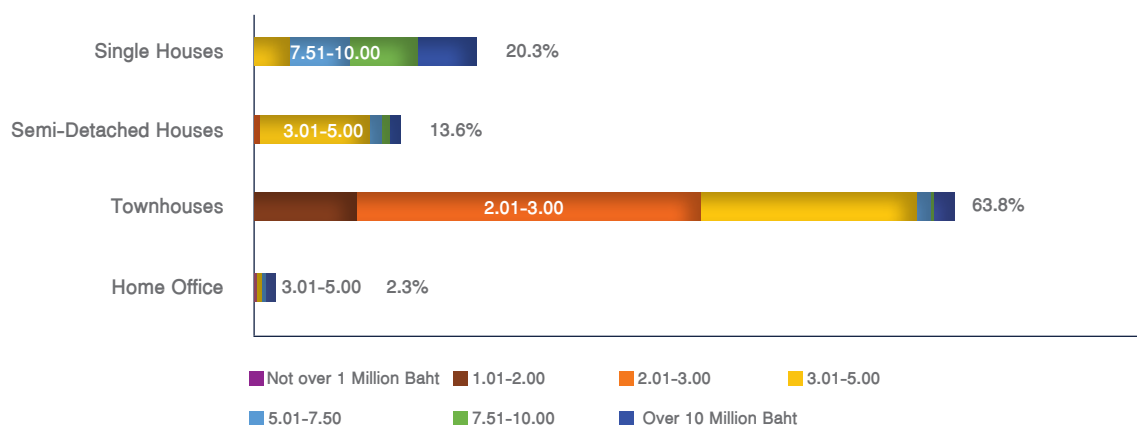
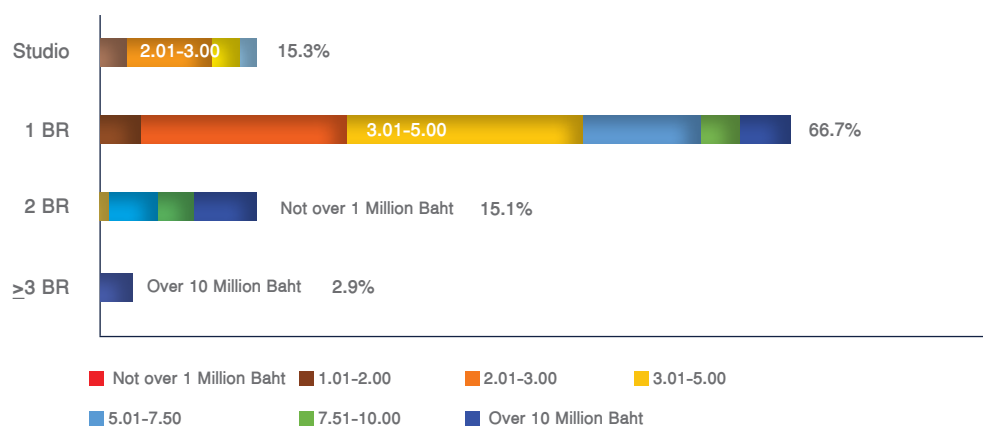
It could be observed that during the 1<sup>st</sup> quarter of the year 2019, both newly launched and completed supply decreased compared to the 1<sup>st</sup> quarter of the year 2018 due to the reduced absorption rate. Moreover, accumulative excess supply increased from outstanding supply in the year 2017-2018

As for the 2<sup>nd</sup> quarter of the year 2019, new supply had been launched, which was 71 housing projects, 33 condominium projects, in total of 104 projects. The total number of projects increased to 82.5%. The number of units increased by 63.1% and the total value increased by 151.7%, which could be divided into housing projects with the number of projects increased by 91.9%, the number of units increased by 88.7%, and the total value increased by 115.2%. While the number of condominium projects increased by 65%, the number of units increased by 45.3% and the total value increased 178.9%. When compared the proportion between housing projects and condominium projects, it was found that although the number of housing projects was greater than the number of condominium projects, the number of units and the total value of the condominium projects were greater than housing projects. This indicated that the entrepreneurs had not yet been discouraged to supply the condominiums in the market. Even though, some had more been affected by LTV measures than housing projects as shown in the table below.

Table 1 Residential projects for sale in Bangkok - metropolitan area, the 2<sup>nd</sup> quarter, year 2019

Type	Total			UNIT			Price (Million Baht)		
	Q2/61	Q2/62	YoY	Q2/61	Q2/62	YoY	Q2/61	Q2/62	YoY
Housing	37	71	91.9%	6,512	12,290	88.7%	26,196	56,385	115.2%
condominium	20	33	65.0%	9,395	13,649	45.3%	35,158	98,042	178.9%
<b>Total</b>	<b>57</b>	<b>104</b>	<b>82.5%</b>	<b>15,907</b>	<b>25,939</b>	<b>63.1%</b>	<b>61,354</b>	<b>154,427</b>	<b>151.7%</b>

Newly launched housing projects in the second quarter of the year 2019 could be divided into 63.8% townhouses with mostly in the price range of 2-3 million baht, single houses 20.3%, with mostly in the price range 7.5-10 million bah, semi-detached houses 13.6% with mostly in the price range of 3-5 million baht, and commercial buildings for housing 2.3% with mostly in the price range of 3-5 million baht. Meanwhile, condominium projects were divided into 1 bedroom type, accounted for 66.7% with mostly in the price range 3-5 million baht, followed by studio type, accounted for 15.3%, with mostly in the price range of 2-3 million baht, 2 bedroom type, accounted for 15.1% with mostly in the price range of 10 million baht or more, 3 bedroom type, accounted for 2.9% with mostly in the price range of 10 million baht or more, as shown in the diagrams below.

Diagram 7 Types and housing prices in the 2<sup>nd</sup> quarter of the year 2019Diagram 8 Types and condominium prices in the 2<sup>nd</sup> quarter of the year 2019



For completed housing that had been registered in the 2<sup>nd</sup> quarter of the year 2019, the number of units decreased by 14.6% compared to the 2<sup>nd</sup> quarter of the year 2018 and decreased by 2.5% compared to the 1st quarter of the year 2019, which could be divided into low-rise residential units 64.8% (consisting of single houses 43.8%, townhouses 15.3%, twin houses 3%, and commercial buildings for 2.8%) and 35.2% condominiums, with the number of completed units that had been registered in continuously decreasing number for the 3<sup>rd</sup> quarter due to the significant acceleration of constructions and transfers since the 3<sup>rd</sup> quarter in 2018.

Overview of the first half of the year 2019, there were a total of 137 newly launched housing projects, 67 condominium projects, in total of 204 project, which were divided into housing projects with the number of projects increased by 50.5%, the number of units increased 46.2%, and the total value increased by 68.6% in, while the number of condominium projects increased by 19.6%, the number of units increased by 5%, and the total value increased by 50.4% compared to H1/ 2018 as in the table below.

**Table 2 Residential projects for sale Bangkok - metropolitan area, first half of the year 2019**

Type	Project			Unit			Price (Million Baht)		
	H1/61	H1/62	YoY	H1/61	H1/62	YoY	H1/61	H1/62	YoY
Housing	91	137	50.5%	15,274	22,324	46.2%	67,832	114,348	68.6%
condominium	56	67	19.6%	25,252	26,526	5.0%	100,491	151,113	50.5%
<b>Total</b>	<b>147</b>	<b>204</b>	<b>38.8%</b>	<b>40,526</b>	<b>48,850</b>	<b>20.5%</b>	<b>168,323</b>	<b>265,461</b>	<b>57.7.7%</b>

The most top 5 new housing projects for sale during the first half of the year 2019 were such as (1) Bang Yai - Bang Bua Thong - Bang Kruai - Sai Noi, the location of MRT purple Line, (2) Lam Luk Ka - Khlong Luang - Thanyaburi - Nong Sue with BTS green line (Mo Chit - Saphan Mai - Khu Khot) under construction, (3) Mueang Samut Prakan - Phra Pradaeng - Phra Samut Chedi, (4) Khlong Sam Wa - Min Buri - Nong Chok - L The shield, which is located at a BTS Pink Line (Khae Rai - Min Buri during construction, (5) Bang Phli - Bang Bor - Bang Sao Thong, which five locations will have townhouse introduced for sale for mostly 3.01 - 5.00 million baht, except Mueang Samut Prakan - Phra Pradaeng - Phra Samut Chedi in which townhouses are mostly sold at 2.01 - 3.00 million baht as in the table below.

**Table 3 The most top 5 newly opened housing projects in the first half of 2019**

No.	location	Number of newly unit	Project Value (Million Baht)	Opening Price		Product Opening
				1 <sup>st</sup> half of the year 2019	1 <sup>st</sup> half of the year 2018	
1	Bang Yai- Bang Bua Thong - Bang Kruai- Sai Noi	3,210	18,150	3.01-5.00	3.01-5.00	Townhouses
2	Lam Luk Ka-Khlong Luang-Thanyaburi-Nong Suea	3,004	8,369	3.01-5.00	2.01-3.00	Townhouses
3	Mueang Samut Prakan-Phra Pradaeng-Phra Samut Chedi	2,283	6,196	2.01-3.00	2.01-3.00	Townhouses
4	Khlong Sam Wa-Min Buri-Nong Chok-Lat Krabang	2,239	9,177	3.01-5.00	2.01-3.00	Townhouses
5	Bang Phli-Bang Bo-Bang Sao Thong	2,148	10,638	3.01-5.00	3.01-5.00	Townhouses

As for the locations with the top 5 new condominium projects in the first half of 2019 were such as (1) Thon Buri - Khlong San - Bangkok Noi - Bangkok Yai - Bang Phlat, (2) Huai Khwang - Chatuchak - Din Daeng, (3) Phra Khanong - Bang Na - Suan Luang - Prawet, (4) Khlong Sam Wa - Min Buri - Nong Chok - Lat Krabang, (5) Sukhumvit along the BTS skytrain line (Sukhumvit Line), with the top 3 most locations opened for sale mostly at the price of 3.01 - 5.00 million baht. Next, the 4<sup>th</sup> top locations were opened for sale mostly at the price range of 2.01 - 3.00 million baht, and the 5<sup>th</sup> most locations were opened for sale mostly at the price range of 7.51 million baht and more. The type of rooms that were opened for sale the most in 5 locations was 1 bedroom type as in the table below.

**Table 4: Top 5 most newly opened condominium projects in the first half of 2019**

No.	location	Number of newly unit	Project Value (Million Baht)	Opening Price		Product Opening
				1 <sup>st</sup> half of the year 2019	1 <sup>st</sup> half of the year 2018	
1	Thon Buri-Khlong San-Bangkok Noi-Bangkok Yai-Bang Phlat	5,442	18,649	3.01-5.00	3.01-5.00	1 bedroom
2	Huai Khwang-Chatuchak-Din Daeng	3,093	12,590	3.01-5.00	3.01-5.00	1 bedroom
3	Phra Khanong-Bang Na-Suan Luang-Prawet	2,702	10,337	3.01-5.00	3.01-5.00	1 bedroom
4	Khlong Sam Wa-Min Buri-Nong Chok-Lat Krabang	2,576	5,250	2.01-3.00	2.01-3.00	1 bedroom
5	5. Sukhumvit	1,900	16,605	7.51-10.00 More than 10 Million Baht	10 ลบ. ขึ้นไป	1 bedroom

In the first half of the year 2019, the number of registered completed housing units was 47,637 units, which was a decrease of 24.1% compared to during the first half of 2018, as affected by a decrease of condominiums, which decreased by as much as 45.3%, while for low-rise housing, both from housing projects and houses built by people, the number of units had increased by 2.6% as in the table below.

**Table 5 Newly completed and registered houses in Bangkok-metropolitan area**

Section	Q1/61	Q2/61 <sup>R</sup>	Q3/61 <sup>R</sup>		Q1/62 <sup>R</sup>	Q2/62 <sup>R</sup>	H1/61	H1/62	QoQ	YoY	YTD
Housing	12,843	14,892	15,105	14,290	13,217	15,245	27,735	28,462	15.3%	2.4%	2.6%
condominium	22,432	12,632	22,226	14,382	10,903	8,272	35,064	19,175	-24.1%	-34.5%	-45.3%
<b>Total</b>	<b>35,275</b>	<b>27,524</b>	<b>37,331</b>	<b>28,672</b>	<b>24,120</b>	<b>23,517</b>	<b>62,799</b>	<b>47,637</b>	<b>-2.5%</b>	<b>-14.6%</b>	<b>-24.1%</b>

From the supply side trend in the first half of the year, it could be expected that the new project launch supply in the second half of the year 2019 would be declined by 28% compared to the second half of 2018 due to the remaining supply in the market. Newly completed housing was expected to decrease by 2.3% compared to the second half of 2018.

Overall, in the aspect of the supply situation of the housing market in Bangkok and metropolitan area throughout the year 2019, the sales of new housing projects were expected to have a decrease in number of units by 12.7% and newly completed housing registration was expected to have a decrease in number of units by 9.1 % compared to year 2018 due to the number of condominium units that decreased while the number of horizontal units increased.

## Demand Situation of the Housing Market in Bangkok and Metropolitan Area

For ownership transfers in the 1<sup>st</sup> quarter of the year 2019, the number of units increased by 13.5% and the total value increased by 19.3% compared to the 1<sup>st</sup> quarter of 2018 from the total number of units, which were divided into 46.2% condominiums, 30.7% townhouses, and 14.7% detached houses. All of them were new houses (or houses transferred from individuals) 63% and second-hand houses (or houses transferred from individuals) 37%, which were in consistent with with newly released residential mortgage loans (nationwide) with an increase of 3.8% compared to the 1<sup>st</sup> quarter of the year 2018, but decreased by 17.6% compared to the 4<sup>th</sup> quarter of the year 2018. In addition, the outstanding residential mortgage loans (nationwide) also increased by 8.4% compared to the 1<sup>st</sup> quarter of 2018 and increased by 2% compared to the 4<sup>th</sup> quarter of the year 2018 to accelerate the transfer of the former LTV measures, which would be in effect on April 1<sup>st</sup>, 2019, as shown the diagrams below.

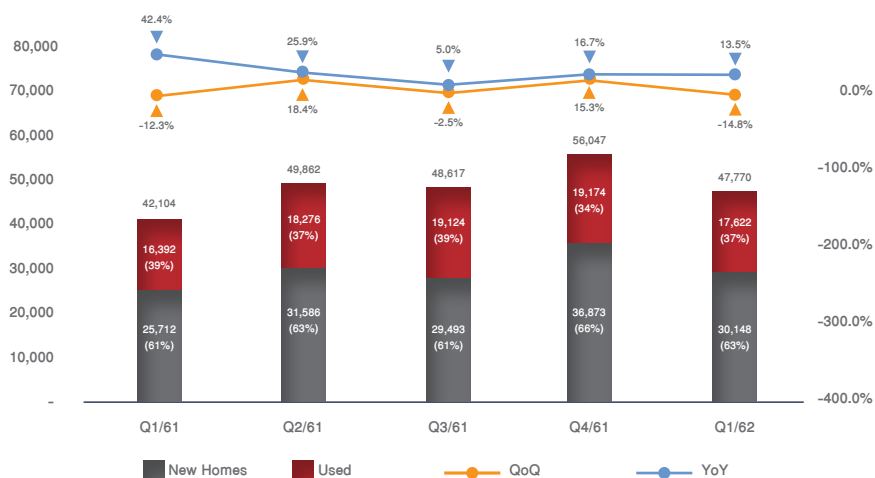
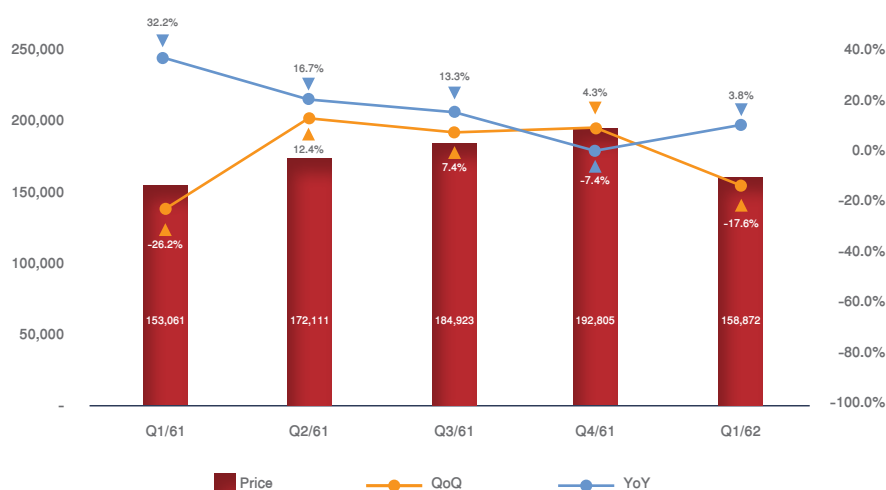
Diagram 9 Number of the ownership transfers for housing units in the 1<sup>st</sup> quarter of the year 2019

Diagram 10 Newly released residential mortgage loans, nationwide, Q1/2019

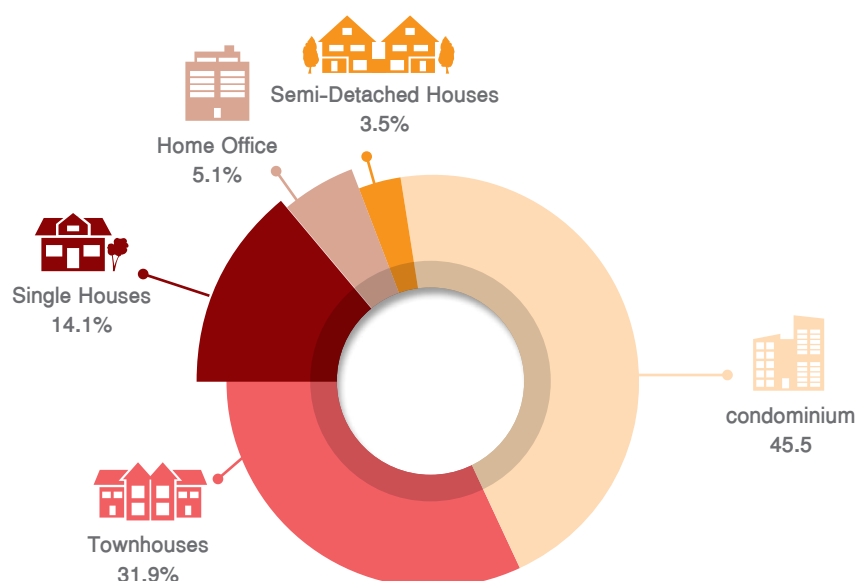


As for the 2<sup>nd</sup> quarter of the year 2019, the number of housing ownership transfers for housing units decreased by 18.9% and the value decreased by 16.5% compared to the 2<sup>nd</sup> quarter of the year 2018, which had decreased in the 1<sup>st</sup> quarter since the continuous increase in 7 consecutive quarters since the 2<sup>nd</sup> quarter of the year 2017, due to LTV measures. Buyers were rejected by banks, which made them unable to transfer ownership, causing the entrepreneurs to have to resell the residential units. As a result, the outstanding supply in the market had increased. The number of units transferred divided by project types, which were 45.4% condominiums, 31.9% townhouses, 14.1% detached houses, 5.1% commercial buildings, and 3.5% twin houses; the newly constructed residences (or houses transferred from juristic persons) 55% and second-hand residences (or houses transferred from individuals) 45% as in the table and diagram below.

Table 6 The growth of housing transfer rate in Bangkok-metropolitan area QoQ and YoY

Section		Q1/61	Q2/61	Q3/61	Q4/61	Q1/62	Q2/62
Unit	QoQ	-12.3%	18.4%	-2.5%	15.3%	-14.8%	-15.3%
	YoY	42.4%	25.9%	5.0%	16.7%	13.5%	-18.9%
Data	QoQ	-12.5%	30.4%	-7.8%	30.2%	-23.8%	-8.7%
	YoY	39.4%	40.3%	14.6%	36.9%	19.3%	-16.5%

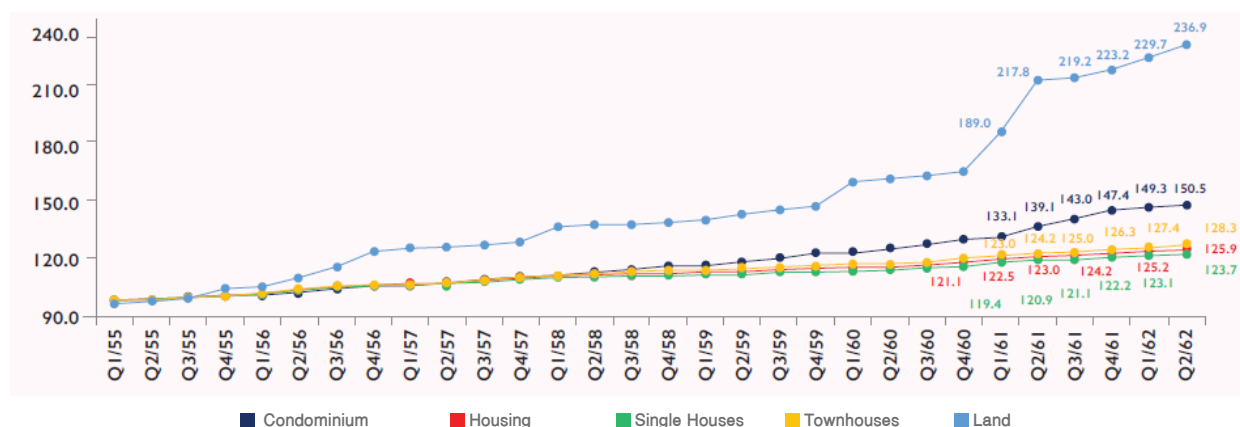
**Diagram 11 Proportion of the number of housing unit ownership transfer in the 2<sup>nd</sup> quarter of the year 2019, by types of housing**



Summary of the overall picture of the first half of the year 2019, the number of ownership transfer of housing units decreased by 18.9% and the value decreased by 16.5% compared to the first half of 2018, which included the number of new housing units. (or houses transferred from juristic persons) 59% and second-hand houses (or houses transferred from individuals) 41%, while the overall transfer value included 71% new constructed housing units and 29% second-hand housing units. Meanwhile, new mortgage loans (nationwide) had also decreased at a rate of 3.4% compared to the 1<sup>st</sup> quarter of 2018. It could be seen that from the LTV measures of the Bank of Thailand, they affected the transfer of ownership in the 2<sup>nd</sup> quarter of the year 2019, which greatly affected the overall first half of the year.

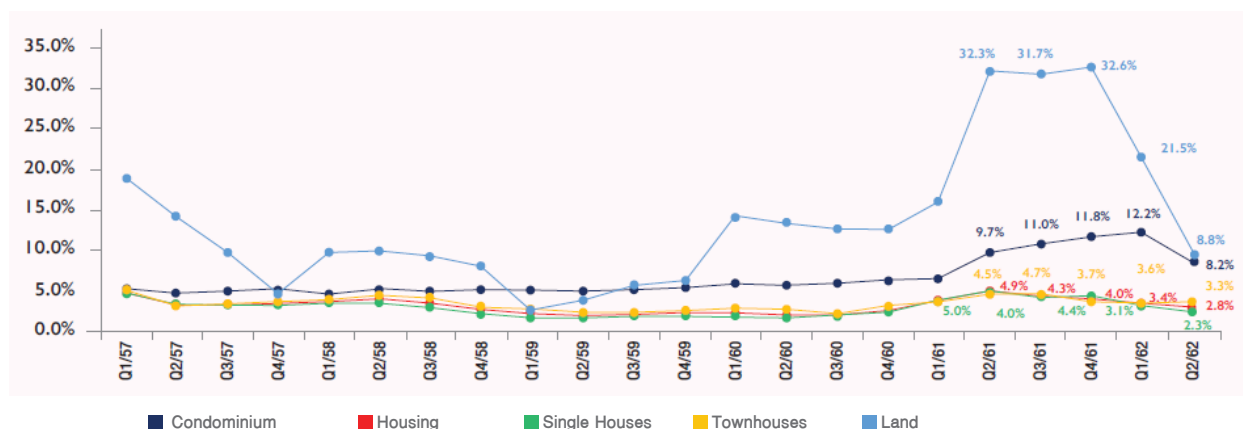
In the aspect of the price of vacant land before development and housing prices, it increased at a slower rate due to the large amount of accumulated supply remaining, which caused entrepreneurs to use pricing strategies. The vacant land price index before development increased by 8.8%. The new unit price index during the sales process adjusted up to 8.2%, the new housing price index during the sales increased by 2.8%, which were divided into detached houses with an increase of 2.3%, townhouses with an increase of 3.3% compared to during the 2<sup>nd</sup> quarter of the year 2018 as in the diagrams below.

**Diagram 12 Price index of new housing units being sold and vacant land price index before development in Bangkok-metropolitan area in the 2<sup>nd</sup> quarter of the year 2019**





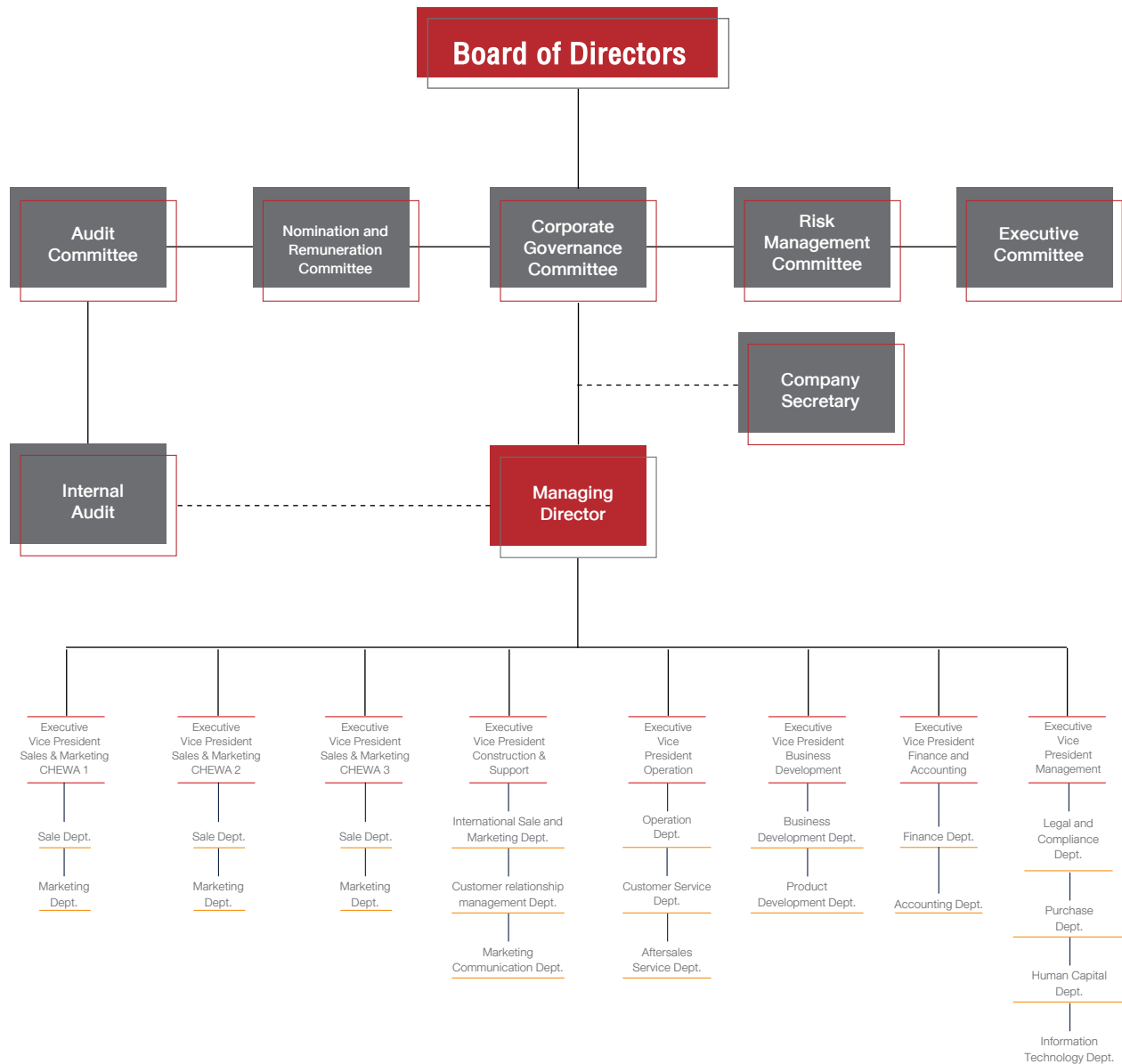
**Diagram 13 Growth rate (YoY) of new housing price index being sold and vacant land price index before development in Bangkok - metropolitan area**



From the declaration of leniency for co-borrowers in the LTV measures, which the Bank of Thailand announced on August 15<sup>th</sup>, 2019, they have allowed co-borrowers, who don't have ownership in such residences have the right to buy housing units as the first contract case, which was expected that the ownership transfers in the second half would be better than the first half of the year 2019, expected to increase by 5%, but the number of units decreased by 15.5%, and the total value decreased by 12.2% compared to during the second half of the year 2018. Meanwhile, newly-released housing loans (nationwide) were expected to decrease by around 5.7% compared to the second half of the year 2018, in consistent with the trend of ownership transfers.

Overall, the demand situation for the housing market for the year 2019, housing transfer ownership (the whole country) was expected to have a decrease of 7.7%, but without government stimulus measures, the number of units would have a decrease, accounted for 16.8%. The number of housing ownership transfers only in Bangkok and metropolitan area decreased by 10.2%. Although in the 1<sup>st</sup> quarter of the year 2019, there would be an increase from the acceleration of the transfer before the LTV measures, after that, the whole year would be reduced. according to the global economy and from the announcement of LTV measures by the Bank of Thailand, which from the total transfer price of ownership, 71% were newly built housing units and 29% were second-hand housing units. (Source: Real Estate Information Center Government Housing Bank)

# MANAGEMENT STRUCTURE



## Board of Directors

The committees of the company perform their duties for the benefits of the company and shareholders. The structure of committees is clear, balanced and auditable. The committees understand their duties and responsibilities for the shareholders, and they can show that they perform the duties according to the structure and management with enough inspections and balances.

According to the company's articles of Association. Assigned to the Board of Directors consists of not less than 5 Directors, directors must be persons qualified by law and assigned to the Board of Directors each term 3 years from the date of appointment of the Director or by the agenda.

There were four independent directors according to the criteria requiring that there are at least one third of the committees who are independent. They have the duties according to the criteria of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, and the Stock, knowledge and experiences for auditing the reliability of financial statements, and other duties as auditors.

As of 31<sup>st</sup> December 2019, the Board of Directors comprises seven members according to the Company Registration Certificate of the Ministry of Commerce. All of whom are equipped with knowledge and experiences beneficial for the operation of the Company as follows

Name of Directors	Position	2019 Board Meeting		
		Total Meeting (Times)	Attendance (Times)	Ratio (%)
1. Mr. Chartchai Panichewa	Chairman of the Board of Directors	6	6	100
	Chairman of the Executive Committee	12	12	100
	The Authorized director of the Company	-	-	-
2. Mr. Boon Choon Kiat	Director	6	6	100
	Member of Corporate Governance Committee	3	3	100
	Member of Risk Management Committee	3	3	100
	Executive Director	12	12	100
	Managing Director	-	-	-
	The Authorized director of the Company	-	-	-
3. Mrs. Somhatai Panichewa	Director	6	6	100
	Executive Director	12	12	100
	The Authorized director of the Company	-	-	-
4. Mrs. Supaporn Burapakusolsri	Director	6	6	100
	Independent Director	-	-	-
	Chairman of the Audit Committee	4	4	100
	Member of Nomination and Remuneration Committee	2	2	100
	Member of Corporate Governance Committee	3	3	100
	Member of Risk Management Committee	3	3	100
	Chairman of Risk Management Committee	-	-	-
5. Mr. Chaiyut Techatassanasoontorn	Director	6	6	100
	Independent Director	-	-	-
	Member of the Audit Committee	4	4	100
	Member of Nomination and Remuneration Committee	2	2	100
	Chairman of Corporate Governance Committee	3	3	100
	Member of Risk Management Committee	-	-	-
	Member of Risk Management Committee	-	-	-

Name of Directors	Position	2019 Board Meeting		
		Total Meeting (Times)	Attendance (Times)	Ratio (%)
6. นายพินิจ หาญพาณิชย์	กรรมการ	6	6	100
	กรรมการอิสระ	-	-	-
	กรรมการตรวจสอบ	4	4	100
7. 7. Pol.Lt.Gen Visanu Prasattongsoth*	กรรมการ	6	4	67
	กรรมการอิสระ	-	-	-
	ประธานกรรมการสรรหาและพิจารณาแต่งตั้ง	2	2	100

**Remark :** \*Pol.Lt.Gen Visanu left the Board of Directors Meeting No. 3/2019 on 13<sup>th</sup> March 2019 and No. 5/2019 on 8<sup>th</sup> August 2019 because of a public mission to go abroad.

## The Authorized director of the Company

The Number or names of directors authorized to enter signatures binding the company are as follows: Mr. Boon Choon Kiat signs his name with Mr. Chartchai Panichewa or Mrs. Somhatai Panichewa, with the company's common seal being affixed. (According to the certificate issued to the Company as of 4<sup>th</sup> December 2019.)

## Membership of the Board of directors

In compliance with Board Committee Charter (a) comprise at least five directors of which not less than one half shall reside in the Kingdom (b) comprise at least three independence directors and independence directors not less than one-third of the directors.

In compliance with good corporate governance, The proportion between executive directors and non-executive directors should support proper checks and balances to prevent unfettered power of decision and authority by anyone individual, the majority of the board should be non-executive directors, who exercise objective and independent judgement, moreover, the number and qualifications of the independent non-executive directors should reflect applicable legal requirements. The board should ensure that the independent directors and the entire board can fulfil its role and responsibilities efficiently and in the best interest of the company while exercising objective and independent judgement.

The Board also gives importance to the diversity of the Board Diversity. The Board of Directors consists of individuals with skills, knowledge, experience, and different attitudes.

In particular, the proportion of women directors of the company are 2 persons, representing 29% of the total number of directors, which are (1) Mrs. Somhatai Panichewa, the director and (2) Mrs. Supaporn Buraphonkusolsri, the director. For the Board Diversity issue is one of the factors in increasing the efficiency of the Board's decision-making and work, resulting in a better operation of the company as a whole. In particular, it is in consistent with the Corporate Governance Report of the Thai Listed Companies (CGR), which has established criteria for evaluating gender diversity, that the committee should consist of at least one independent female director.

**The components of the Board of Directors of the Company as of the 31<sup>st</sup> of December 2018 are as follows:**

- Four Independent Directors (57%), are (1) Mrs. Supaporn Burapakusolsri (2) Mr. Chaikut Techatassanasoontorn (3) Pol.Lt.Gen Visanu Prasattong-Osoth (4) Mr. Pinit Harnphanich As for independent directors, the Board of Directors' Meeting No. 1/2015 on the 30th of January 2015 had identified the qualifications of independent directors stricter than the qualifications required by the Capital Market Supervisory Board.



2. Six Non-Executive Directors (85%), are (1) Mr. Chartchai Panichewa (2) Mrs. Somhatai Panichewa (3) Mr. Supaporn Burapakusolsri (4) Mrs. Chaikut Techatassanasoontorn (5) Pol.Lt.Gen Visanu Prasarttong-Osoth (6) Mr. Pinit Harnphanich
3. One Executive Director (14%), is Mr. Boon Choon Kiat

## AUTHORIZING POWER OF THE BOARD OF DIRECTORS

The Board of Directors has the authority to approve various issues of the Company and subsidiary companies as established by law, Article of Association and resolution of the Annual General Meeting of Shareholders as follows:

- Strategic map, mission and vision of the Company
- Risk management policy
- Organization structure, goals of the Company
- Business plan and annual budget plan
- Annual and quarterly performance assessment
- Budget for land purchase

As the subject which has conflict of the interest to the Company with any directors, the interested person will not have the right for vote those transaction.

Furthermore, the Board of Director has duties to comply the Company with Securities and Exchange Act, the notification from The Stock Exchange of Thailand such as the connected transaction and the disposal and acquisition of the asset in accordance with the regulation of The Stock Exchange of Thailand or the notifications of Securities and Exchange Commission of Thailand or other relevant laws.

## Roles and responsibilities of the board of directors

1. To conduct their duties in compliance with the laws, objectives, articles of association and resolutions of shareholders meetings with duty of care and duty of loyalty.
2. To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of the Company and its subsidiaries as prepared by the management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
3. To follow-up the outcome of work to ensure its compliance with the plan and the budget on an ongoing basis.
4. To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system including an internal control and internal audit system.
5. To review the risk management procedures and policies and also follow up on the results.
6. To set in place the corporate governance policy and its effective implementation.
7. To appoint the sub-committees such as Audit Committee, Nomination and Remuneration committee Executive Directors and Corporate Governance Committee, or any other sub-committees in order to assist the Board of Directors performing duties.
8. To appoint the senior executive positions of the Company such as Managing Director, Executive Vice President Corporate Affair, Executive Vice President Account & Corporate Finance and any other senior officers as deemed necessary.
9. To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
10. To seek professional opinions from external agencies, if required, in order to take appropriate decisions.
11. To encourage directors and executives to attend the seminar program of Thai Institute Directors Association (Thai-IOD) in the course that related to their duties and responsibilities.

12. Check their performance annually.
13. Monitoring and assessment of the adequacy of its Charter and the Management Board propose to the Board of Directors to consider and amend this privacy Charter.
14. Perform other duties as assigned by the Board of Directors.

### **The meeting of the Board of Directors.**

1. The Board of Directors shall schedule the meeting in advance at least once every quarter a year and may intervene any extraordinary meetings as deemed appropriate. The meeting shall be notified at least seven days in advance and each meeting shall be attended by at least half of the total directors to make a quorum or otherwise indicated in the notification or charter of each committee. In case of the Board of Directors' meeting, to pass any resolution, at least two-thirds of the total members shall be present.
2. Clarification shall be made in advance by the Managing Director upon discussion with the President shall consider determining the agendas in advance. The Company secretary shall ensure that all directors receive the meeting documents prior to the meeting in appropriate time for their study for seven days and consideration in giving opinions and casting vote. (The company notified the board's meeting schedule of the next year for each director in January of the year)
3. The Board of Directors shall receive sufficient, complete, continuous, and timely prior to each meeting. The Board of Directors may contact the Company Secretary directly and independently, and the Company Secretary shall provide consultations to the Board of Directors regarding compliance with the law and regulations.
4. The Managing Directors shall appropriately allocate time so that the management can propose the documents for discussion and for the Board of Directors to discuss important matters. Each director shall be given an opportunity to express their opinions prior to conclusion of the meeting's opinions.
5. The Board of Directors shall give an opportunity to non-executive directors to have their own meetings as necessary for discussion of issues of interest without the presence of the management. The meeting results shall be informed to the Managing Director.
6. The Board of Directors shall encourage the Managing Director to invite the top management to attend the Board of Directors' meeting for consideration of work succession.
7. In consideration any agendas, the directors who have interest in the matters being discussed shall not be entitled to vote and shall not be present at the meeting during discussion of such agendas.
8. In each meeting, written minutes of meetings shall be recorded and the certified by the Board of Directors shall be retained for examination of the Board of Directors and other related parties.
9. The Annual General Meeting of Shareholders is scheduled once a year. In case that there is an urgent issue that needs approval from the shareholders, the Board of Directors will schedule an Extraordinary Meeting of Shareholders. The Board of Directors of the Company will comply with Public Limited Company Act B.E. 2535 and Securities and Exchange Act B.E. 2535 and other related regulations in order to be in consistence with the law and good corporate governance principles

### **Board of Directors' attendance**

Board of Directors' attendance in the accounting period 1<sup>st</sup> January - 31<sup>st</sup> December 2019, there are a total 6 the board of director meeting times (compared to previous 2 years) the details are as follows

Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)			
			2018		2019	
			Times	Ratio (%)	Times	Ratio (%)
1. Mr. Chartchai Panichewa	Chairman	25 April 2015	11/11	100	6/6	100
2. Mr. Boon Choon Kiat	Director	25 April 2015	11/11	100	6/6	100
3. Mrs. Somhatai Panichewa	Director	25 April 2015	11/11	100	6/6	100
4. Mrs. Supaporn Burapakusolsri	Independent Director	25 April 2015	11/11	100	6/6	100
5. Mr. Chaiyut Techatassanasoontorn	Independent Director	25 April 2015	11/11	100	6/6	100
6. Mr. Pinit Harnphanich	Independent Director	12 September 2018	1/2	50	6/6	100
7. Pol.Lt.Gen Visanu Prasattongsoth	Independent Director	12 September 2018	1/2	50	4/6	67

**Remark :** 1. Excluding the information of the 2019 Annual General Meeting of Shareholders  
2. Pol.Lt.Gen Visanu left the Board of Directors Meeting No. 3/2019 on 13<sup>th</sup> March 2019 and No. 5/2019 on 8<sup>th</sup> August 2019 because of a public mission to go abroad.

**Secretary of the Board of Directors :** Miss Chanitsara Yingnork

Company directors regularly attended the board meetings. On average, in 2019, all the board members had attended the board meetings in the proportion of 95% of the total board meetings in the previous year.

Most of the committee members attended every board meeting, except for Maj. Gen. Visanu Prasatthong-Osot, who was unable to attend due to having a mission to a foreign country. Therefore, requested to leave the Board of Directors Meeting No. 3/2019 on March 13<sup>th</sup>, 2019 and No. 5/2019 on August 8<sup>th</sup>, 2019, resulting in the proportion of individual board meetings of Maj. Gen. Visanu accounted for 67% of all yearly meetings. It is a limitation in adhering to the principles of good corporate governance, with regard to each director's contribution to the board of directors meeting at least 75% of the meeting year.

The company held a meeting between non-executive directors in the Board of Directors Meeting No. 3/2019 on March 13<sup>th</sup>, 2019, in order to allow the independent directors to jointly discuss the issue of independence in expressing opinions of the independent committee, nomination, and remuneration process without the influence of either party, including problems and methods to manage various problems without management team and directors, who were not involved in management to participate in the meeting. The independent committee had specified to notify the meeting results to the managing director.

## Committees

As of 31<sup>st</sup> December 2019, The Company with committees for consideration in the amount of 5 series as follows  
(1) Audit Committee (2) Nomination and Remuneration Committee (3) Corporate Governance Committee (4) Risk Management Committee (5) Executive Committee

## (1) Audit Committee

The Board of director or the Annual General Meeting of Shareholders appointing the audit committee of the Company, that having the board comprise all of an independent directors who qualify under the definition of an independent directors as specified in Notification of the Capital Market Supervisory Board and the Notification of the Office of the Securities and Exchange Commission, 3 members with (1) Mrs. Supaporn Burapakusolsri as Chairman of the Audit Committee with knowledge. Financial Accounting Capabilities And have sufficient experience to serve on the review of the reliability of the financial statements of the Company (2) Mr. Chaikut Techatassanasoontorn (3) Mr. Pinit Harnphanich.

In the accounting period 1<sup>st</sup> January to 31<sup>st</sup> December 2019. There are total 4 Audit Committee meeting times (compared to previous 2 years) the details are as follows

Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)	
			2018	2019
1 Mrs. Supaporn Burapakusolsri	Chairman of the Audit Committee, Independent Director	25 April 2015	6/6	4/4
2 Mr. Chaikut Techatassanasoontorn	Audit Committee, Independent Director	25 April 2015	6/6	4/4
3 Mr. Pinit Harnphanich	Audit Committee, Independent Director	12 September 2018	1/1	4/4
4 Mr. Chung Tang Fong <sup>(1)</sup>	Audit Committee, Independent Director	25 April 2015	2/4	-

**Remark :** (1) Chung Tang Fong, who has resigned from the Board. The effective date of July 13, 2018 onwards.

**Secretary of the Audit Committee :** Miss Chanitsara Yingnork

The attendance at the Audit committee meeting in 2019, all Audit committee members had attended completely 100%.

## (2) Nomination and Remuneration Committee

The Board of Directors appointing the Nomination and Remuneration Committee for the purpose of consider the selection criteria and consider the compensation for directors and top executives. The Nomination and Remuneration Committee consists of 3 members with (1) Pol.Lt.Gen Visanu Prasattongsoth Chairman of Nomination and Remuneration Committee (2) Mrs. Supaporn Burapakusolsri (3) Mr. Chaikut Techatassanasoontorn

In the accounting period 1<sup>st</sup> January to 31<sup>st</sup> December 2019. There are total 2 Nomination and Remuneration Committee meeting times (compared to previous 2 years) the details are as follows

Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)	
			2018	2019
1 Pol.Lt.Gen Visanu Prasattongsoth	Chairman of Nomination and Remuneration Committee, Independent Director	12 September 2018	1/1	2/2
2 Mrs. Supaporn Burapakusolsri	Nomination and Remuneration Committee, Independent Director	25 April 2015	3/3	2/2



Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)	
			2018	2019
3 Mr. Chaikut Techatassanasoontorn	Nomination and Remuneration Committee, Independent Director	25 April 2015	3/3	2/2
4 Mr.Chung Tang Fong <sup>(1)</sup>	Chairman of Nomination and Remuneration Committee, Independent Director	25 April 2015	1/1	-

**Remark :** <sup>(1)</sup> Mr. Chung Tang Fong, who has resigned from the Board. The effective date of July 13, 2018 onwards.

**Secretary of Nomination and Remuneration Committee :** Miss Chanitsara Yingnork

The attendance at the Nomination and Remuneration Committee meeting in 2019, all the Nomination and Remuneration Committee members had attended completely 100%.

### (3) Corporate Governance Committee

The Board of Directors has approved the establishment of the corporate governance Committee on 11<sup>th</sup> November 2016. it consists of a Director 3 members , 2 members is an independent Director and 1 person is an Executive Director.

In the accounting period 1<sup>st</sup> January 1 to 31<sup>st</sup> December 2019. There are total 3 Corporate Governance Committee meeting times (compared to previous 2 years) the details are as follows

Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)	
			2018	2019
1. Mr. Chaikut Techatassanasoontorn	Chairman of Corporate Governance Committee	11 November 2016	3/3	3/3
2. Mrs. Supaporn Burapakusolsri	Corporate Governance Committee	11 November 2016	3/3	3/3
3. Mr. Boon Choon Kiat	Corporate Governance Committee	11 November 2016	3/3	3/3

**Secretary of Corporate Governance Committee :** Miss Chanitsara Yingnork

The attendance at the Corporate Governance Committee in 2019, all Corporate Governance Committee members had attended completely 100%.

### (4) Risk Management Committee

Board of Directors has approved the establishment of the Risk Management Committee. When 20<sup>th</sup> February 2017. It consists of a Director 3 members , 2 members is an independent Director and 1 person is an Executive Director. In the accounting period 1<sup>st</sup> January to 31<sup>st</sup> December 2018. There are total 3 Risk Management Committee meeting times (compared to previous 2 years) the details are as follows

Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)	
			2018	2019
1 Mrs. Supaporn Burapakusolsri	Chairman of Risk Management Committee	22 February 2017	4/4	3/3
2 Mr. Chaikut Techatassanasoontorn	Risk Management Committee	22 February 2017	4/4	3/3
3 Mr. Boon Choon Kiat	Risk Management Committee	22 February 2017	4/4	3/3

**Secretary of Risk Management Committee :** Miss Suparat Ngamsuptaweekoon

The attendance at the Risk Management Committee meeting in 2019, all Risk Management Committee members had attended completely 100%.

## (5) Executive Committee

The Board of Directors has approved the establishment of a management committee comprised of directors who are 1 executive directors and non-executive 2 persons. were recruited from individuals who are competent. Understanding of roles and responsibilities. And understands the nature of the business as well. Is responsible for overseeing the management of the Company in accordance with the policies of the Board of Directors.

In the accounting period 1<sup>st</sup> January to 31<sup>st</sup> December 2019. There are total 12 Executive Committee meeting times (compared to previous 2 years) the details are as follows

Director's Name	Position	Date of appointment first.	Attendance/ Total Meeting (Times)	
			2018	2019
1 Mr. Chartchai Panichewa	Chairman of the Executive Committee	25 April 2015	11/11	12/12
2 Mrs. Somhatai Panichewa	Director	31 January 2018	11/11	12/12
3 Mr. Boon Choon Kiat	Director	25 April 2015	11/11	12/12

**Secretary of the Executive Committee :** Miss Chanitsara Yingnork

The attendance at the Executive committee meeting in 2019, all Executive committee members had attended completely 100%.

## Company Secretary

The Board of Directors meeting No. 11/2018 on December 13, 2018 has appointed Miss Chanitsara Yingnork more duties outside the Company Secretary. The former secretary, The effective date of December 13, 2018 onwards.

The information and training of the Company Secretary. For details, see details on the management consulting authority control. And Secretary of the Company You can also contact the Company Secretary. Company secretary@chewathai.com

### Qualifications and experience of company secretary

1. Have knowledge and understanding of the law. Regulations of the company and of regulatory authorities relating to the law on public companies. Law and the Securities and Exchange Commission. And training courses related to the duties of a company secretary.
2. Have knowledge and understanding of the principles of corporate governance. And good practices in corporate governance.
3. Have experience in board secretary. The meeting of directors and shareholders.

### The roles and responsibilities of the Company Secretary

1. Provide preliminary advice for directors in law Rules and regulations of the company, including a change in the definition of significant. To the Board of Directors can work smoothly and in the consideration of and decision on duty with responsibility. Vigilance and honesty.
2. Preparation and storage of the documents below
  - Directors
  - Board Meeting : A meeting of the Board. Report of the Board of Directors And the annual report of the company
  - the shareholders' meeting : The meeting of shareholders, Report of the shareholders ' meeting. And the Annual Report of the Company
3. Meeting of shareholders and the Board of Directors in accordance with the law. The articles of Association of the company, and other related statutes.
4. Care to disclose information and report to the authorities responsible for the supervision of the company. In order to comply with the rules and regulations of the Government
5. Storage report on interest filed by a director or executive and submit the report to the stakeholders, the Chairman of the Board and Chairman of the Audit Committee received within 7 days. after the company received reports
6. providing a system for storing documents and evidence related to the complete, accurate and verifiable.
7. Communicate with shareholders to be aware of their rights. Shareholders and company news
8. perform other tasks. According to the Capital Market Commission's notification
9. The Company Secretary must act responsibly. Careful And honesty They must comply with the laws and regulations of the company and the committee. As well as the resolutions of the shareholders' meeting.

### Nomination, Appointment or election of the Boards of Directors

The Nomination and Remuneration Committee is responsible for nominating qualified candidates to take up the position of the directors who are suitable in terms of competencies, experiences and expertise in the profession and are equipped with leadership skills, vision, moral and ethics, transparent professional background and are able to express their opinions freely. The Nomination and Remuneration Committee will nominate suitable candidates to the Board of Director's Meeting for approval before presenting to the Shareholders' Meeting for appointment or election. In case that a director position of the Company becomes vacant not by rotation, the Nomination and Remuneration Committee may consider to nominate a suitable person to the Board of Directors' Meeting to be appointed as a director to fill the vacant position in accordance with the Articles of Association of the Company.

## MANAGERS

The first four managers following the Managing Director name lists are the four managers in the accounting and finance department, as follows:

Name – Surname	Position
1. Mr. Boon Choon Kiat	Managing Director
2. Miss Sunantra Mahaprasitchai	Executive Vice President Finance and Accounting
3. Miss Jiraphat Chatphet	Executive Vice President Sales and Marketing Chewa 3
4. Mr. Nathanan Ratanaphan	Executive Vice President Sales and Marketing Chewa 1
5. Mr. Yuthana Boonsitivaraporn <sup>(1)</sup>	Executive Vice President Operation
6. Miss Aunypach Peerapakdeepong <sup>(2)</sup>	Senior Vice President Sales and Marketing Chewa 2
7. Mr. Chatchai Atthasathaworn <sup>(3)</sup>	Senior Vice President Construction
8. Mr. Visuth Piriyaakkaradej <sup>(4)</sup>	Senior Vice President Customer Service
9. Mr. Peerapong Jumpeesri <sup>(5)</sup>	Senior Vice President Human Capital
10. Mr. Pat-tapee Anantawan <sup>(6)</sup>	Senior Vice President Legal
11. Mr. Somnuk Prapruittitaweechai <sup>(7)</sup>	Senior Vice President Operation
12. Mr. Audomporn Chansributh <sup>(8)</sup>	Senior Vice President Business Development

**Remark**

(1) Mr. Yuthana Boonsitivaraporn was appointed the position effective as of 4th June 2019.

(2) Ms. Aunypach Peerapakdeepong was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.

(3) Mr. Chatchai Atthasathaworn was resigned the position effective as of 3<sup>rd</sup> August 2019.

(4) Mr. Visuth Piriyaakkaradej was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.

(5) Mr. Peerapong Jumpeesri was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.

(6) Mr. Pat-tapee Anantawan was resigned the position effective as of 9<sup>th</sup> August 2019.

(7) Mr. Somnuk Prapruittitaweechai was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.

(8) Mr. Audomporn Chansributh was resigned the first four top-ranking executives level effective as of 4<sup>th</sup> June 2019.

The roles and responsibilities of high-ranking executives of the Company are to ensure that the operation is in accordance with the policy, vision, mission, strategy and target established annually by the Board of Directors as well as to operate the business in accordance with the business plan and manage the budget approved by the Board of Directors. The qualifications of the high-ranking executives of the Company are in compliance with the Notification of the Capital Market Supervisory Board No. TorChor. 23/2551 Re: Definition of “Executives” under Chapter 3/1 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). All the ten high-ranking executives of the Company do not have prohibited characteristics as follows:

1. No criminal record in relation to offences against property
2. No history of transaction that causes conflict of interest with the Company

The directors and executives of the Company do not have distrustful characteristics stated in the Notification No. TorJor 8/2553 of the Securities and Exchange Commission Re: Concerning Stipulation on Distrustful Characters of Company’s Director and Executive.



## Remuneration of Directors and executives

### Remuneration for the Boards and Subcommittee members

The Nomination and Remuneration Committee is responsible for proposing the criteria and the guidelines for deciding remuneration for directors, subcommittee members and executives. The remuneration proposed will be considered from the comparison with remuneration of the same industry with more or less the same size, business expansion rate as well as the growth of the Company. The reward for directors is calculated from the growth of dividend paid to shareholders which coincides with the profit growth of the Company. The Nomination and Remuneration Committee will present the remuneration rate for the directors, the sub-committee members and present the rewards for directors to the Board of Directors for endorsements and, later, to the Annual General Meeting of Shareholders for approval. The Board of Directors will decide the appropriate reward numbers for directors to be paid. The directors will allocate the rewards as deemed appropriately. This will be effective from the date of approval from the Annual General Meeting of Shareholders until further notice.

Remuneration for the directors in 2019 for the performance of duty includes transportation fee, reception fee, per diem, meeting allowance and necessary expenses (Articles of Association, Section 5 on Directors, Article 22). The Annual General Meeting of Shareholders in 2019 on the 2<sup>nd</sup> April 2019 resolved to approve the remuneration are as follows;

### Remuneration for Directors

#### 1. Financial Remuneration

The Annual General Meeting of Shareholders in 2019 on the 2<sup>nd</sup> April 2019 resolved to approve the remuneration and the rewards for the Board of Directors, the Audit Committee, the Executive Committee and the Nomination and Remuneration committee with the details are shown as follows;

Position	Remuneration (THB)	
	Meeting Allowance	Monthly Remuneration
Chairman of the Board of Director	60,000	60,000
Director	40,000	10,000
Independence Director	20,000	10,000
Chairman of the Audit Committee	40,000	-
The Audit Committee	20,000	-
Chairman of the Executive Committee	100,000	-
The Executive Committee	60,000	-
Chairman of the nomination and remuneration committee	40,000	-
The nomination and remuneration committee	20,000	-
Chairman of the corporate government committee	10,000	-
The corporate government committee	5,000	-
Chairman of the risk management committee	10,000	-
The risk management committee	5,000	-

**Remark** : the executive director is not entitled to monthly remuneration and reward.

The financial remuneration are as follows;

Director's Name	2017	2018 (Baht)	2019 (Baht)
1. Mr. Chartchai Panichewa	1,260,000	2,212,000	2,290,500
2. Mrs. Somhatai Panichewa	480,000	1,231,700	1,200,755
3. Mr. Phua Cher Chew <sup>(1)</sup>	320,000	236,700	-
4. Mr. Boon Choon Kiat	500,000	475,000	256,500
5. Mrs. Supaporn Burapakusolsri	575,000	746,700	635,505
6. Mr. Chaiyut Techatassanasoontorn	465,000	621,700	559,505
7. Mr. Chung Tang Fong <sup>(2)</sup>	400,000	276,700	-
8. Mr. Phua Chian Kin	40,000	-	-
9. Pol.Lt.Gen Visanu Prasattongsoth	-	90,000	440,755
10. Mr. Pinit Harnphanich	-	70,000	478,755
<b>Total</b>	<b>4,040,000</b>	<b>5,960,500</b>	<b>5,862,275</b>

#### Remark

(1) Phua Cher Chew, who has resigned from the Board. The effective date of July 13, 2018 onwards.

(2) Chung Tang Fong, who has resigned from the Board. The effective date of July 13, 2018 onwards.

Non - Financial Remuneration, The Company does not have any policy related to ESOP and EJIP.

## Remuneration for Executive Directors

The Nomination and Remuneration Committee will consider the remuneration for executive directors and the bonus for the executive directors and propose to the Board of Directors for approval. The remuneration is based on the business performance of the Company, the operation in accordance with the policy of the Board of Directors as well as the overall economic and social situation. The information of the current year and the past and the ability to develop the business and improve the operation of the Company in each year will be taken into considerations.

### 1. Financial Remuneration

In 2019, the remuneration for the three executive directors are shown as follows:

No.	Director's Name	2017 (Baht)	2018 <sup>(1)</sup> (Baht)	2019 <sup>(1)</sup> (Baht)
1.	Mr. Phua Chian Kin	40,000 บาท	-	-
2.	Mr. Chartchai Panichewa	-	770,000	1,054,500
3.	Mr. Boon Choon Kiat	-	-	-
4.	Mrs. Somhatai Panichewa	-	660,000	684,000
<b>Total</b>		<b>40,000 บาท</b>	<b>1,430,000</b>	<b>1,738,500</b>

**Remark** (1). the remuneration for the executive directors in 2018 and 2019 was meeting allowance only.

Non - Financial Remuneration, The Company does not have any policy related to ESOP and EJIP.

## Remuneration for Executives

### 1. Financial Remuneration

In 2019, the remunerations paid for executives are as follows:

1.1 In 2019, there were two executives resigned as follows;

- Mr. Chatchai Atthasathaworn was Senior Vice President Construction resigned on the 3<sup>th</sup> Aug 2019.
- Mr. Pat-tapee Anantawan was Senior Vice President Legal resigned on the 9<sup>th</sup> Aug 2019.

1.2 In 2019, there are three executives have started employment as follows;

- Mr. Chatchai Praphaipant, as Senior Vice President Construction has started on the 7<sup>th</sup> January 2019
  - Mr. Jerdpong Meephadung, as Senior Vice President Aftersales Service has started on the 4<sup>th</sup> February 2019
  - Mr. Yuthana Boonsitivaraporn, as Executive Vice President Operations has started on the 4<sup>th</sup> June 2019
- Thus, as of the 31<sup>st</sup> of December 2019, there are 12 executives.

1.3 Remuneration for executives in 2019 included all executives whom resigned during 2019 and the existing executives.

1.4 Other remunerations such as provident fund, social security fund and Employee Joint Investment Program: (EJIP) are as follows;

Remuneration for Executives	2017		2018		2019	
	Amount (Person)	Remuneration (THB)	Amount (Person)	Remuneration (THB)	Amount (Person)	Remuneration (THB)
Salary and Bonus	10 <sup>1</sup>	15,776,084.00	10 <sup>1</sup>	20,251,172.00	12 <sup>1</sup>	28,879,783.00
Others		1,691,124.00		1,509,122.		2,768,284.00
<b>Total</b>	<b>10</b>	<b>17,467,208.00</b>	<b>10</b>	<b>21,760,294.00</b>	<b>12</b>	<b>31,648,067.00</b>

**Remark** 1. The remuneration is excluded one high-ranking executive.

### 2. Other remunerations (Non-financial remunerations)

Other remunerations (Non-financial remunerations) include medical insurance, accident insurance and company car.

## High-Ranking Executives

### Remuneration for High-Ranking Executives Policy (MD)

The Nomination & Remuneration Committee will consider the remuneration and bonus for high-ranking executives of the Company, then proposes to the Board of Director Committee for approval. The consideration is based on business performance of the Company, task implementation assigned by the Board of Directors, the Executive Committee and the Chairman of the Board of Directors. There are short-term and long-term remunerations. The consideration for the short-term remuneration is based on the annual profit of the Company. It is the ability to generate profits of high-ranking executives who are responsible for cascading the policy established by the directors to staff of all levels. As for the long-term remuneration, it will be considered based on the Key Performance Indicators (KPIs) of the line of work under their responsibilities as well as the Individual KPIs in the performance evaluation. The remuneration will be established in consistence with the performance of the Company.

High-ranking executives of the Company is referred to Mr. Boon Choon Kiat, Managing Director of Chewathai Public Company Limited and is an employee of the Company so he is not entitled to monthly remuneration and reward for director as a director and executive director of the Company.

## REMUNERATION FOR HIGH-RANKING EXECUTIVES

### 1) Financial Remuneration

Remuneration for High-Ranking Executives in 2019 includes financial remuneration and bonus depending on business profits and financial statements, provident funds and social security funds, and other income in amount of 13,004,900 THB.

### 2) Non - Financial Remuneration

Non-financial remuneration includes medical insurance, accident insurance and company car.

## PERSONNEL

The structure of human resources management of the Company and affiliated companies is centralized in order to create unity and development in the same direction under the supervision of the Managing Director and the Chairman of the Executive Committee. Staff of the Company and subsidiary companies are always able to request for a transfer to advance their career.

### Policy on Remuneration Paid to Staff of the Company

The consideration for the remuneration of staff is based on the inflation rate as well as reference information from the remuneration survey in the property development and construction business group and the performance of the Company. In accordance with the policy of the Company, the staff remuneration is paid in the form of salary and is based on the performance of the Company each year to reciprocate the commitment and the collaboration of all staff who play a vital role in achieving the goal of the Company. The Executive Committee and Managing Directors of the Company will consider the remuneration for staff to encourage them to efficiently perform their duties in line with the annual business plan. It is stated in the policy that the overall remuneration must be consistent with the performance of the Company both in the long-term and in the calculated from the performance evaluation of staff. Based on PMS Performance Management System, corporate KPIs and Competency Model are established as performance indicators but the emphasis will be weighed on the different in usage or Mixed Model. KPIs is a numerical indicator showing clear results but Competency is evaluated by staff's behavior. The company set up corporate KPIs to indicate on work performance and divided to each KPIs department. Quarterly meetings are organized in each department to review the work plan. There are also individual KPIs to evaluate the performance of individual staff according to their responsibilities. The supervisor and staff will conduct evaluation together once a year. The consideration for the staff remuneration and the staff promotion will be based on the result of the performance evaluation. The monitoring and the evaluation of staff performance are conducted to ensure that an individual staff performance is in accordance with the organizational goal. The information compiled from the evaluation will be used for other human resources purposes such as consideration for bonus and promotion, salary raise and development of staff especially the talented ones and successors. It is to encourage staff to perform and build new generation of executives who will drive the organization forward. For policy on remuneration in long-term such as provident fund and Employee Joint Investment Program: (EJIP)



## EMPLOYEE

In 2019, there are 188 employees in the Company (excluding high-ranking executives) which can be divided into different lines of work as follows:

Lines of Work	Employee (person)		
	Male	Female	Total
1. Condo and Housing	24	44	68
2. Construction and Support	37	22	59
3. Business Development	5	9	14
4. Finance and Accounting	8	7	15
5. Corporate Affairs	14	15	29
6. Temporary	2	1	3
<b>Total</b>	<b>90</b>	<b>98</b>	<b>188</b>

**Remark :** In 2019, there were sixty-nine employees resigned (thirty-six male and thirty-three female)

## Remuneration and Welfare

### 1) Financial Remuneration

Remuneration for employees in 2019 includes financial remuneration, bonuses, provident fund, social security funds and Employee Joint Investment Program: (EJIP) as follows;

Remuneration	Amount (THB)	
	2018	2019
Salary + Bonus	62,486,053.00	95,912,549.00
provident fund	2,075,052.00	2,864,620.00
social security fund	1,058,747.00	1,429,543.00
Employee Joint Investment Program: (EJIP)	633,735.00	1,120,806.00
Others Remunerations	12,690,295.00	10,808,934.00
<b>Total</b>	<b>78,943,882.00</b>	<b>112,136,452.00</b>

### 2) Non – Financial Remuneration

Non-financial remuneration includes medical insurance, accident insurance and company car, provident fund, best employees rewards, uniform and New Year Party.

## Provident Fund

The Company and its employees have jointly established a provident fund since 2011 in accordance with the Provident Fund Act B.E. 2530. The fund which is purposed for saving and guaranteeing employees including tax benefits.

## Labor Disputes

-None-

## Employees Development Policy

The Company is conscious of the importance of training and developing all employees to support employee's performance which is able to work upon changing of the company strategies. The criteria are as follows;

1. Year plan for training which is according to business plan.
2. There will be co-responsibilities in training and employees developing.
  - The Company targets to train and develop employees under human capital department operations and decides the number of hours that employees will carry the training hours annually.
  - Supervisor will be responsible for training and developing program by considering from the training plan.
  - The Employees must be earnest to improve themselves according to developing plan and changing in our mission.
3. Training and Developing employees consist of two parts; on the job training and others management and organization training defining to the circumstance and necessary.
4. The company provides the training to support employee's capabilities and increasing efficiency in work by self-operation and external institutions.

The Company assumes that human capital is more valuable than management capital, "Invest continuously in its human capital". Therefore, all employees should have been continuously developing its potential, either in knowledge, skills and internal systems in every work level. The company has settled the appropriate Competency Based Development Systems.

In 2019, the Company has focused on the development of capacity and professionalism of employees of the Company. There are training courses in every works level. Besides, the company supports human resource related to Corporate Governance such as directors, audit committee, executives and company secretary to improve their potential of work both internal and external training course.

Not only the internal training courses are well-prepared for on the job training (OJT) or coaching instructed by the supervisor, but also the company prepares Expert or Professional Trainer from a reputation institution, the courses are as follows:

Program	Objective
Leadership Morality (the ideal leader)	To enhance the positive attitude to be a good leader, to behave morally and work efficiently including analyzing himself truthfully
Train the Trainer (the professional trainer)	To enhance the positive attitude to be a good "Teacher, Advisor, Mentor and Instructor"
ISO14001:2015 Environmental Management Requirement	Employee is able to realize the benefit of ISO 14001 related to government, community, customer, employee and to enhance the potential of the company's competition
Ethics and Morality for Anti-Corruption Policy	Employee will understand the anti-corruption policy for all levels and to meet the Anti- Corruption Policy of the company.

Besides, the company has focused on the important of continuously developing of the employees by sending them for their individual courses' training instructed by a reputation Institution, such as:

Department	Program
Accounting / Finance	Pro Talk @ SET: TFRS 9 and best practice and the effect to registered company RE-CU Financial and Cash Flow class 7 Strategic CFO in Capital Markets class 9 The Issues for new Rental Contracts (TFRS 16) Look into problems of property assets, depreciation cost in according to accounting standard Strategy for issuing bond in accordance with the situation being SURE Program (Real Estate) Merger & Acquisition (M&A), incidence of tax and other laws to plan ahead Quarterly review of financial statements (The Securities and Exchange Commission, Thailand) Important financial for accountants (Federation of Accounting Professions under The Royal Patronage of His Majesty The King) Be aware of all the new laws in year 62 and trends in 63 (Federation of Accounting Professions under The Royal Patronage of His Majesty The King)
Investor Relations	Company Secretary Program (CSP) class 95/2019 PR SPECIALIST IR Fundamental Course class 3 Sustainable Supply Chain IR Sharing 1/2019 Beyond regulations: Tips for effective MD&A reporting
Business Development	Look into property market Q.3/2019 Analyst of property market : Bangkok and Vicinity, Ayutthaya, Saraburi Trends of property market VS economy mid 2019 Trends of property market VS economy 2019
Product Development	Drone for the professional photography
Sales & Marketing	Branded Expression Master in Online Sales Strategy Psychology and Oratory to influence others Advanced Retail Management Program 28 Big Data Strategy for Business Growth Branded Expression
Customer Relationship Management	Movie Special Effect with Adobe After Effect Presentation Pro Proactive CRM & CEM Loyalty Solution SMART Personality and Image Plus+ for Sale & Service Time Management & Prioritization for Excellence Professional Complaint Handling Techniques
Marketing - Communication	Info Graphic for using PowerPoint professionally Drone for the professional photography Create the professional design

Department	Program
Chewa Smart Transfer (Customer Service)	Motivate Employees Through Performance English email Writing : Clear and Professional How to think globally and creatively at work Negotiation Technique to influence others Techniques to handle with high expectation customer
Construction	To prevent from the Dispute in construction business Electricity Bill Usage Rate in 2019 Oracle Primavera Executive Conference
Chewa Care (After Sales Service)	Drone for the professional photography
Human Capital	Working Rules and New Labor Law 2019 Business and Human Rights
Internal Audit	Corporate Sustainability Strategy Class1 Sustainability Evaluation & Data Management Class1 Preliminary to Corporate Sustainability Class1 SURE Program (Real Estate)
Management Office	Corporate Governance for Executives (CGE) 15 Define Culture within Boardroom and hearing experience about Corporate Culture How to make Strategic Shareholder report / FSCOM Sustainability Reporting class 1)(The use of SET Link How to make Free Float Report The effective in cooperation between house lawyer and law firm The qualification of Company Secretary to deal with the Contact Person Smart Disclosure Program (SDP) Corporate Sustainability Strategy Class2 Business and Human Rights Sustainability Evaluation & Data Management Class2 Sustainability Evaluation & Data Management Class3 Sustainability Risk and Materiality Analysis Class 2 Preliminary to Corporate Sustainability Ckass1 The use of SET Link System
Managing Director	CEO Club 2019 "Business Agility and Intrapreneurship
Committee	Strategic Audit 1.00 Job 5,000.00 - 5,000.00 Committee: Beyond Figure and Compliance IT knowledge which the committee needs to know Audit Committee of the future-driving through the era of disruption COSO ERM 2017 Enterprise Risk Management Integrating with Strategy and Performance (SET) Sustainable in Business in the era of digital

In 2019, the Company has focused on the development of capacity and professionalism of staff of the Company for sustainability. The Company had a training course at the average of 89.10% per year, the duration is more than the standard, settled by Department of Skill Development of around 6 hours/person/year.



## Orientation for New Employees

The Company determined the orientation after recruiting for new employees that able to adapt through various activities such as introduction to the organization (whether it be supervisor, colleague, work safety manual, company policy, objective, company's rules and regulation, company's welfare etc.) in order to get the first impression, relationship and the trust in organization. Ninety-Eight percent of all the orientations.

## Use of Innovations for Time Processing Tasks, Approval of Leave, Approval of Overtime Pay for Employees

The company has improved the employee time attendance system using GPS coordinates, which the Human Capital Department uses the HumanOS (HR System on cloud) system, which employees can use mobile applications instead of time scans using fingerprints. This system makes it more accurate and more convenient for employees, including the human capital department can check the information in real time. In addition, supervisors can also approve leave or request for authorization of overtime of subordinates via mobile phones at all locations.

There will be a notification system to the mobile application system of the commander, which the mentioned innovation began to be effective from January 8<sup>th</sup>, 2019

## Anti-Corruption Policy

The Company establishes the policies related to anti - corruption for adherence of the directors, the executives and the employees of the company. The Company also establishes a policy on gift delivery and acceptance. The employee are not permitted to receive gifts, to request for or take a bribe or loan or special treatment which may affect a business decision of the employee on behalf of the Company. It is stated in the Code of Business Conduct which is included in the employee manual and orientation of new employee. In 2018, the Company has acknowledged and trained the employee according to Anti - Corruption subject. Together with training and reviewing the code of conduct for every employee lead to good business ethics so the executives and the employee could follow up what is said in the employee's manual to explain to employee ethics in a role and responsibilities to the company, customer, shareholder, supervisor, co-worker including to themselves to get rid of conflict of interest, internal information usage including to the rules and regulation concern with work, welfares, employee's benefits, collaborative practices including discipline and punishments to demonstrate commitment to good practice as a guiding principle that everyone must strictly follow.

## Health, 5S Structure and Safety Policy

The Company emphasizes on clear and concrete policies on health safety, safety in workplace and work environment. The Company acknowledged the employee regarding to conscious mind, safety and work environment by 5S training to each department, appointed 5S Committee to monitor the compliance in workplace as follows;

### Safety

- 1) The Company provides finger scan system in - out for eligible people accessibility.
- 2) The Company focuses on the safety and accident prevention by participating to training such as annual fire training.
- 3) To assign to all the employees to take care and clean in self-area.
- 4) To assign to all the supervisor to be good role models and good leaders for the subordinates, and motivate the subordinates with safe work.

### Health

- 1) The Company provides health insurance; therefore the employees are able to be admitted to hospitals with a limit for reimbursement of medical expenses from employee's level.
- 2) The company provides Sports Day activities to the employee in order to exercise and to relax from work by targeted for healthy employees.
- 3) To do the pest control in the office for sanitary and clearness place for work.

### Summary of accident, leave rate or sickness rate from work and absence rate in year 2019

Details	2018	2019
Injuries from accident (person)	-	-
Day off rate from illness from work (day)	-	-
Illness from work rate (person)	-	-
Absence rate (day)	-	-
Absence rate amount (person)	-	-

# CORPORATE

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## GOVERNANCE

### The Company's Corporate Governance Policy

The Board of Directors stresses the importance of compliance with the principles of good corporate governance with an emphasis on the roles and duties of directors, executives and employees to promote good corporate governance environment and enhance competitiveness of the business and trustworthiness to shareholders, investors and related parties through efficient and transparent management. For this reason, the Board of Directors considers and reviews the implementation of the principles of good corporate governance under CG Code based upon the business contexts of the Company once a year. In addition, the Company complies with the following 5 principles of good corporate governance for listed companies as determined by the Stock Exchange of Thailand:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Consideration of the roles of stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

### Principle 1: Rights of shareholders

The Company shall put importance on the rights of shareholders on significant changes of the Company and receipt of accurate, complete, sufficient, timely, and equitable information about the Company to support their decisions on any matters. Shareholders shall be able to get hold of the Company's operating results, administrative policies or related transaction making correctly and completely on the Company's website [www.chewathai.com](http://www.chewathai.com), which is available in both Thai and English versions or SET's website [www.set.or.th](http://www.set.or.th). For shareholder to rest assured that their rights shall be protected and they are always treated appropriately, the Company hereby issue the following policies:

1. Thailand Securities Depository Company Limited was appointed by the Company to be its securities registrar to facilitate shareholder in securities registration process.
2. To determine the date of shareholders' meeting, the Company shall not select a public holiday or commercial bank holiday. Appropriate meeting time shall be between 8.30 a.m. to 5.00 p.m., and the meeting venue shall be in Bangkok.
3. The ordinary general shareholders' meeting shall be held once a year on the appropriate date and at the venue within 4 months from the end date of the Company's accounting cycle.
4. The Company shall send shareholders the meeting invitation and information about the agendas in which clear objectives and rationales, as well as the Board's opinions on each agenda is stated for shareholders to study and be prepared at least 21 days prior to the meeting date. In the event that shareholders cannot attend the meeting in person, they can authorize any independent director or person to attend on their behalf by using a proxy form enclosed with the invitation.
5. The Company shall facilitate shareholders by holding the meeting at the venue which is easy to reach and the map thereof shall be enclosed with the invitation. The date and time shall be appropriate and the meeting period shall be sufficient.
6. Prior to the shareholders' meeting, the Company shall inform shareholders of the voting method and the rights to express their opinions and ask any questions under each agenda. During the meeting, shareholders shall have the equal rights to express their thoughts and ask questions. Chairman shall appropriately allocate the time, and related directors and executives shall attend the meeting to answer the questions.

7. There should be more channels for shareholders to get hold of any news and information on the Company's website, Specifically, the meeting invitation shall be disclosed prior to the meeting date on the Company's website for shareholders to download the relevant agendas conveniently and completely and have sufficient time to study the meeting-related information prior to receipt of the hard copies of information from the company.
8. The minutes of meeting shall be recorded accurately, correctly, quickly, and transparently. Questions and important opinions shall be stated in the minutes of meeting for shareholders' review. In addition, the company shall publish the minutes of meeting on its website for shareholders' consideration and submit it to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.
9. Facilitate shareholders' receipt of dividends by bank transfer (if any) to ensure timely payment of dividend and prevent damaged, lost or delayed cheques.
10. The Company shall take care of shareholders by ensuring that they shall receive information, news, operating results, and management policies on regular basis and in timely manner. In addition to disclosure of information through news system of the Stock Exchange of Thailand, important news and updates shall also be published on the Company's website [www.chewathai.com](http://www.chewathai.com).
11. The Company shall invite minority shareholders to propose appropriate agendas to be considered by the shareholders' meeting in advance before 90 days through information system of the Stock Exchange of Thailand and the Company's website [www.chewathai.com](http://www.chewathai.com) in customer relations section for the annual general shareholders' meeting.

Resolution of the Board of Directors Meeting No. 5/2019, held on August 8<sup>th</sup>, 2019, required shareholders to participate in decision-making on important matters of the company by giving rights to minority shareholders to be able to propose additional meeting agendas in advance before the date of the shareholders' meeting. The Board of Directors would consider the appropriation of proposing matters offered by shareholders to the meeting agenda and provide the rights of minority shareholders to nominate persons to be considered as committee members as well as allow shareholders to submit questions in advance of the meeting date. For the 2020 Annual General Meeting of Shareholders, which will be held on April 1<sup>st</sup>, 2020, the Board has overseen the disclosure of such rules to the shareholders between November 11<sup>th</sup>, 2019 to January 10<sup>th</sup>, 2020.

## Principle 2: Equitable treatment of shareholders

The Company determines that all shareholders shall be treated fairly and equitably by putting importance on and respect the ownership of shareholders without specifically favoring any stakeholders. Thus, shareholders can be certain that their rights shall be protected and treated appropriately. The Board indicate the procedure for maintaining such rights as follows:

1. The Company shall disclose sufficient, timely and comprehensive information about its management policies, related transactions and any information beneficial for shareholders' decision making to shareholders through SET's website [www.set.or.th](http://www.set.or.th) and the Company's website [www.chewathai.com](http://www.chewathai.com) in both Thai and English version.
2. Facilitate minority shareholders to nominate directors or additional agendas prior to the shareholders' meeting.
3. Criteria for consideration of additional agendas proposed by minority shareholders shall be clearly indicated beforehand as well as procedure for minority shareholders' proposal of director nomination.
4. In shareholders' meeting, consideration and voting shall be made as planned without changing any significant information or adding any agendas unless necessary, especially the agendas which require shareholders to take some time to study prior to making decisions.
5. Any shareholders who cannot attend the meeting in person shall be able to authorize any person or at least one independent director to attend the meeting and cast votes on their behalf. The name of the said independent director shall be listed in the shareholders' meeting invitation.



6. Both majority and minority shareholders whether Thai or foreign shall be treated equitably.
7. Ballots shall be used for voting of all agendas to ensure transparency and accountability in case of any objection after voting, and in director election agenda, shareholders shall be entitled to nominate directors individually.
8. Procedure for retention and prevention of internal data shall be indicated in writing and communicated to all staff at the Company for acknowledgement and compliance. The executives who are required by the law to report securities possession shall submit the relevant reports to the Board.
9. Any directors and executives trading, transfer or accept the transfer of the Company's securities shall notify the Securities and Exchange Commission of the transactions within 3 working days from the date of such change.
10. The Company shall clearly indicate procedure for maintenance and disposal of conflict of interest by having the audit committee who are obligated under the audit committee charter to audit compliance with the rules and regulations to ensure that the Company complies with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission. In the event that the meeting resolves on any transactions which may incur conflict of interest or enter any related transactions, the Company shall disclose the value of such transactions, names of the contractual parties and related parties, necessary reasons, and other details related to entering such transactions completely in both Thai and English language through SET's website [www.set.or.th](http://www.set.or.th) and the Company website [www.chewathai.com](http://www.chewathai.com).

### Principle 3. Consideration of the roles of stakeholders

The Company realizes and acknowledges all groups of stakeholders' rights including internal stakeholders as shareholders, employees and external stakeholders as customers, partners, creditors, competitors, public sector, and other agencies, as well as nearby communities since the Company is supported by stakeholders resulting in compatibility and profits, which contributes to long-term value of the Company. Therefore, the Board issues the following policies:

#### 1. Treatment and responsibilities for shareholders

The Company realizes that shareholders are business owners and the Company's duty is to create additional long-term value to them. Thus, the employees shall be determined to perform as follows:

- Perform their roles with integrity and carefully make decisions by taking account of fairness to all shareholders for their benefits as a whole
- Govern the business to ensure stable financial status and satisfactory operating results. The Company's status, performance, financial statements, accounting and other reports shall be reported regularly and completely on actual basis
- Shareholders shall fairly receive reports on the Company's future both in positive and negative aspects on the basis of possibility backed up with reliable and reasonable information
- Do not seek interest for themselves and the third party by exploiting the Company's data which are not publicly disclosed or perform any act which may cause conflict of interest with the organization.
- The Company shall treat all shareholders fairly and equitably in the shareholders' meeting

#### 2) Treatment and responsibilities for the public sector

In business operation, the Company puts importance on compliance with the law, rules and regulations both in public sector, especially transaction making, by avoiding any actions which solicit the government or public officials to perform misconduct. However, good relationship may be created to an appropriate and possible extent such as public talks, expression of gratitude in special occasions or traditions. The following practices shall be observed:

- Perform appropriately when contacting public officials or agencies
- Always bear in mind that the law, rules or regulations of any public agencies may contain different conditions, procedures or practices which the Company shall be aware of and strictly follow.

### 3) Treatment and responsibilities for employees

The Company always realizes that all employees are valuable resources and important factors of the Company achievements. For this reason, policies were determined to ensure fair treatment in terms of opportunities, remunerations, appointments, transfers, and ability development by taking account of the following:

- Employees shall be treated with respect for honor, dignity and privacy
- Work environment shall be maintained to ensure safety for employees' life and property.
- Appointment and transfer, as well as rewarding and disciplinary actions, shall be made in good faith on the basis of employees' ability and appropriateness.
- Employees' knowledge and ability shall be taken into consideration by giving all employees chances to improve themselves through training, seminar and fair opportunity.
- Fair remuneration shall be determined for all employees in accordance with industrial situation, business competition, work nature, operating results, and ability of the Company to pay remunerations.
- Any unfair treatment which may affect employees' work stability shall be avoided.
- Employees shall be given chances to propose or complain about their work, and proper solutions shall be sought for the benefit of all related parties and good relationship at work.

### 4) Treatment and responsibilities for customers

The Company operates real estate business with the aim to create, present and manage its products and services for customers while maintaining quality and ethics under the following practices:

- Striving for provision and development of products and services to meet customer needs
- Delivering quality products and services under fair conditions
- Providing correct and sufficient information about products and services to facilitate customers' decision making without giving misleading details of quality, quantity or other conditions of the products or services in advertising or communication through other channels
- Providing procedure with which customers can inform problems or inappropriate service provision so that the Company can prevent or provide customers with solutions in timely manner or use the information to improve or develop products and services
- Maintain customers' data and confidential information by not disclosing or utilizing it illegally.

### 5) Treatment and responsibilities for partners and contractual parties

The Company shall treat partners and contractual parties who are considered as partners and one of the factors influencing business success on equitable and fair basis and mutual benefit as follows:

- The Company shall ensure that the product and service provision shall be done effectively under the following principles:
  - Competing based on equal information
  - Having appropriate criteria for assessment and selection of partners by considering partners who have reliable financial records, potential, and be able to make products or services with the required and verifiable quality
  - Making appropriate and fair contract for both parties
  - Having management and monitoring system to ensure that the contract terms are completely followed and misconduct is prevented at all stages of supply procedure
  - Making payments to partners and contractual parties in timely manner under the agreed payment terms.
- The Company aims to develop and maintain sustainable relationship with partners and contractual parties who have clear objectives of product and service quality which is worth monetary value and reliable.
- Executives and employees shall be prohibited from receiving any personal interest from partners and contractual parties whether directly or indirectly.
- Any information obtained from procurement for the benefit of self and others.

## 6) Treatment and responsibilities for creditors

The Company relies on principles and disciplines in business operation to create reliability to creditors. The following practices are observed:

- Treat creditors honestly and repay all debts and interests within the scheduled period as well as strictly complying with conditions stated in loan contracts and other agreements.
- In case of any incidents which may affect the banks, financial institutions and creditors of the Company or failure to perform in accordance with the conditions of loan contracts, the Company shall send notices to the banks, financial institutions, debenture holders, and creditors in advance and discuss effective solutions.

## 7) Treatment and responsibilities for business competitors

The Company aims at sustainable success and leadership in business under fair and ethical competition in the industry by treating competitors as follows:

- Competing within good competition rules
- Not trying to obtain confidential information of competitors by illegal or inappropriate means for the benefit of the Company's business.
- Avoid slandering or ruining competitors' reputation
- Refraining from any actions which may violate intellectual property rights of others or business competitors

## 8) Treatment and responsibilities for the society

The Company puts importance on the surrounding communities and society as the Company realizes that it is part of the society moving forward for sustainable social and environmental development. Therefore, the Company conducts various activities for communities and society along with business operation with responsibility for overall communities and society as follows:

- Having policies on business operation by taking account of environment and strictly complying with applicable law and regulations related to environment
- The Company has clear activities related to Corporate Social Responsibility which are regularly performed by employees.
- Employees shall be encouraged to be aware of and responsible for environment and society.
- Local traditions, customs and cultures of the countries in which the Company conducts its business are observed.
- The Company conducts activities to support society, communities and environment on regular basis to improve the quality of life of the residents in communities where the Company is located. Also, collaboration is provided to public and private sector as well as communities.
- The Company participates in holding activities with the communities where it conducts business as appropriate.
- The Company quickly and effectively responds to any incidents affecting environment, communities, life and property as a result of its operations by providing full cooperation to public officials and relevant agencies.

In addition, stakeholder can obtain more information, file complaints or report any illegal acts, correctness of financial statements, faulty internal control system, or violation of the Company's business ethics through Independent Committee or Audit Committee of the Company. The complaints or information filed shall be protected and treated as confidential by the Independent Committee or Audit Committee and shall be investigated for seeking appropriate solutions (if any) prior to reporting to the Board.

## The Company's contact channels for stakeholders

The Board puts its importance on participation of stakeholders in enhancement of the Company's performance to create sustainable stability of the Company by disclosing significant information about business operation to stakeholders sufficiently and transparently. Also, the Company arranges channels for stakeholders, shareholders and investors to send inquiries, file complaints, inform violation of rights, report illegal offences, correctness of financial statements, faulty internal control system or violation of the Company's business ethics through Independent Committee or Audit Committee of the Company. External stakeholders may contact the Board or Senior Executives through the following channels:

- 1) **Telephone:** Call Center 1260  
Press 3 to contact Investor Relations Division or press 4 for complaint filing
2. **Letter:** Send letters by mail or in person to  
Chewathai Public Company Limited  
1168/80 Lumpini Tower, 27th floor, Unit D  
Rama 4 Road, Thung Mahamek Sub-district, Sathorn District  
Bangkok Metropolis 10120
3. **Email:** [auditcommittee@chewathai.com](mailto:auditcommittee@chewathai.com)
4. **Website:** [www.chewathai.com](http://www.chewathai.com)

Complaints and information submitted shall be protected and treated as confidential by the Independent Committee or Audit Committee and shall be investigated for seeking appropriate solutions (if any) prior to reporting to the Board. Employees may express their opinions, file complaints or report inappropriate acts through the Company's whistleblower system.

The Company shall be responsible for environment and society as well as all groups of stakeholder by taking account of possible effects on society, environment, customers partners, competitors, creditors as a result of its business operation. In 2019, there was no case of violation of the law on violation of labor, employment, business competition, and there was no legal action taken against the Company by any government agencies or statutory authorities due to the Company's failure to announce significant events within the specified period.

## Principle 4. Disclosure and transparency

The Company has the policy to transparently disclose information to related parties including shareholders, customers and employees as follows:

### 1. Shareholders

The Company shall disclose information such as financial information, general important information and operating results of the Company in true, sufficient, regular, timely, comprehensive, and fair manner. Information shall be communicated to shareholders, investors, analysts, and other stakeholders through various channels. Investor Relations Division shall be available for providing information and news regarding the Company's activities to investors, shareholders, analysts, and related parties, including

- Report through news system of the Stock Exchange of Thailand
- Annual report form (Form 56-1)
- Company's website [www.chewathai.com](http://www.chewathai.com)
- Mass media such as newspapers, business journals and television

Minority shareholders, general investors and analysts who wish to obtain the Company's information may directly contact the Company's Investor Relations to maintain good relationship on the basis of fair disclosure of information. The Company realizes and assumes responsibility for reliability of financial statements, so the Board shall make correct and complete financial information in accordance with generally accepted accounting standards and principles. Also, information which affects or may affect the change in the Company's securities prices and investment decision shall be disclosed pursuant to the law, rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant public agencies as well as monitoring and change regularly to ensure that the law, rules and regulations are updated and for shareholders to rest assured that the business shall be operated fairly and squarely.

In 2019, information and news of the Company through various channels and mass media on regular basis for acknowledgement of shareholders, investors, analysts, other stakeholders, and general public as follows:

- 1) The company executives had provided the overview of the operations and answered questions for analysts and investors. such as company visits, site visits, conference calls, as well as analyst meetings for providing information to analysts and investors and giving them opportunities to ask questions and various questions directly from the executives. Moreover, to ensure the confidence in the eyes of analysts as well. In addition, there were 2 analyst meetings for the year 2019, during February 2019 and August 2019 at Aetas Hotel Lumpini.  
Participated in the activity of listed companies to meet investors (Opportunity Day) for the year 2019 at the Stock Exchange of Thailand, which was held on a quarterly basis to meet with investors and securities analysts in order to provide information highlighted in the clarification of the operating results of each quarter, totalling 4 times, which were (1) February 25<sup>th</sup>, 2019, (2) May 30<sup>th</sup>, 2019, (3) September 3<sup>rd</sup>, 2019, and (4) December 2<sup>nd</sup>, 2019.  
Roadshow to provide investors information about business operations, results, progress in various fields, including industry conditions, status, and trends of operations at that time. For the Roadshow for the year 2019, the company had participated in activities that were organized by 3 securities companies in March 2019, namely (1) UOB Kay Hian Securities Company, (2) Asia Plus Securities Company, and (3) Globlex Securities Company.
- 2) Provided public relations news to the mass media, whether in newspapers, magazines, or various journals about the company's business, company performance, including interviews with the company executives, managing director. The company organized activities for the 2019 annual business operation plan announcement on February 21<sup>st</sup>, 2019 at the Grand Center Point Hotel, Sukhumvit 55.
- 3) Participated in the mai FORUM 2019 event on July 13<sup>th</sup>, 2019 in order to disseminate company information to investors, securities analysts, the media, and interested parties, who were interested in participating in the event at Centara Grand at Central World.
- 4) Provided information via the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, consisting of Form 56-1 financial statements of the company, quarterly financial statement analysis report, and others. Shareholders, investors, and the general public were able to ask for information and questions by contacting the investor relations department





### Investor Relations Awards

The company is very proud to obtain the Outstanding Investor Relations Listed Company 2019, for the company listed in the MAI Stock Market. In the SET Awards 2019 by Manpong Senanarong, SEVP-Head of Issuer Marketing Division. This award shows that the company focuses on the participation of the whole organization for building confidence to shareholders and investors in accordance with good corporate governance and transparency for investors.

The company established the Investor Relations Department to communicate and provide information to the target groups, shareholders, institutional investors, individual investors, securities companies, journalists, and the general public equally to make them receive the company's information accurately, completely and timely; to show information regarding the operating results and future business plans to be the information in making investment decisions and building credibility for the company. The company discloses information consistently and systematically through various channels. The company also established the investor relations ethics to enable the executives and employees involved in the investor relations to use as the guidelines in performing their work correctly, completely and transparently by adhering to the interests of the shareholders and all stakeholders.

In 2019, the company organized investor relations activities to disclose the company's information to the investors that can be summarized as follows:

Activities	Times
Analyst Meeting	2
Opportunity Day @ SET	4
Roadshow	3
Annual business operation plan announcement	1
MAI Forum 2019	1
Company Visit	4

In addition to the above activities, the company has a means of disclosing information through the news system of the Stock Exchange of Thailand, the company's website at [www.Chewathai.com](http://www.Chewathai.com) that the information on the website is updated regularly, including the dissemination of various press releases via social media and various printed media as well.

Moreover, the company has tools or investor relations documents (IR Materials) to publicize the information of the company to be used as the information for investment decisions as follows:

1. Annual financial statements and Quarterly financial statements
2. Annual Report
3. Form 56-1
4. Management's Discussion and Analysis (MD&A)
5. Company Snapshot
6. Presentation Material
7. Sustainability Report
8. Investor Newsletter

Interested persons can make an inquiry and a contact the Investor Relations Department at

**Chewathai Public Company Limited**

**Address :** 1168/80 Lumpini Tower 27<sup>th</sup> floor Rama4 road, Tungmahamek area, Sathorn district, Bangkok 10120

**Website :** [www.chewathai.com](http://www.chewathai.com)

**Telephone :** (02) 679 8870-4 or Call center : 1260 Press 3

**อีเมลล์ :** [ir@chewathai.com](mailto:ir@chewathai.com)

The Company disseminates information and answered questions about the Company's overall the operation for the third party, such as Shareholders, Investors, Mass Media, Stakeholders. The Company has a Silent Period policy to providing face-to-face information or group think meeting in seven days before disclosure Quarterly Report to The Stock Exchange of Thailand.

## 2. Customers

The Company disseminates information about its projects through online channels including [www.chewathai.com](http://www.chewathai.com) and [www.facebook.com/CHEWATHAI](https://www.facebook.com/CHEWATHAI) and Call Center 1260.

## 3. Employees

The Company's employees either working at the head office or at any project shall be taken care of equally and receive the same information in various forms such as posts on the bulletin board at the Company and at the project site, communication made by divisions in the form of Chewathai Club Intranet and LINE in which senior executives are present to ensure that employees shall obtain the following information:

- Policies, rules and regulations of the Company
- News on the Company's activities
- News or information about the Company's benefits
- News about employees e.g. promotion, position adjustment, new recruits, or resignation, etc.
- Knowledge for employees e.g. tax news, social security news, etc.

## Principle 5. Responsibilities of the Board

The Board shall be responsible for shareholders in terms of the Company's management and corporate governance to ensure that the Company is managed in compliance with the law, objectives, rules of the Company and shareholders' meeting resolution.

### 1. Structure of the Committees

The Committees consist of knowledgeable and experienced persons in various fields such as engineering, business administration, law, accounting, finance and so on who have passed the training provided by Thai Institute of Directors Association (IOD). These people have important roles in determining the Company's policies together with senior executives on short-term and long-term planning as well as financial policies, risk management and overall direction of the Company. The Committees shall independently supervise, audit and assess the Company's operating results and performance of senior executives to ensure conformity with the indicated plans.

The Committees 2019 are comprised of 6 groups as follows (1) The Board of Directors (2) Audit Committee (3) Executive Committee (4) Nomination and Remuneration Committee (5) Corporate Governance Committee (6) Risk Management Committee

Power of each committee shall be separated clearly. Decision made on important matters shall be accepted by each committee who is responsible for specific matter and propose it to the Board of Directors for consideration or acknowledgement to ensure balance and transparency as well as fair treatment on any related parties.

The present Board of Directors consists of 7 members who are 3 executive directors and 4 non-executive directors. 4 members are qualified as independent directors, which accounts for more than 50 percent of the total members of the Board of Directors, resulting in balance in consideration and approval. The term of the Board of Directors shall not be over 3 years as specified by the applicable law. Independent directors shall be allowed to hold office for not over 9 consecutive years unless the Board of Directors consider that such persons should continue taking the post of independent directors for the utmost benefit of the Company. Furthermore, the Company's directors and executives may assume the position of directors or executives of any affiliated companies or companies provided, however, that the requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as other related agencies, which shall be informed to the Board of Directors' Meeting.

### 2. Nomination and term of office of the Board of Directors

#### 2.1) Rules for election and nomination of the Board of Directors

The Board of Directors shall have qualifications and experiences as required by the Company and not possess any prohibited characteristics listed in Public Company Act, B.E. 2535, Securities and Exchange Act, B.E. 2535 and other relevant laws. The Board of Directors shall have sufficient time and dedicate their knowledge and abilities to perform their duties for the Company. The criteria for selection of members of the Board of Directors under the Company's regulations are as follows:

- 1) Members of the Board of Directors shall have qualifications specified in relevant rules and the Company's articles of associations.
- 2) They shall obtain at least a bachelor's degree in any field.
- 3) They shall have knowledge of the Company's business and be able to dedicate sufficient time and knowledge for the Company.
- 4) They shall be honest and highly ethical.

- 5) Members of the Board of Directors shall not take any positions at more than five (5) other listed companies. In the case that any members of the Board of Director have taken the positions at more than five (5) other listed companies, the Board of Director shall consider efficiency of performance of such members and report the reason for nomination in the annual information form (Form 56-1) and annual report (Form 56-2).
- 6) The Board of Directors shall be appointed, elected and dismissed by the shareholders' meeting and the term of office shall be as determined in the Company's article of association with possibility of re-election, except for the case that the vacant position is not due to expiration of term, the Nomination and Remuneration Committee shall nominate a qualified person to be proposed to the Board of Directors for fulfillment of the vacant position in accordance with the Company's article of association.
- 7) In each annual general shareholders' meeting, one-thirds of total directors shall be dismissed from their position. If it is not possible to divide the total number of directors into three equal groups, the dismissed directors whose number is the most similar to one-thirds of the total number. The dismissed directors may be re-appointed to hold their office.  
In addition to the expiration of term, directors shall be dismissed upon the following events:
  - 1) Death
  - 2) Resignation (effective as of the date of resignation letter receipt)
  - 3) Lack of qualifications or having prohibited characteristics as specified by the regulations and notifications issued under the law or the Company's article of association
  - 4) The shareholders' meeting passed the resolution on dismissal.
  - 5) The Court orders dismissal.
- 8) For nomination of the persons to be appointed by the shareholders' meeting to hold the office in place of the retired directors, the Nomination and Remuneration Committee shall nominate the qualified persons to be considered by the Board of Directors prior to proposal to the shareholders' meeting and selection.
- 9) For election of the committee, individual votes shall be made, and shareholders shall be entitled to elect the nominated persons for the relevant election without separation of votes.
- 10) The persons who obtain the majority votes shall be selected to fulfill the vacant positions for which such election is intended. Directors who are dismissed as a result of the end of term may be re-elected.
- 11) Holders of one share shall have one vote.

## **2.2) Term of office of the Board of Directors**

The term of office of the Board of Directors shall be 3 years. However, the Company believes that age or years of office is not a problem if taking account of valuable knowledge and experience each director has for the benefit of the Company.

## **2.3) Number of companies in which directors hold office**

The Company determines that any the Board of Directors shall be allowed to take the post of directors of up to 5 listed companies. However, there is no policy on limitation of being member of the board of directors in subsidiaries of other listed companies.

## **2.4) Managing Director's holding of office at other companies**

The Board of Directors consider that, for the Managing Director to be able to dedicate his time for effective performance of his duties as Managing Director, it is determined that the Managing Director shall not take the post of Managing Director at any other listed companies.

### Summary of positions of other listed companies held by the Company's directors

No.	Name – Last name	Other listed companies
1.	Mr. Chatchai Panichchewa	1. President of Thaisri Insurance Public Company Limited 2. Director / President of ATP 30 Public Company Limited 3. The Authorized director of the Company of Cathay Lease Plan Public Company Limited 4. The Authorized director of the Company of TTL Industry Public Company Limited
2.	Mrs. Somhathai Panichchewa	1. Director of ATP 30 Public Company Limited 2. Director / CEO of Amata VN Public Company Limited
3.	Mr. Boon Chun Kiat	None
4.	Mrs. Supaporn Burapakusonsri	Independent Director of Thaivivat Insurance Public Company Limited
5.	Mr. Chaityut Techatassanasoontorn	Director / Independent Director of TTL Industry Public Company Limited
6.	Pol.Lt.Gen. Visanu Prasatthongosot	1. Independent Director / Audit Committee President of Finansia Syrus Securities Public Company Limited 2. Director of Bangkok Air Public Company Limited
7.	Mr. Pinit Hanpanich	Director of Bangkok Chain Hospital Public Company Limited

The Company has disclosed the detailed information about the positions of other listed companies held by each director in Form 56-1 and the annual report (56-2), which the Company is certain that it does not cause any conflict of interest or affect their performance of duties of the Board of Directors.

In the past years, the Board of Directors have shown that they can dedicate their time to perform their duties effectively. The Company has continuously and regularly received useful consultations, suggestions and recommendations regarding the business.

### Roles, duties and responsibilities of the Board of Directors

1. Perform their duties in accordance with the law, objectives, regulations of the Company, and resolutions of the shareholders' meeting with responsibility, diligence and integrity.
2. Determine the details, approve and review visions, strategies, business direction, policies, goals, operation plans, and budgets of the Company and its subsidiaries as prepared by the Administrative Division and supervise operations and performance of the management or any persons assigned to perform such work to ensure compliance with the policies specified by the Board of Directors.
3. Continuously monitor performances to ensure conformity to the operation plans and budget.
4. Ensure that the Company and its subsidiaries implement appropriate and efficient accounting system and establish internal control and internal audit system.
5. Verify procedures and policies on risk management and follow up the results.
6. Issue policies on corporate governance in accordance with the principles of good governance and effectively adapt the policies.
7. Establish sub-committees such as Audit Committee, Nomination and Remuneration Committee, Executive Committee, or other sub-committees to assist and support performance of the Board of Directors.



8. Appoint senior executives of the Company such as Managing Director, Executive Vice President, Executive Vice President – Accounting & Corporate Finance, and other senior executives in each field as deemed appropriate and necessary by the Board of Directors.
9. Appoint the Company's secretary to assist the Board of Directors in performing tasks to ensure compliance with the applicable law and regulations.
10. Seek for professional opinions from external organizations to support decision making.
11. Encourage the Company's directors and executives to attend seminars of Thai Institute of Directors Association related to their roles and responsibilities.
12. Examine their own performance results on annual basis.
13. Examine and assess appropriateness of Executive Committee Charter and propose any amendment thereto to the Board of Directors.
14. Perform other tasks as assigned by the Board of Directors.

### Committees

The Board of Directors of Chewathai Public Company Limited as of 31<sup>st</sup> December 2019 consist of the following 5 sub-committees (1) Audit Committee (2) Executive Committee (3) Nomination and Remuneration Committee (4) Corporate Governance Committee (5) Risk Management Committee

#### 3.1) Audit Committee

The Audit Committee shall be comprised of the Company's directors who are qualified as determined in the notification of the Stock Exchange of Thailand. The Audit Committee shall be independent and completely qualified as determined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Their roles and responsibilities include operations as an independent organization to support the Board of Directors in supervising the business under the principles of good corporate governance, disposing of conflict of interest, verifying financial information presented to the public and shareholders, verifying internal control system and internal audit system, and communicating with the Company's auditor.

As of 31<sup>st</sup> December 2019, the Audit Committee consists of 3 members as follows:

- |                                    |                                 |
|------------------------------------|---------------------------------|
| 1. Mrs. Supaporn Burapakusonsri    | Chairman of the Audit Committee |
| 2. Mr. Chaikut Techatassanasontorn | Audit Committee                 |
| 3. Mr. Pinit Hanpanich             | Audit Committee                 |

#### Roles and responsibilities of the Audit Committee

1. Verify the Company's financial reports to ensure accuracy and sufficiency
2. Verify the Company's internal control and internal audit system to ensure appropriateness and efficiency and considering independency of the internal audit unit as well as approval of appointment, transfer and dismissal of the chief of internal audit unit or other units related to internal audit.
3. Control the operations by following the policy and measures against the corruption of the Company.
4. Ensure the Company's compliance with the law on Securities and the Stock Exchange of Thailand, requirements of the Stock Exchange of Thailand, and other laws and regulations related to the Company's business.
5. Consider, select, nominate, and dismiss any independent person to be the Company's auditor and offer remuneration to such person, attend the meetings with the auditor without the management at least once a year.
6. Consider related transactions or any transactions which may cause conflict of interest pursuant to the law and provisions of the Stock Exchange of Thailand to ensure that the reports shall be reasonable and beneficial for the Company.

7. Prepare reports of the Audit Committee which shall be disclosed in the Company's annual report. The reports shall be signed by the Chairman of the Audit Committee and at least consist of the following items:
    - a) Opinions on accuracy, completeness and reliability of the Company's financial reports
    - b) Opinions on sufficiency of the Company's internal control system
    - c) Opinions on compliance with the law on Securities and the Stock Exchange of Thailand or other laws related to the Company's business.
    - d) Opinions on appropriateness of the auditor
    - e) Opinions on any transactions which may cause conflict of interest
    - f) Number of the Audit Committee's meetings and attendance of each member of the Audit Committee
    - g) Opinions or overall comments obtained by the Audit Committee after performance in accordance with the Charter
    - h) Other transactions which should be acknowledged by shareholders or general investors within the scope of roles and responsibilities assigned by the Board of Directors
  8. Review, evaluation results of the adequacy and suitability of the audit committee charter annually
  9. Perform other tasks as assigned by the Board of Directors upon agreement of the Audit Committee
- However, the Audit Committee shall assume responsibilities as assigned by the Board of Directors while overall responsibilities regarding the Company's business for the third parties shall belong to the Board of Directors as a whole.

### 3.2) Executive Committee

Executive Committee shall be appointed by the Board of Directors and consist of two executive directors and one non-executive director who have knowledge and understanding of the roles and responsibilities in connection to the Company's business nature. The Executive Committee shall manage the Company's business in line with the Board of Directors' policies by always taking account of the utmost benefit of the Company. As of 31<sup>st</sup> December 2019, the Executive Committee are comprised of 3 members as follows:

- |    |                            |                                     |
|----|----------------------------|-------------------------------------|
| 1. | Mr. Chatchai Panichchewa   | Chairman of the Executive Committee |
| 2. | Mrs. Somhathai Panichchewa | Executive Committee                 |
| 3. | Mr. Boon Chun Kiat         | Executive Committee                 |

#### Roles and responsibilities of the Executive Committee

1. Provide suggestions on strategic directions, management structure, and annual operation plans and budget of the Company
2. Ensure that the Company's business is operated in accordance with the designated plans, objectives, and goals.
3. Examine operating results and performance of the Company and the Group of Companies and report the results to the Board of Directors on monthly basis.
4. Seek and assess new opportunities for the Company's business
5. Examine and provide suggestions on the Company's dividend payment to the Board of Directors.
6. Examine and approve transactions related to investment or sale of the Company's assets, human resources management, finance and treasury, general administration, and any transactions related to the Company's business within the scope of approval determined by the Board of Directors.
7. Consider and examine risk management and risk control system of the Company.

8. The Executive Committee may sub-authorize any executive or employee to perform specific task on their behalf provided that the Executive Committee or its authorized person shall not make or approve any transactions which may cause their conflict of interest or from which they may obtain benefit or interest in whatever form or against any of the Company's benefit (as defined in the Notification of the Securities and Exchange Commission). However, approval of such transactions shall conform to the policies and principles determined by the Board of Directors and the applicable law.
9. Seek for consultants or persons having independent opinions to provide opinions or suggestions as deemed necessary.
10. Request the executives or employees to attend the Executive Committee or provide information about any matters discussed in the Executive Committee's meetings.
11. Report any activities performed by the Executive Committee within their roles and responsibilities to the Board of Directors on regular basis, including any matters which are deemed necessary to be presented to the Board of Directors.
12. Examine their operating results on annual basis.
13. Examine and assess sufficiency of the Executive Committee Charter and propose the Board of Director to amend the Charter.
14. Perform other tasks as assigned by the Board of Directors upon agreement of the Audit Committee

### 3.3) Nomination and Remuneration Committee

Nomination and Remuneration Committee shall be appointed by the Board of Directors and consist of 3 members. As of 31<sup>st</sup> December 2019, the Nomination and Remuneration Committee consist of 3 independent directors for checks and balances and their important role is to support the Board of Directors and shareholders. Members of the Nomination and Remuneration Committee are as follows:

- |                                       |   |
|---------------------------------------|---|
| 1. Pol.Lt.Gen. Visanu Prasatthongosot | Chairman of the Nomination and Remuneration Committee |
| 2. Mrs. Supaporn Burapakusonsri       | Nomination and Remuneration Committee                 |
| 3. Mr. Chaiyut Techatassanasiintorn   | Nomination and Remuneration Committee                 |

#### **Roles and responsibilities of the Nomination and Remuneration Committee**

1. Consider policies and criteria for nomination of qualified person to be the Board of Directors, Managing Directors and top management of the Company, select and nominate qualified persons to be proposed to the Board of Directors' meeting and/or shareholders' meeting for appointment as members of the Board of Directors, Managing Director and top management of the Company.
2. Review policies and criteria related to determination of remuneration and benefits for the Board of Directors, Managing Directors and executive directors of the Company.
3. Provide suggestions on remuneration of the Board of Directors, Managing Director and top management of the Company to the Board of Directors' Meeting and/or shareholders' meeting for approval. The Board of Directors shall approve the remuneration and benefits of the Managing Director and top management while the Board of Directors' remuneration shall be approved by the shareholders' meeting.
4. Review, evaluation results of the adequacy and suitability of the Nomination and Remuneration Committee charter annually.
5. Perform other tasks as assigned by the Board of Directors upon agreement of the Nomination and Remuneration Committee.

### 3.4) Corporate Governance Committee

Corporate Governance Committee shall be appointed by the Board of Directors and consist of 3 members. As of 31<sup>st</sup> December 2019, the Corporate Governance Committee are comprised of two independent directors and one executive director as listed below.

- |    |                                  |  |
|----|----------------------------------|--|
| 1. | Mr. Chaiyut Techatassanasiintorn | Chairman of Corporate Governance Committee |
| 2. | Mrs. Supaporn Burapakusonsri     | Corporate Governance Committee             |
| 3. | Mr. Boon Chun Kiat               | Corporate Governance Committee             |

#### **Roles and responsibilities of the Corporate Governance Committee**

1. The Corporate Governance Committee shall perform their roles and responsibilities as assigned by the Board of Directors, and the Board of Directors shall assume responsibilities for the overall operations of the Company to the third parties.
2. Determines procedures, suggest policies/practices related to business ethics and conduct in accordance with the principles of good corporate governance to the Board of Directors and the management to be determined as standard corporate rules.
3. Supervise the Company's operations under the anti-corruption policies and measures.
4. Supervise and provide consultations, assess, and review the policies and performance under the principles of good corporate governance and business conducts to develop and upgrade the Company's corporate governance to international level.
5. Review, evaluation results of the adequacy and suitability of the Corporate Governance Committee charter annually.
6. Perform other tasks as assigned by the Board of Directors upon agreement of the Corporate Governance Committee.

### 3.5) Risk Management Committee

Risk Management Committee shall be appointed by the Board of Directors and consist of 3 members. As of 31<sup>st</sup> December 2019, the Risk Management Committee is comprised of two independent directors and one executive director as listed below.

- |    |                                  |                                       |
|----|----------------------------------|---------------------------------------|
| 1. | Mrs. Supaporn Burapakusonsri     | Chairman of Risk Management Committee |
| 2. | Mr. Chaiyut Techatassanasiintorn | Risk Management Committee             |
| 3. | Mr. Boon Chun Kiat               | Risk Management Committee             |

#### **Roles and responsibilities of the Risk Management Committee**

1. Determine the risk management policies, plans and supervision of the Company.
2. Review the procedures and risk management tools to ensure efficiency and appropriateness of risks of the transactions operated by the Company.
3. Follow up and be aware of advance alarm signals and abnormal transactions which may incur and report the result of risk management to the Board of Directors.
4. Provide suggestions on any matters in need of improvement to the Board of Directors in line with the Company's rules and strategies.
5. Review, evaluation results of the adequacy and suitability of the Risk Management Committee charter annually.
6. Perform other tasks as assigned by the Board of Directors upon agreement of the Risk Management Committee.

#### 4. Committees' Meeting

1. The Board of Directors shall schedule the meeting in advance at least once every quarter a year and may intervene any extraordinary meetings as deemed appropriate. The meeting shall be notified at least 7 days in advance and each meeting shall be attended by at least half of the total directors to make a quorum or otherwise indicated in the notification or charter of each committee. In case of the Board of Directors' meeting, to pass any resolution, at least two-thirds of the total members shall be present.
2. Clarification shall be made in advance by the Managing Director upon discussion with the President shall consider determining the agendas in advance. The Company secretary shall ensure that all directors receive the meeting documents prior to the meeting in appropriate time for their study and consideration in giving opinions and casting vote.
3. The Board of Directors shall receive sufficient, complete, continuous, and timely prior to each meeting. The Board of Directors may contact the Company Secretary directly and independently, and the Company Secretary shall provide consultations to the Board of Directors regarding compliance with the law and regulations.
4. The Managing Directors shall appropriately allocate time so that the management can propose the documents for discussion and for the Board of Directors to discuss important matters. Each director shall be given an opportunity to express their opinions prior to conclusion of the meeting's opinions.
5. The Board of Directors shall give an opportunity to non-executive directors to have their own meetings as necessary for discussion of issues of interest without the presence of the management. The meeting results shall be informed to the Managing Director.
6. The Board of Directors shall encourage the Managing Director to invite the top management to attend the Board of Directors' meeting for consideration of work succession.
7. In consideration any agendas, the directors who have interest in the matters being discussed shall not be entitled to vote and shall not be present at the meeting during discussion of such agendas.
8. In each meeting, written minutes of meetings shall be recorded and the certified by the Board of Directors shall be retained for examination of the Board of Directors and other related parties

#### Report on attendance of each committee

Details of each 2019 committee's meetings are as follows:

Names	Board of Directors		Audit Committee		Executive Committee		Nomination and Remu-neration Committee		Corporate Governance Committee		Risk Management Committee	
	Number of meet-ings	Attendance rate (%)	Number of meet-ings	Attendance rate (%)	Number of meet-ings	Attendance rate (%)	Number of meet-ings	Attendance rate (%)	Number of meet-ings	Attendance rate (%)	Number of meet-ings	Attendance rate (%)
1. Mr. Chartchai Panichewa	6/6	100%	-	-	12/12	100%	-	-	-	-	-	-
2. Mrs. Somhatai Panichewa	6/6	100%	-	-	12/12	100%	-	-	-	-	-	-
3. Mr. Boon Choon Kiat	6/6	100%	-	-	12/12	100%	-	-	3/3	100%	3/3	100%
4. Mrs. Supaporn Burapakusolsri	6/6	100%	4/4	100%	-	-	2/2	100%	3/3	100%	3/3	100%
5. Mr. Chaiyut Techatassanasoon-torn	6/6	100%	4/4	100%	-	-	2/2	100%	3/3	100%	3/3	100%
6. Pol.Lt.Gen Visanu Prasattongsoth	4/6*	67%	-	-	-	-	2/2	100%	-	-	-	-
7. Mr. Pinit Harn-phanich	6/6	100%	4/4	100%	-	-	-	-	-	-	-	-

**Remark :** \* Pol.Lt.Gen Visanu leaf the Board of Directors Meeting No. 3/2019 on 13<sup>th</sup> March 2019 and No. 5/2019 on 8<sup>th</sup> August 2019 because having a mission to a foreign country.



### Meetings between Non-Executive Directors

The the Board of Directors has set a policy for non-executive directors to have meetings among themselves to discuss various issues regarding management matters that are of interest, such as management strategies, growth guidelines, nomination and remuneration process that is carried out without the influence of the shareholders with control and the management department. The management department could operate according to the specified policies and goals. The number of board meetings, the number of times, each committee member's attendance, and independent directors could work independently with the board of directors and management department etc. The meetings did not include the management department and informed the meeting results to the board of directors and the managing director. In 2019, there was 1 meeting between non-executive directors, held on March 13<sup>th</sup>, 2019.

### The Company's strategic planning and implementation

In each Board of Directors' meeting, the Board of Directors shall review the visions, missions and strategies as well as determining strategic plans in advance. After that, the Board of Directors shall follow up whether the management implements the plans. In this case, the management shall report the plans to the Board of Directors' Meeting in quarterly basis in the agenda related to acknowledgement of the operating results and report of business operation progress. Also, strategic plan review shall also be determined as another agenda for the Board of Directors to acknowledge the facts and provide suggestions on any matters to be improved by the management.

## 5. Nomination and appointment of directors and top management

### 5.1) Nomination of independent directors

The Company defines the person who shall hold the office of independent director based upon the qualifications determined by the law on Securities and the Stock Exchange of Thailand, Notification of the Securities and Exchange Commission, and other relevant rules and regulations. The number of independent directors shall be at least one-thirds of the total directors and no less than 3 persons.

#### Qualifications of the independent directors are as follows:

1. Holding not over one percent of the all shares entitled to vote of the Company, subsidiaries, affiliates, or controlling persons of the Company. Shareholding of the persons related to the independent directors shall also be counted.
2. Not being or having never been the directors taking part in management, workers, employees, consultants receiving salaries or controlling persons of the Company, parent company, affiliates or subsidiaries of the same level, majority shareholder or controlling person of the Company unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director. However, the above prohibited characteristics exclude the case that the independent director was a government official or consultant of any government agencies which are majority shareholders or controlling persons of the Company.
3. Not having blood relationship or relationship by legal registration in the form of father, mother, spouse, sibling, and child of other directors, executives, majority shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries.
4. Not having or having never had any relationship with the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company in the form that may obstruct their independent consideration or decision making and not being or having never been significant shareholder or controlling person of any persons having business relationship with Company, parent company, affiliates, majority shareholder, or controlling persons of the Company unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director.

5. Business relationship includes making of commercial transactions in normal course for business operation, rent or lease of real estates or services or extension of receipt of financial assistance by receipt or provision of loan, guarantee, provision of assets as debt collateral, and other circumstances of similar kind, causing the Company or its contractual parties to bear debts payable to the other party amounting to 3 percent of the net tangible assets of the Company or 20 million Baht or more, depending on whichever is lower. However, the said obligations shall be calculated on the basis of value of related transactions as announced by the Securities and Exchange Commission mutatis mutandis, but in consideration of the obligations, any debts incurred during one year prior to the date of business relationship with the same persons shall be included.
6. Not being or having never been the auditor of the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company and not being significant shareholder, controlling persons or partner of the audit company to which the auditor of the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company belong unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director.
7. Not being or having never been the person providing professional services including legal or financial consultant receiving more than 2 million Baht of the service fee from the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company and not being significant shareholder, controlling persons or partner of the professional service providers unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director.
8. Not being or having never been the persons nominated as representatives of the committee of the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company or shareholder related to the majority shareholders.
9. Not operating any business having the same condition and significantly competitive with the business of Company or its subsidiaries or not being significant shareholder in any partnership or director taking part in management, worker, employee, or consultant receiving salaries or holding more than one percent of all shares entitled to vote of other companies having the same condition and significantly competitive with the business of Company or its subsidiaries.
10. Not having other characteristics which may hinder expression of independent opinions on the Company's operations.

### **5.2) Nomination of the Audit Committee**

The Audit Committee shall be nominated by the Nomination and Remuneration Committee and proposed to the Board of Directors for approval. Components of nomination and appointment of the Audit Committee are as follows:

1. The Audit Committee shall consist of at least three independent directors.
2. At least one member of the Audit Committee shall have sufficient knowledge and experience to verify reliability of the financial statements.

### **Qualifications of the members of the Audit Committee**

1. Being independent directors having complete qualifications in accordance with the definitions of independent directors announced by the Notification of the Securities and Exchange Commission.
2. Not being the directors assigned by the Board of Directors to make decisions related to operations of the Company, parent company, affiliates, subsidiaries of the same level, or controlling persons of the Company.
3. Not being the director of the parent company, subsidiaries or subsidiaries of the same level which are listed companies.
4. Having sufficient knowledge and experience to perform the duties of Audit Committee.

The term of the Audit Committee shall be 3 years from the date of appointment. Upon expiration of term, members of the Audit Committee may be re-appointed as deemed appropriate by the Board of Directors. However, the term of the Audit Committee shall not exceed 9 consecutive years from the date of first appointment of independent directors.

### **5.3) Nomination of the Board of Directors**

The Board of Directors shall be nominated by the Nomination and Remuneration Committee and proposed to the Board of Directors and/or the shareholders' meeting for approval. Components of nomination and appointment of the Board of Directors are as follows:

1. The Board of Directors shall consist of at least 7 directors and at least half of all directors shall reside in the Kingdom.
2. The Board of Directors shall consist of at least 3 independent directors and at least one-thirds of all directors shall be independent directors.

#### **Qualifications of the members of the Board of Directors**

1. All directors shall have qualifications as determined in relevant rules and regulations and in the Company's articles of association.
2. Obtaining at least a Bachelor's degree in any field.
3. Having knowledge of the Company's business and be able to dedicate appropriate time and implement their knowledge and ability for the Company's benefit.
4. Being honest and highly ethical
5. Members of the Board of Directors shall not take any positions at more than five (5) other listed companies. In the case that any members of the Board of Director have taken the positions at more than five (5) other listed companies, the Board of Director shall consider efficiency of performance of such members and report the reason for nomination in the annual information form (Form 56-1) and annual report (Form 56-2).

In each annual general shareholders' meeting, one-thirds of total directors shall be dismissed from their position. If it is not possible to divide the total number of directors into three equal groups, the dismissed directors whose number is the most similar to one-thirds of the total number. The dismissed directors may be re-appointed to hold their office.

- (1) Death
- (2) Resignation (effective as of the date of resignation letter receipt)
- (3) Lack of qualifications or having prohibited characteristics as specified by the regulations and notifications issued under the law or the Company's article of association
- (4) The shareholders' meeting passed the resolution on dismissal.
- (5) The Court orders dismissal.

### **5.4) Nomination of the Executive Committee**

The Executive Committee shall be nominated by the Nomination and Remuneration Committee and proposed to the Board of Directors for approval. The Executive Committee shall manage the Company's business in accordance with the relevant policies, regulations, rules, and laws and consider and screen any matters prior to proposing them to the Board of Directors. The Executive Committee shall also implement the Company's policies and management procedures to ensure efficiency.

### **5.5) Nomination of the Top Management**

Top management include Managing Director and top management which shall be nominated by the Nomination and Remuneration Committee by taking account of qualifications, appropriateness, knowledge and ability, skills, and experience beneficial for the Company's business operations and propose to the Board of Directors for further approval.

### 5.6) Nomination of sub-committees

Sub-committees shall be appointed by the Board of Directors, which include the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee to perform specific duties and present the relevant results to the Board of Directors for consideration and acknowledgement. The sub-committees shall have the roles and responsibilities as determined.

#### Leadership and Vision

The Board of Directors shall determine the vision, mission and policies as well as supervising the Company's business in conformity to the indicated objectives and goals, which shall generate the utmost benefit to the Company and shareholder upon consideration of the interest of all stakeholders. The Board of Directors shall be able to express their opinions and make decisions independently and the decision made shall not for the purpose for the benefit of self or other which may cause conflict or competition with the interest of the Company or its subsidiaries. The Board of Directors shall determine roles, duties and responsibilities of the Board of Directors, Audit Committee, Nomination and Remuneration Committee clearly in writing. In addition, mechanisms for governance and monitoring performance and control of the management at appropriate time. The Board of Directors shall put importance on the financial reports which shall reflect actual operating results. There shall be assessment, determination and systemization of administration, prevention and management of risks appropriately and effectively under the principle of checks and balances and accountability. The Board of Directors shall strive for development for sustainable advancement of the Company and generation of yields to shareholders.

### 6. Division of roles of the committees

Power of the Board of Directors and the management at different levels shall be clearly divided. Consideration and decision making on significant matters shall be approved by the Board of Directors and sub-committees for checks and balances and audited to ensure transparency and fairness for all related parties.

### 7. Inclusion or division of positions

The Company shall divide roles and responsibilities of the President and Managing Directors. They shall have suitable knowledge, experience and qualifications and shall be different persons for checks and balances. Supervision and administration roles shall be separated.

#### President

The President shall not be an executive or the same person as the Managing Director and be independent from the management. The roles of determination of governance policies and administration shall be completely separated. The president shall preside over the Board of Directors' meetings which indicate vision, mission and important policies for implementation of the management. All members of the Board of Directors shall be able to propose the meetings agendas and express their opinions on the Company's operations independently as well as carefully consider any matters which may cause conflict of interest to ensure correctness, transparency and accountability.

#### Roles, duties and responsibilities of the President

1. Take care of the overall strategies and policies of the Company for implementation as guidelines of business operations.
2. Preside over and attend all meetings to ensure efficiency of the Board of Directors' meetings and encourage all directors to express their opinions. Ensure that all directors receive accurate, timely and clear information about the Company to support their consideration and/or approval of any agendas of the meeting.
3. Oversee communications between the Company and shareholders to ensure effectiveness and provide shareholders with opportunities to communicate with the Board of Directors for the propose of exchanging opinions.

4. Preside over all shareholders' meetings and assign the persons to take care of the shareholders' meetings in accordance with the law and regulations, ensure that all directors attend e shareholders' meetings and provide opportunities to shareholders to exercise their rights to attend the meetings and vote, ask questions or request for additional explanations.
5. Perform their duties with integrity, ensure appropriateness of the committee structures, ensure implementation of policies and effectiveness of the committee's decision.
6. Support cooperate governance activities and CSR policies to happen at all levels from directors, top management to employees.
7. Encourage all directors to work in team to enhance efficiency and effectiveness of work, take care of performance assessment of the committees both in the form of cross-evaluation of self and group evaluation, use the evaluation results for improvement and development of the committees' work.
8. Encourage all directors to attend skill and knowledge development training which shall be useful for their performances at well-known and acceptable institutions such as Thai Institute of Directors and the Stock Exchange of Thailand.

### **Managing Director**

Managing Director shall not be the same person as the President but shall be top management for administration. His role is to manage the business and/or daily administration of the Company following the guidelines of the Board of Directors and the Executive Directors, consider or determine transactions as part of the Company's normal course of business

#### **Roles, duties and responsibilities of the Managing Director**

1. Determine missions, objectives, procedures, and goals of the Company's business operations to propose to the Board of Directors' meeting and fulfill the said missions, objectives, procedures, and goals of the Company's business operation, as well as giving orders and supervise the operations as a whole.
2. Approve employment and appointment of employees, as well as transfer the departments/divisions, or dismissal of any employees, determine wage, compensation, bonus, and benefits related to all employees of the Company.
3. Consider and ensure compliance with the orders, rules, notifications, records so that the operations are in line with the missions, objectives, procedures, and goals of the Company's business operations and to maintain disciplines of the organization.
4. Perform any tasks related to general administration of the Company.
5. Have power to sub-authorize and/or assign another person to perform specific task on his behalf provided that sub-authorization and/or assignment shall be within the scope of authorization in the power of attorney and/or in accordance with the rules, regulations or orders of the Board of Directors and/or the Company.

In this case, authorization to another person shall not include power and/or authorization to approve any transactions which may cause conflict of interest of self and other, or transactions which may have any conflict of interest in other form with the Company or its subsidiaries in accordance with the rules of the Stock Exchange of Thailand. Approval of the said transactions shall be proposed to the Board of Directors' meeting and/or shareholders' meeting for consideration and approval as defined by the Company's regulations or applicable laws.



## 8. Top Management succession plan

The Board of Directors shall put importance on succession of all top management positions, especially organizational leaders such as Managing Director to create trustworthiness to investors, organization and employees that the Company's business operations shall be continued without any interruption.

For this reason, the Board of Directors shall indicate succession plan and rules by nominating highly potential internal personnel who have qualifications, knowledge and experience to create excellent work for the Company, have suitable attitude and behavior for the Company's culture and have appropriate age for holding the vacant positions. Individual development plan shall be made to prepare the personnel for holding top management position.

## 9. Self-evaluation of the Board of Directors and sub-committees

Chewathai Public Company Limited shall indicate criteria for the sub-committee to perform self-evaluation in annual basis so that the committees shall be able to consider their performances and identify issues for seeking effective solutions and continuous development. Evaluation criteria shall be determined in comparison to standard performance results and in line with the principles of good corporate governance.

For group and individual evaluation by self-evaluation, the Company Secretary shall send the evaluation form to the Board of Directors and the sub-committees for evaluation of self, identify points that needs improvement and solution. Then, the form shall be returned to the Company's Secretary for compilation and conclusion of annual evaluation to be reported to the Board of Directors and disclosed in accordance with the principles of good corporate government.

Criteria for performance evaluation in percentage from the total scores in each category shall be as follows:

More than 80 percent	Excellent performance
Between 71-80 percent	Good performance
Between 61-70 percent	Fair performance
Lower than 60	Sub-standard performance

In 2019, the results of evaluation of the Board of Directors and the sub-committees are as follows:

### 9.1) Self-evaluation of the Board of Directors can be divided into 3 types

**Type 1:** Self-evaluation of the Board of Directors can be divided into 4 categories. The results in 2019 are as follows:

- 1) Structures and qualifications of the Board of Directors in the following matters were appropriate, making the Board of Directors' performance effective.
- 2) The Board of Directors' meetings performed the following matters to ensure efficient performance of the Board of Directors.
- 3) Roles, duties and responsibilities of the Board of Directors focused on taking sufficient time to consider, review and perform the following matters.
- 4) Other matters such as relationships between the Board of Directors and the management and self-improvement of the directors and executives.

**The result is 97.78 percent which reflects the excellent level of performance.**

**Type 2:** Self-evaluation of the sub-committees can be divided into 3 categories. The results in 2019 are as follows:

- 1) Structures and qualifications of the sub-committees in the following matters were appropriate, making the Board of Directors' performance effective.
- 2) The sub-committees' meetings performed the following matters to ensure efficient performance of the sub-committees.

- 3) Roles, duties and responsibilities of the sub-committees focused on taking sufficient time to consider, review and perform the following matters.

**Self-evaluation of the Board of Directors and the sub-committees can be divided into 3 categories. The results in 2019 are as follows:**

- 1) Audit Committee  
**The result is 99.49 percent which reflects the excellent level of performance.**
- 2) Executive Committee  
**The result is 97.86 percent which reflects the excellent level of performance.**
- 3) Nomination and Remuneration Committee  
**The result is 94.64 percent which reflects the excellent level of performance.**
- 4) Risk Management Committee  
**The result is 97.86 percent which reflects the excellent level of performance.**
- 5) Corporate Management Committee  
**The result is 96.43 percent which reflects the excellent level of performance.**

**Type 3:** Self-evaluation of the Board of Directors and the sub-committees can be divided into 3 categories. The results in 2019 are as follows:

- 1) Structures and qualifications of the committees
- 2) Committees' meetings
- 3) Roles, duties and responsibilities of the committees

**The result is 98.85 percent which reflects the excellent level of performance.**

The evaluation process started in December. The Company Secretary sent the evaluation form to each director for independent self-evaluation. After that, the Company Secretary compiled the form, made summaries, processed the results, and proposed them to the next Board of Directors' meeting.

The results of performance evaluation of the Board of Directors in 2019 was already presented to the Board of Directors' Meeting No. 1/2563.

## 9.2) Evaluation of Managing Director

The Nomination and Remuneration Committee requested the Board of Directors to evaluate the Managing Director in various aspects including leadership, strategic determination, performance of strategies, planning, and financial operating results, relationship with the committees, relationship with the external organizations or persons, administration and relationship with succession personnel, knowledge of products and services, personal attributes, which was adapted from the CEP evaluation of the Stock Exchange of Thailand.

The results of evaluation of the Managing Director shall be part of remuneration determination of the Managing Director in each year.

## 10. Remuneration

The Nomination and Remuneration Committee shall propose the methods of determination of director remuneration which shall be approved by the shareholders' meeting. The policy consists of the following criteria:

1. Operating results and business size of the Company in comparison to the remuneration of other listed companies having similar type and size of business
2. Experience, roles, obligations, and scope of responsibilities of each director
3. Benefit that the Company is supposed to gain from each director
4. The remuneration determined shall be able to solicit the qualified directors to be the Company's directors or executives.

## 11. Development of directors and executives

The Board of Directors shall put importance on development of directors by encouraging them to attend the training or seminars which should be useful for their work and realize the importance of education/training that it shall help improve directors' knowledge of business situation and competition. Also, executives shall be developed in terms of potentials by arranging both internal and external training to move forward to being a learning organization. In the past year, the Board of Directors attended the training held by Thai Institute of Directors (IOD) as determined by the Securities and Exchange Commission (SEC) that the Board of Directors of all listed companies shall pass at least one training such as Director Accreditation Program (DAP) and Director Certification Program (DCP). In addition to the determined programs, the Board of Directors took part in other training of IOD such as Company Secretary Program of Thai Listed Companies Association for enhancement of professional leadership, knowledge and understanding of leader roles and duties and becoming the role model of the organization on the basis of good corporate governance. Details are as follows

No.	Name	Training Programs
1.	Mr. Chatchai Panichchewa	Director Accreditation Program (DAP) class 9/2547
2.	Mrs. Somhathai Panichchewa	Director Accreditation Program (DAP) class 104/2551
3.	Mr. Boon Chun Kiat	Director Certification Program (DCP) class 155/2555
4.	Mrs. Supaporn Burapakusonsri	<ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) class 87/2554</li> <li>- Role of the Compensation Committee Program (RCC) class 13/2554</li> <li>- Director Certification Program (DCP) class 172/2556</li> <li>- Advance Audit Committee Program (AACP) class 23/2559</li> </ul>
5.	Mr. Chaiyut Techatassanasoontorn	Director Accreditation Program (DAP) class 119/2558
6.	Pol.Lt.Gen. Visanu Prasatthongosot	<ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) class 11/2547</li> <li>- Audit Committee and Continuing Development Program (ACP) class 7/ 2548</li> <li>- Finance for Non-Finance Director (FN) class 19/2548</li> <li>- Corporate Governance for Capital Market intermediaries (CGI) class 3/2558</li> <li>- Advance Audit Committee Program (AACP) class 20/2558</li> </ul>
7.	Mr. Pinit Hanpanich	Director Accreditation Program (DAP)
8.	Ms. Chanisara Yingnok	<ul style="list-style-type: none"> <li>- Corporate Governance for Executives (CGE) class 15/2562</li> <li>- Role of the Company Secretary in shaping Corporate Culture" (R-CSF) class 1/2562</li> <li>- Effective Minute Taking (EMT) class 37/2560</li> <li>- Anti-Corruption the Practical Guide (ACPG) class 35/2560</li> <li>- Company Reporting Program (CRP) class 16/2559</li> <li>- Company Secretary Program (CSP) class 75/2559</li> <li>- Advances for Corporate Secretaries class 2/2559</li> <li>- Fundamentals for Corporate Secretaries class 2/2559</li> </ul>

In 2019, the board of directors had participated in various training and seminars from standardized institutions, which has gained trust and popularity internationally, such as Ernst & Young, PwC, and the Federation of Accounting Professions in the royal patronage, the organizations that enhance and develop accounting professionals, including the Thai Institute of Directors (IOD), an organization that plays an important role in the development of directors and promote good corporate governance at the national level with details, as follows

No.	Name	Training Programs
1.	Mrs. Supaporn Burapakusolsri	<ul style="list-style-type: none"> <li>- IT Directors need to hear but be afraid to ask, Thai Institute of Directors Association (IOD)</li> <li>- Audit Committee of the future-driving through the era of disruption Thai Institute of Directors Association (IOD)</li> <li>- COSO ERM 2017 Enterprise Risk Management Intergrating with Strategy and Performance, SET</li> <li>- Annual Seminar for Audit Committee under the heading "Sustainability of the business in the digital age: know quickly - use to be" EY</li> <li>- Tax Insights, PwC</li> <li>- New International Financial Reporting Standards (IFRSs) for 2019, PwC</li> <li>- News story about corruption and violations of the accounting standards of listed companies, Class 1/62, Federation of Accounting Professions</li> <li>- How Block chain influence the business operations, Federation of Accounting Professions</li> <li>- Refreshment Traditional Costing Class 1/62, Federation of Accounting Professions</li> <li>- The financial statements TFRS Class 2/62, Federation of Accounting Professions</li> <li>- Proactive InsurTech for National Sustainability, Office of Insurance Commission (OIC)</li> <li>- Seminar issues "Audit adjustment" SE</li> </ul>
2.	Mr. Chaikut Techatassanasoontorn	<ul style="list-style-type: none"> <li>- Audit Committee of the future-driving through the era of disruption Thai Institute of Directors Association (IOD)</li> <li>- Annual Seminar for Audit Committee under the heading "Sustainability of the business in the digital age: know quickly - use to be" EY</li> </ul>

For development of executives who are the Company's employees, details shall appear in "Personnel Development Policy" Section

## 12. The Orientation for New Directors

The Nominating and Compensation Committee has considered a person, who is considered to be a qualified person to be a director and proposed to the Board of Directors for approval, when presenting to the shareholders' meeting for consideration and appointment, the company has informed the new and necessary information to the new directors for acknowledgment as follows:

### 1.) While invited to take the position of director

When the Board of Directors has approved to invite the persons to be a committee member, the company secretary presents information so that a person, who has been approached as a director is sufficiently informed about the company to make a decision whether to take a director, the details are as follows:

- (1) Company history, which consists of the date of establishment, the company memorandum of association, company's rules and regulations, the amount of registered capital, the number of ordinary shares, name list of major shareholders
- (2) The nature of the company's business operation, which consists of the vision, missions, main business characteristics, product type, trademark, location of establishment
- (3) Company group structure, organizational structure, major shareholders structure, board of directors structure
- (4) Compensation and various benefits of directors

- (5) Financial status and operating results for at least 1 year in the past
- (6) The board's responsibilities, which consists of the board of directors charter, subcommittee Charter (if needed)

**2.) New directors are appointed to the positions. The company will provide the information for the new directors to understand the business operations and to prepare the document submission process in accordance with the legal requirements as follows:**

- (1) Matters that the company must comply with the law, the company's stock trading and reporting self-interest, close relatives, relevant parties
- (2) Name list of the Board of Directors and sub-committees
- (3) Minutes of the Board of Directors Meeting and the schedule for the past 1 year
- (4) The company's related policies, such as Corporate Governance Policy, Internal Information Use Policy, Code of Conduct, etc.

However, in the year 2019, the company had not arranged the orientation for new directors.

### **13. Records of Offences of the Company, the Board of Director and Executives**

In the past years including 2019, the Company had no record of any acts which were against the rules, regulations and law, including Securities and Exchange Act, Public Company Act, or other relevant law due to failure to submit the financial statements within the specified period, no records of provision of financial assistance to other companies which are not its subsidiaries, the Company had not negative reputation due to failure to perform the duties of the Board of Directors and the sub-committees. There was no case of executives' resignation due to the Company's corporate governance. Also, there is no case of violation of the labor law, employment law, commercial competition law, and has not been sued for the fact that significant events have not been announced within the period specified by the government agencies.

The Board of Directors and the executives have not performed any acts which were against the rules, regulations, and law, including Securities and Stock Exchange Act, Public Company Act, or other relevant civil or criminal law and have not performed any acts causing conflict of interest. The Board of Directors and the executives have not performed as follows:

- 1. They have not performed insider trading.
- 2. They have nor committed corruption or ethical omission.

### **14. Report of shareholding of the directors and the executives**

The Company determines that the directors and the executives who are required to report their shareholding and change in shareholding pursuant to Section 59 of Securities and Stock Exchange Act, B.E. 2535 shall submit the report within 3 working days from the date of trading, transfer or acceptance of transfer to the Securities and Exchange Commission and trading of the Company's securities shall be prohibited for one month prior to disclosure of the financial statements to the public. The Company determines that, in the Board of Directors' Meeting, shareholding of the directors and their spouses and the first 4 executives from the Managing Director including Accounting Manager and Finance Manager shall be reported



## 15. Report on interest of the directors and executives

Subject to Section 89/14 of Securities and Stock Exchange Act (No. 4), B.E. 2551, and Notification of the Securities and Exchange Commission No. Thor Jor. 2/2552 Re: Report on interest of the directors, the executives and related persons, indicating that the directors and the executives shall report their interest or the interest of related persons, the Company complies with the said policy as follows:

### 1. Reporting

It is determined that the directors and the executives including Managing Director, Vice Managing Director, Deputy Managing Director, and the first 4 executives from the Managing Director, any persons holding the positions equivalent to the first 4 executives from the Managing Director, and the persons holding the top position of accounting and financial division shall report their interest and the interest of their related persons to the Company.

### 2. Reporting methods

The report shall be made and sent to the Company Secretary. In case of any change of information, the report shall also be made and sent to the Company Secretary within 7 days from the date of such change.

### 3. The Board of Directors' report

The Company Secretary shall report the interest of the Board of Directors in the quarterly Board of Directors' meeting.

## 16. Compliance with the other matters of good corporate governance

The Company realizes importance of the good corporate governance as it is useful for organizational development. Therefore, the principles of good corporate governance announced by the Stock Exchange of Thailand for listed companies shall be implemented by the Company.

### Intellectual property policy

The Company has clear policy that no actions violating the intellectual property shall be performed, including copyrights, patent or trademarks. The Company indicates clear measures on this matter. For example, in terms of copyright, the Company's information technology system shall be inspected for software program used for performance of the employees to prevent unauthorized or unrelated software.

### Human right policy

The Company realizes and respects the human dignity and equality. The Company shall not discriminate employees of its subsidiaries and partners based on similarities or differences of races, religions, nationalities, genders, ages, educational backgrounds, or mental or physical conditions and shall not violate the personal rights or freedom directly or indirectly. Also, employees shall treat their colleagues with respect and honor and they shall act appropriately at work by observing the Company's rules and regulations as well as traditions, which may affect the Company's image.

### Conflict of interest

The Board of Directors indicate the procedure related to the conflict of interest by complying with the guidelines of the Stock Exchange of Thailand and the Securities and Stock Exchange Act for the utmost benefit of the Company and it shall be considered as an important duty for all personnel to solve conflict of interest issue on the basis of integrity, honest, sensibility, and independency within the code of ethics and disclose necessary information for the overall benefit of the Company.

## Maintenance of the internal information usage

The Company indicates the policy and methods to ensure that the directors and executives of the Company shall not use the internal information which has not been disclosed to the public for personal benefit, including for stock trading as follows:

1. The Company shall provide knowledge to the directors and executives as well as any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent in related to the duties of making and submission of the report on their shareholding, their spouses' and minor children's shareholding to the Securities and Exchange Commission pursuant to Section 59 and punishment under Section 275 of Securities and Stock Exchange Act, B.E. 2535 (and its amendments).
2. The Company indicates that the directors and executives as well as any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent shall have the duties of making and submission of the report on their shareholding, their spouses' and minor children's shareholding to the Company Secretary prior to submission to the Securities and Exchange Commission. The report shall be made and submitted within 30 days from the date of appointment of directors and/or executives or the report on the change of shareholding shall be made and submitted within 3 business days from the date of trading, transfer or acceptance of transfer of shares. Also, the change shall be recorded and summarized for each director for submission to the Board of Directors in the Board of Directors' Meeting. In the case that the top management or directors wish to trade, transfer or accept the transfer of shares, they shall notify it to the Company Secretary at least one day prior to execution.
3. The Company indicates that the directors and executives as well as any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent receiving material internal information which may affect the price of shares shall refrain from the Company's stock trading for the period prior to the disclosure of the Company's financial information and status until the Company discloses such information to the public. the Company shall inform the directors, the executives and any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent to refrain from the Company's stock trading for at least 30 days prior to the date of such disclosure and avoid trading the Company's stock within 24 hours after the disclosure to the public. also, such information shall not be disclosed to the third parties.
4. The Company determines disciplinary actions in case of using internal information for personal benefit which may be a written warning, wage cut, temporary work suspension without pay, or dismissal. Punishment shall be taken on the basis of intention and severity of the offences.

In 2019, there was no case of insider trading by the directors or top management of the Company.

## Remuneration of the auditor

The Company shall pay the audit fee for the accounting period of 2019 to EY Company Limited as follows:

<b>Audit Fee</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Fee (Baht)	1,620,000	1,550,000	1,500,000	1,360,000

There was no non-audit fee paid to the auditor in 2019.

EY Company Limited and the auditor are not the Company's directors, employees, workers, or holding any positions of the Company pursuant to Section 121 of Public Company Limited. B.E. 2535 and have no relationship and interest with the Company, its subsidiaries, executives, majority shareholders, or related persons thereto. The auditor is independent and certified by the Securities and Exchange Commission, and the Company does not use any other professional services from EY Company Limited.

Similarly, the Company's directors and executives have never been employees or partners or had any other relationship with EY Company Limited in the past 2 years.

## Non-audit fee:

-None-

# **SOCIAL**

## AND ENVIRONMENTAL RESPONSIBILITIES



Chewathai Pubic Company Limited puts importance on compliance with good corporate governance principles which conforms to good corporate governance for listed companies determined by the Stock Exchange of Thailand and emphasizes the importance of the community, society and environment by encouraging executives, employees and business partners to take part in return and being responsibility for society and community through Corporate Social Responsibility (CSR) activities continuously.

### **1. Fair business operations**

The Company operates the business on fairly basis without taking advantage of others and relies on code of conduct upon fair and equitable treatment of shareholders, employees, customers, competitors, creditors, communities, and society with integrity and adherence to the following principles:

1. The Company selects contractors or partners by considering fairness and equity without discrimination based on physical or mental differences, race, religion, gender, age, education, or other factors. Information and news shall be given sufficiently and accurately so that related parties can receive complete details about products and services. Quality products shall be delivered to customers as agreed and in fair price as well as avoiding any actions which may cause conflict of interest.
2. The Company adheres to honest treatment of banks, financial institutions, debenture holder, and creditors and repay all debts and interests within the scheduled period as well as strictly complying with conditions stated in loan contracts and other agreements. In case of any incidents which may affect the banks, financial institutions and creditors of the Company or failure to perform in accordance with the conditions of loan contracts, the Company shall send notices to the banks, financial institutions, debenture holders, and creditors in advance and discuss effective solutions.
3. The Company does not accept employees' actions which violate intellectual property rights of other without permission e.g. reproduction, modification, dissemination of computer programs to the public, lease of original or duplicate copies of such wok without permission from copyright owners, and the Company shall not allow employees to use pirated software.
4. The Company insists on property development with responsibility for consumers and aims to create and deliver products and services that satisfy customer needs as well as attempting to correct any possible faults found in products or services.

5. Compliance Department was established to ensure that the Company's operation complies with the SEC and SET's rules/ on 12 October 2018, Mr. Uthane Chuaingarn was appointed as Senior Officer of Legal and Compliance Department due to his educational background and experience in legal work and rules and regulations of government agencies and governing agencies. Therefore, the Company considered that he is qualified for supervising the Company's operation to ensure compliance with the applicable law and regulations.

## 2. Respect for human rights

The Company acknowledges the importance of human rights, so human rights policy was issued to allow employees to have the rights, freedom and equity in terms of work and career advancement. The principles are as follows:

1. The Company shall not perform any actions which may reflect ignorance of human rights and shall respect human dignity. The Company shall not prevent or discriminate any persons due to their gender, race, religion, status, economic or social position, and shall implement this principle in employment, assignment, promotion, compensation payment, and determination of employment conditions.
2. The Company shall not accept any actions performed in order to seek interest from human trafficking, child labor as defined by the law by avoiding making any transactions with manufacturers or service providers who do so.
3. The Company shall support and respect human rights by monitoring its business operations with external parties which may lead to violation of human rights and not perform any actions which may violate employees' rights protected by the law.

## 3. Anti-corruption policy

The Company aims at fair and legal operations by encouraging employees of all levels to be aware of anti-corruption. Internal control system is established to prevent corruption, giving or receiving any kinds of bribes.

On 5 November 2018, Private Sector Collective Action Coalition Against Corruption Council certified that Chewathai Public Company Limited is a member of Private Sector Collective Action Coalition Against Corruption. The certification shall be valid for 3 years from the date of certification.

1. The Company arranges anti-corruption risk assessment and create effective measures in response the such risks in accordance with the internal control system.
2. The Company prepares sufficient rules for implementation under the policy to prevent corruption in business operation.
3. Continuous orientations and training shall be provided to the personnel to ensure their understanding of the anti-corruption policy, measures and rules.
4. The Company arranges internal control system to ensure efficiency and effectiveness of the anti-corruption policy which covers financial record, accounting and other processes related to the Company's operations.
5. The Company arranges monitoring system and review of compliance of the anti-corruption policy by applying appropriate rules to ensure that the policy is complete, sufficient and updated.
6. The Company provides safe communication channels for the personnel and all stakeholders to seek consultations, report any incidents, provide suggestions, or file complaints related to anti-corruption issues. The rights of reporting persons shall be strictly protected.
7. The Company communicates the anti-corruption policy both inside and outside the Company so that related parties can learn the policy. Also, subsidiaries, affiliates, controlling companies, and business agents can put the anti-corruption policy into practice.





On 26<sup>th</sup> February 2019, Mr. Boon Choon Kiat, Managing Director received the Membership Certificate for the Thai Private Sector in the Collective Action Coalition Against Corruption in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2019 with the ideology of conducting business with morality Adhere to social responsibility and stakeholders by following good corporate governance.

On 18<sup>th</sup> December 2019, The company has organized training to strengthen ethics to combat corruption in the organization and reiterating that employees are aware of and understand of important practices that are consistent with the policy.

The Company's anti-corruption rules are as follows:

#### 1. Giving and receiving gifts and entertainment

- Not request or accept gifts or other benefit from any persons related to the Company
- Receipt of gifts shall not affect work-related decision making.
- Avoid accepting gifts or rewards having the value of more than 5,000 Baht. If it is necessary, the Company shall be notified.
- Gifts or rewards to be given shall have the value of not more than 5,000 Baht per time and shall be offered on the Company's behalf only.



#### 2. Donations

Donation for charity, public benefits and promotion of social responsibilities shall be made transparently, legally, morally, and shall not be used as an excuse to offer bribery.

### 3. Financial support

- Shall be for business purpose, image and reputation of the Company.
- Shall be given in the Company's name only.
- Risky financial support which may be connected to bribery shall be avoided.

### 4. Political assistance

- The Company shall be politically neutral.
- The Company shall not support any political party whether directly or indirectly.
- Transactions for political assistance shall not be approved by any person.
- Authorized persons under the Company's rules and regulations shall not approve transactions for political assistance.

### 5. Conflict of interest

- Employees shall perform their duties with integrity and for the utmost benefit of the Company.
- Employees shall not do anything which may cause conflict of interest.
- Employees shall disclose any relationship or circumstance which may cause conflict of interest.

## Whistleblowing policy and complaint channels

The Company arranges channels for complaints and whistleblowing which cover acceptance of complaint, factual examination and conclusion as well as protection of informer and related persons to accept complaints related to any illegal, unethical behaviors or corruption of the Board of Director, executives and employees of the Company. Complaints may be submitted

- |                    |   |   |
|--------------------|---|---|
| <b>1) By mail</b>  | : | Audit Committee<br>Chewathai Public Company Limited<br>1168/80 Lumpini Tower, 27 <sup>th</sup> floor, Unit D<br>Rama 4 Road, Thung Mahamek Sub-district,<br>Sathorn District, Bangkok 10120 |
| <b>2) By email</b> | : | auditcommittee@chewathai.com  |
| <b>3) By phone</b> | : | 1260 press 4  |

Informers or complainants who may be employees, customers or any stakeholders shall be protected pursuant to the law. The Company shall treat the information as confidential and the processes of complaint acceptance and investigation are indicated in writing. Complaints shall be known only by the persons assigned by the Audit Committee. If the confidential information is disclosed, the Company shall impose punishment on the person who cause such disclosure.

## 4. Environmental maintenance policy

Chewathai Public Company Limited has been committed to conducting business in parallel with environmental control and management continuously. The company has passed the consideration and has been certified to the ISO 14001: 2015 environmental management standard system since October 12<sup>th</sup> 2019. The company therefore focuses on raising awareness among employees to comply with ISO 14001: 2015 and acquiring the most efficient use of resources. Therefore, it focuses on raising employees' awareness of utilizing resources in the most effective way as well as communication and provision of knowledge, supporting and raising awareness of employees and all related persons in available resources management for the utmost benefit of the Company, which employees can adapt for use at home. Also, consequential results of effective use of resources are expected at the national level as the next generations can be aware of using resources more efficiently and being economical.

The Company raises awareness of effective use of resources through various means such as promotional stickers, bulletin, activities, an in-house training.

Also, the Company encourages design, research and development of energy-efficient and environmentally-friendly products and encourages directors, executives and all employees, as well as employees of the subsidiaries and affiliates to use energy efficiently by enforcing energy-related policies as energy-saving policy, air-conditioning policy, office supplies policy, and paper reduction policy. The rules are as follows:

- 4.1 Employees shall collaborate and comply with the law and other regulations related to environment.
- 4.2 Employees shall save and preserve energy of the Company. Time for turn on and off the electricity shall be determined based on working period. Energy-efficient equipment and bulbs certified by industrial standards shall be used. Energy-saving activities shall be promoted such as using LED bulbs in the whole office, regularly cleaning air filters, appropriately set up air-conditioners. The 5S Committee shall promote and encourage employees to examine all electrical appliances to ensure that they are ready for use to prevent fire and short circuit. Upon provision of knowledge, support and raising awareness to employees of energy-saving policy, air-conditioning policy and office supplies policy, the operating and assessment results indicate that energy costs can be significantly reduced.
- 4.3 The Company indicates the rules for wastewater quality control. Treatment system is installed in the treatment pond prior to releasing water to the public sources. Wastewater shall be managed as specified the law and the plan for wastewater release through treatment pond installed in the project is indicated. Treatment system shall be checked and wastewater sample in construction site shall be collected for monthly examination. Maintenance plan, overhaul plan and maintenance manual shall be made. Wastewater quality shall be controlled prior to and after entering treatment processes by the company registered as wastewater laboratory. Measurement, record and report procedure shall be conducted at construction site prior to release water to the public sources until the management is transferred to the juristic person having wastewater quality up to the indicated standards.
- 4.4 Employees shall be encouraged to sort waste prior to disposal. Trash bins shall be separated for each type of waste at appropriate areas. Resources shall be used effectively by recycling rather than disposing. Two pages of a piece of paper shall be used and documents shall be checked and corrected prior to printout. Inter-office communication shall be done by email or LINE instead of paper.







- 4.5 Environmental activities shall be promoted by providing collaboration to public and private sector and nearby communities. The Company supports dredging and takes care of the community by removing blockage in the pipes to facilitate water flowing and to ensure that the drain pipes can support more rainfall.
- 4.6 Employees' life quality and good health are supported in that they are encouraged to join TOA football in which the ground fee and sport uniform for competition are funded by the Company. The aim of this support is to promote Employees' exercise and good health as well as creation of relationship with colleagues.
- 4.7 Environmentally-friendly materials shall be used, and natural resources shall be effectively and efficiently used to minimize effects on environment. Manufacturers' standards shall be checked.
- 4.8 Non-smoking projects shall be promoted and employees shall be encouraged to stop smoking for health benefit and long living as well as reduction of pollution to the environment.
- 4.9 The company has organized training courses on operational standards, laws, and regulations related to the environment in accordance with the course "Environmental management system ISO14001: 2015" on 17<sup>th</sup> June 2019.

### Compliance with the law and EIA rules

Prior to starting any construction project, whether horizontal or vertical, the Company shall consider environmental effects and compliance environmental rules and regulations. All projects having the size of utility space as required by the law to make Environmental Impact Assessment (EIA) report pursuant to National Environmental Promotion and Conservation, B.E. 2535 shall make EIA reports with expert consultants and be registered with Ministry of Natural Resources and Environment. In making report and determining environmental preventive measure, the Company shall assess the project's effects closely with the consulting company and the nearby residents as well as arranging public hearing to indicate rules and measures to prevent effects on the residents, customers and environment.

After the EIA report is approved by Division of Environmental Impact Assessment Development, the Company shall closely monitor progress and compliance with the requirements, methods and conditions indicated in the report. Progress report meeting shall be made with contractors and project consultants to ensure the least effects on the nearby resident.

## 5. Chewathai Innovations for environment

Chewathai applies the concept of environmentally-friendly and energy-efficient design to condominium project to promote residents' good living and sanitation of building users. The first concern is design of the building direction and building shape to allow air and ventilation as well as utilization of natural air in each season. As it is known that season wind of Thailand comes from the Northeast and this project faces north which supports the above concept. Therefore, we design this building to have opening in two directions and add ventilation to the building corridor on some floors. In addition to ventilation, the building shape is nice in the way that it is not too dense, so residents can feel quality relaxation. Also, it helps with energy saving as it reduces air-conditioning work, lighting and electrical appliance functions while the construction costs remain similar to the other projects in the market. Thus, it is cost effective and energy-efficient to choose Chewathai's projects.



Image showing direction of wind flowing into the building (Chewathai Kaset-Nawamin)





## 6. Chewathai Innovations for the elderly and disabled

Thai society is changing to elderly society in the near future, so Chewathai has an idea to design and develop the residence for convenience of the residents of all age range including adults, elderly or disabled so that they can live happy and quality life. This year, Chewathai designed Chewathai Pinklao-Sathorn, which is single-house project based upon the above idea on the potential location promoting peaceful living of people of difference ages.

### 5. design concepts include

1. **Security:** The location shall be safe for elderly, disabled and children in terms of movement, visibility and hearing. For example, there shall be guardrails along with pathway. Flooring tiles and materials shall not be slippery. There shall be help request system at different spots such as in the bathroom or bedroom. Chewathai emphasizes the security details as follows:
  - There are slope ways along the path from parking space to bedroom for facilitation.
  - All houses shall have ramp (1:2) with handrails at the level appropriate for use.
  - Multi-layered floor in the house or the path shall be avoided. Slope shall be made for wheelchairs.
  - The height of risers and threads of the stairs for elderly shall be less than specified by the law, which is 13 centimeters for risers (less than specified by the law) and 30 centimeters for threads (more than specified by the law) for user safety.
2. **Convenience:** Each part of the house shall be designed to facilitate access of equipment by elderly and disabled, including cupboards and switches for elderly or persons in wheelchair. Slope for wheelchair shall be made at the area consisting of different layers, and so on. The residence shall be located near other places essential for elderly such as hospitals, shops, park, and public transportation.
  - Home automation
  - Elderly's bedroom should have private bathroom for convenience.
  - Use lever handles for convenience
  - Sanitary ware in elderly's bathroom shall have horizontal design with handrails for convenience.
  - All doors related to elderly shall be designed to have at least 90-centimeter width.

3. **Good Environment:** Interesting physical environment shall be created. Appropriate color shall be used with proper and clear light. It shall be environment in which elderly shall react with community and surroundings.
  - Elderly's bedroom on the first floor shall have windows allowing proper natural light and have wider space than usual so that the owner can feel close to nature and relaxed.
  - Family room shall be available on the first floor and separated from living room in which elderly can enjoy activities such as reading, playing with family members in addition to staying in the bedroom. This is the way to build happiness and reduce loneliness for elderly.
  - All color shall be light and soft to maintain emotional health of elderly.
4. **Easy Maintenance:** Residence for elderly and disabled shall be easily maintained. The size shall not be too large with good ventilation of heat and humidity. Therefore, rooms on the first floor shall be reserved for elderly. Windows shall be wide enough to allow proper light and air to reduce unpleasant odor or germs.
5. **Save Solar:** The Company focuses on energy-saving within the project and reduce common fee for residents by changing road bulbs which consume the common electricity to solar cell posts which can store solar power during the day and use it at nightline with energy-efficient LED bulbs.

## 7. Social responsibilities

The Company not only emphasizes social and environmental responsibility operations which relate to its business, but we also provide opportunities to the nearby communities for sustainable development in the future.



### 2019 Activities

#### 1) Outing Trip 2019

The Company's executives realize that it is important to build unity in the organization between the personnel of internal and external division as well as team work. Therefore, outing trip and sport events for 2019 were arranged to build relationship between divisions.

Outing trip and sport events for 2019 were activities in which the personnel could meet, enjoy and exchange opinions and play sports for good health. It provided the best benefit for building relationship between internal and inter-organizational staff.

#### **Value of sustainability**

1. Personnel has the opportunity to join with the teams, socialize and exchange ideas.
2. Building relationships between internal and external personnel
3. Build good relations between departments in the future.

#### **Operating results**

1. Employees have more unity.
2. Employees are helpful and see the company's goals important.
3. in an activity evaluation form, the employees are fun and would like to organize the same activities every year.

#### **Expanding future activities**

In the year 2020, the company will set up a working group to manage and coordinate the annual tourism activities and sports to focus on the relationship.

## **2) Responsibility activities for the residents (customers)**

In addition to legal compliance, The company also has a policy for employees to perform duties by following ethical principles. Businesses related to customers, as follows

1. Determined to create satisfaction and confidence for customers. To get good products and services, to provide quality products at a reasonable price.
2. Continuously improve the standard and maintaining good relationships and sustainability.
3. Commit to providing complete, accurate, and timely information and promoting communication and building relationships with customers continuously.
4. Determined to organize activities to increase privileges for customers. Including special activities and promote activities to community participation.

#### **Good practice:**

- Determined to improve the quality of products and services for customers need continuously.
- Disclose news, information about products and services in a complete, accurate and timely manner. And does not misrepresent facts.
- Providing warranty for products and services under appropriate conditions Have a system to receive complaints about products and services and do the best to give customers a quick response
- There's no place for profiteering as the same other quality of goods or services
- Strictly comply with various conditions that are required by customers. If unable to perform must notify customers in advance to jointly find solutions
- Seriously and consistently maintain customer confidentiality. Including not using customer information for their benefit and Related parties



### Activities for residents in the last year

1. In case of encountering the noise of the water pump at Hallmark Ngamwongwan Project, even after the insurance is expired, the company still takes care and consistency changes the new system, And also constant care to our residents to be confident that the Company is responsible and careful.



### 3) Chewathai Society

This project aims to create positive attitude of customers toward the Company for good image and reputation regarding the Company's products and services in the long run. As the Company has various product lines (e.g. house, condominium, factory for rent, commercial buildings, etc), when customers are impressed by a product line, it will be the Company's chance for cross-selling or making customers to repurchase or introduce the project to other people in the form of positive word-of-mouth which is more reliable than advertising. Also, it is a way to promote perception of the Chewathai to shops or Chewahai partner products, which will increase perception of Chewathai's project. In addition, there will be special activities for customers that focus on residents (customers) participation.

1. Chewathai Movie Day was held by Customer Relation Department at Esplanade major cineplex Gateway Bangsue and Siam Paragon Cineplex on March, April and December of 2019, It was well received by residents and the media.



2. Chewathai Welcome home was held by Customer Relationship Management Department at Chewathai Residence Bang Pho on March 2019. The Events held to welcome residents to Chewathai project. They were also well received and well attended.



3. Happy weekend activities and campaign of eating and fin with Chewathai, that give discounts at many stores also give campaign free food and beverages to members from participating stores, These activities were well received by health loving residents.



4. Activities on the Facebook Timeline page. Let the residents join the game on the Facebook page, there is a quiz for winning awards. These activities aim to create residents' positive attitude toward Chewathai and for them to receive updates about Chewathai on Page Facebook Chewathai Society at any time.



5. Security activities including fire drill and festival events such as New Year's celebration, religious auspicious days in which residents can easily join. These activities will be informed to residents in advance.





### Value of sustainability

The value of “sustainability” in the Chewathai Project Aside from the development of real estate and public utilities built according to principles Sustainable development (That is friendly to social and the environment) that adds value to the project. Chewathai also adds a special value for the Chewathai family, both the “Chewathai Society” and the “Chewathai Society Card” designed to fulfill the lifestyle And a special experience of the residents especially, under the concept of “More living More lively” or “Extras and Best for Chewathai’s residents only” with many special privileges and discounts. Considered to be a novelty in the real estate industry in Thailand.

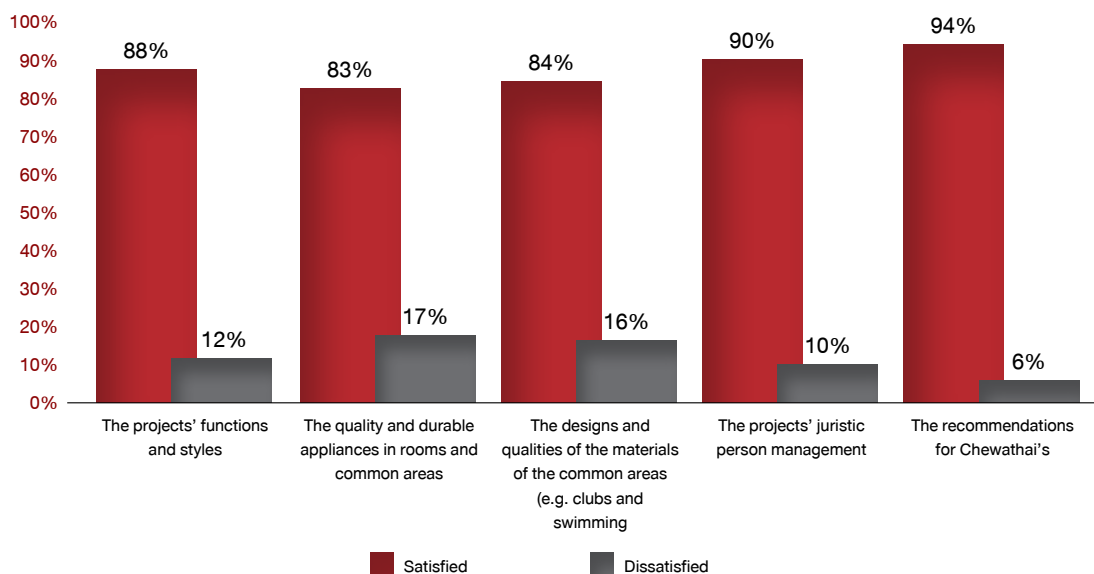
### Assessment

Arrange for evaluations after the activity has been completed within 3-7 days after the activity by evaluating the residents who have participated in the activities with the Chewathai Society by evaluating Will do the assessment both in the form of documents And conducting online assessments both via SMS according to the telephone number registered by the residents and via QR Code. The result of the evaluation of the satisfaction of every activity is 88%

The company is dedicated to satisfying customers. Thus, it focuses on researching and developing products in order to provide residential places meeting customer needs. The Customer Relationship Management Department (CHEWATHAI SOCIETY) manages customer data in order to make plans, meet their needs, and build good relationships with them. The company also had the market survey department surveying, researching and analyzing consumer needs in areas, project locations and public utilities. So, the company has enough databases for identifying the consumer needs, residential patterns, locations, and prices in order to continuously improve products and services.

### To manage customer satisfaction and stakeholders

with Chewathai’s visions to be the leading real estate developer for consumers that never stop providing products and services beyond customer satisfaction, we focus on managing and satisfying customers and stakeholders by evaluating customer satisfaction in all processes that the customers contact the company from giving projects’ information to providing after sales services for juristic persons as follows.



Processes	Evaluation Methods
1. The satisfaction towards the data services and visits	Customers can evaluate their satisfactions through the call center one to three days after visiting projects
2. The satisfaction towards the reservation and contract making services provided by the employees	Customers can evaluate their satisfactions via e-mail or the contact center three to seven days after making reservations/contracts
3. The satisfaction towards the services about the transfers of ownerships and the acceptances of residential places	Customers can evaluate their satisfactions via e-mail, SMS or the contact center three to seven days after making reservations/contracts
4. The satisfaction towards living for three months after transferring ownerships	Customers can evaluate their satisfactions via the call center three to six months after transferring ownerships
5. The satisfaction towards repair and other requests	Customers can evaluate their satisfactions via e-mail, SMS, the contact center seven days after repair or solution of problems by technicians
6. The satisfaction towards the transfers of ownerships to villages' committees or juristic persons	Customers, villages'/condominiums' committees or juristic persons can evaluate their satisfactions via e-mail, SMS or contact center after establishing the juristic persons or giving public utilities and transferring ownerships

## Organizational Overall Image

According to the performances in 2018, it was found that the overall satisfaction score of the current customers was 88%. The products and services have been improved in order to satisfy customers, especially after transferring ownerships. Examples are as follows.

- 1) The projects' after sales teams were improved by recommending services to customers living in the projects in order to develop good relationships with them, continuously sending them news letters about the common areas and public utilities in order to create good societies, and conducting CRM activities in the projects for the good relationships with them.
- 2) The services about repair requests were developed by having the Chewa Care team in order to make appointments for checking and repairing parts on the dates and time that the customers are convenient, to coordinate with projects, to check the repaired parts with the house owners in order to ensure that the repaired parts have good qualities and satisfactions. If the repaired parts are not good, then the parts will be fixed immediately. Contractors from relevant organizations are evaluated in order to ensure that the selected contractors are good for the projects.
- 3) The various channels for checking customer satisfactions were developed in order to reach customers by e-mail and SMS. The CRM system was developed in order to automatically evaluate results while the customers were interacting with the company for obtaining reliable satisfaction scores and improving services with the satisfaction evaluation system and data for instantly improving satisfactions.

#### 4) Expanding other activities in the future

Customer relationship management or CRM has more development plans. To organize activities for the residents (customers) every month which will be used during festivals or important days to conducted activities with residents by coordinating with the project's juristic person. Also, the Chewathai Society's official line has made more channels for communication, notification of repairs and receiving special activities. And also set a goal to increase special privileges at all the times, including discounts, roadshow, or activities that allow residents to participate, all of which will increase customer engagement with the Company. Operating results Engaging with our customers (customers) If we do our activities consistently, we will make our customers feel deep friendship with the Company and be well-informed. Even if the residents receive fast service as well, then it will be even more impressive because of customer care. Is the heart of customer relationship management.

#### 5) A project focusing on community and environment development (CSR after Process)

The company will focus on the development of communities and schools in remote areas. As well as supporting to give the things, including food and four other factors for various disadvantaged associations or foundations which has the following

##### 5.1) Community development project Ban Pa Lao School Group, Mae Tha District, Lamphun Province

Objectives for the children in the school and communities in remote areas that are far away from opportunities Have better living and quality of life and bring the things that the company promotes to the youth To develop the community to become aware of the maintenance of resources in the area And the art and culture of Tribes to remain with the community sustainably Method of operation This event The company is aware of the importance of young people to grow and have a good future. This year, the company received a different perspective. From every time ago While still adhering to the policy to access the true importance and problems from surveying the areas before taking any actions, showing that creating a good future requires many important components In driving community and society Sustainable development.

The Company selected some schools and communities located in remote areas to join the project. They are 4 of Ban Pa Loan School Group as follows:

- 1) Ban Pa Loan School (Main School)
- 2) Ban Pa Loan School, Pha Dan Branch
- 3) Ban Pa Loan School, Mae Sa Ngae Branch
- 4) Ban Pa Loan School, Pong Phang Branch

As it is difficult for communication to access, the Company offered communication radio for their easier reach to others compared to traveling to each other due to lack of telephone. Also, new water purifier system was installed for the schools and communities as the Company realized that effective communication and infrastructure would improve their quality of life. For education, the Company created completed learning center for mathematics and English to develop the needed skills that students got the results lower than the national assessment standards (ONET). In addition, teachers were hired to provide additional lessons to students, so their average results were better. Educational assistance provided by the Company could be of help for them in doing further activities such as joining competition with other schools and winning English storytelling award, winning fast math calculation award, which most of the students in remote areas have less skills in comparison with urban students. However, these students became regional representatives in the competitions.

In 2019, the Company focused more on students' potential in terms of education, sport and professional skills also Building improvements as follows

1. Place development Chewathai has supported the construction of one new school building because the old building on the third branch (Ban Mae Sa Ngae) has deteriorated and may be harmful to students. Therefore supporting the school building for public benefit.
2. In terms of sports, the Company improved sport grounds, provided sport equipment, practice allowance, travel allowance for competition, and hired coaches to help improve spot skills of students.
3. For professional skill development, the Company developed the manually woven fabric center and hired local manually woven fabric teachers for students. This activity was to help maintain a local way of life of the Karen tribe and generate income for students and schools until now can make as the new year's souvenir of the Company.
4. For mental development, the Company started with donating a complete set of western musical instruments for recreational activities and local musical instrument as well as hiring local wisdom to provide lessons to preserve local music tradition. Also, students can improve their mental health and spend their free time effectively by joining this activity. They may also be able to earn from their musical skills in the future.



## Operating results

By doing these activities, the Company acknowledged sustainability which can be beneficial for schools and communities in many aspects including better living, better health, and value-added professional skills. The Company do not expect immediate results from these activities but long-term sustainable development without negative effects on communities and acceptability and collaboration of local people. In the long run, the Company aims to continue expanding the activities in Ban Pa Loan Schools and nearby communities. From the current activities, the Company considers that there are many other things to be provided and promoted such as libraries, canteens, school buildings, health centers, and community learning centers. Also, local people should be supported professionally, especially woven fabric industry development. The youth should be encouraged to have positive attitude toward their hometown so that they would wish to make their home better in the future. In addition, the youth's sport and educational potentials shall be supported. Those with good educational records should be promoted in the long run so that they can apply their knowledge to develop their schools, communities and society. The Company also expects that these small activities and other activities to be done in the future will be useful for Ban Pa Lao Schools and Community as well as the society as a whole. The operation plan which occurred in the year 2019 which is as follows

## Operational plan for 2019

### Phase 1: January - June 2019

- Develop additional types of sports by testing potential athletes from other sports
- Expand existing activities to branch schools
- Create plans for publicizing local and western musical activities
- Create plans for generating more income from local woven fabric activities
- Follow up results of the year 2019

### Phase 2: July - December 2019

- Hire computer expert team who are ready for teaching and coaching about basic checking and repair of computer equipment
- Send athletes to join competition of other types of sports
- Expand existing activities to branch schools
- Create plans for publicizing local and western musical activities
- Create plans for generating more income from local woven fabric activities
- Follow up results of the Phase 1
- Support the construction of school buildings Because the old one is deteriorated and use of over 10 years and also to be used as a learning center for the benefit of the community.

### Chewathai develops the society for sustainable community development

Projects focus on developing community and other environmental and also supporting. In addition to the aforementioned projects, benefits for the community and society The company is aware of support and assistance to the one who is disadvantaged by the committee such as community merit-making, seasonal activities such as Loi Krathong, New Year, Chinese New Year

This activity was collaborated by the Committee and executives, which lead a team of volunteer employees Doing activities for communities nearby the project.

These activities are supported by both the community, the residents and the staff of Chewathai Company. Considered to be a project that focuses on the participation of all sectors Which is to build a good relationship for sustainable development.





## Operations and report

Committee generate a CSR report and creating a CSR plan to be presented the Board of Directors annually, for comply with the policy of responsible business operations To society and the environment And operate by following the policy disclosed by the company Which will be disclosed in the registration statement Annual data Or prepare a sustainability report to be published every year after being listed on the stock market Throughout the period The company conducts business based on social responsibility to ensure sustainability. In the year 2019, the company is still determined to develop every process in various parts related. To create accountability in work and services by improving and developing new things to create motivation and added value to meet the needs that exceed the satisfaction of the customers Such as paying attention to every customer's needs Provide a full range of services, standards, accountability and correct standards within a specified period time. Also, the Company still focuses on cultivating employees to understand the goals of the organization and work with an awareness of social responsibility. And encourage employees to receive training to increase work skills and have to Participate in various activities for the benefit of society and the environment regularly The business operations that affect social responsibility in the year 2019, the company does not have any disputes. Due to the company's business operations relating to environmental and social laws and never examined or accused by any organization or department that its business operations hurt harm society, the environment, or do not comply with the corporate social responsibility policy set by the Company.

# INTERNAL CONTROL

## AND RISK MANAGEMENT

Chewathai Public Company Limited always realizes that it is important to ensure efficiency and effectiveness of the internal control and risk management as well as supervision of compliance with anti-corruption measures both at management level and operational level. The Board of Directors assigned the Audit Committee to perform audit on the internal control and evaluate sufficiency of the internal control system with the aim to ensure appropriate internal control system for business operations. Five framework components of the Committee of Sponsoring Organizations of the Tread Way Commission (COSO) are adapted for improvement together with the Enterprise Risk Management (ERM) as the tools of the management in developing the internal control and risk management system. Dharmniti Internal Audit Company Limited, which is the expert in internal control system audit is hired and the Company's internal audit division determined the audit processes, and the audit results are determined to be reported to the Audit Committee only to ensure that the internal audit team could perform their duties independently and straightforwardly. The Audit Committee shall provide approval of appointment, transfer, dismissal, and performance assessment of Dharmniti Internal Audit Company Limited and the Internal Control Division themselves.

In the Audit Committee Meeting No. 1/2020 dated 14 February 2020, the Audit Committee evaluated sufficiency of the internal control system by using the evaluation form of the Securities and Exchange Commission (SEC) which is the assessment based on 5 components, including 1) Control environment, 2) Risk management, 3) Control activities, 4) Information system and communication, and 5) Monitoring system. The Audit Committee considered and expressed the opinions that the Company's internal control system is sufficient and appropriate. There are enough personnel to effectively perform in accordance with the system. This can be summarized as follows:

### 1) Control Environment

- 1.1 The Board of Directors supervised that the business goals are clearly determined and measurable for use as the guidelines for performance of the executives and employees as well as determination of the roles and duties of the committees and the executives in accordance with the law and charter.
- 1.2 Comprehensive internal control activities are arranged appropriately for the business operations which shall be audited according to the operating manual to ensure conformity to the rules, regulations and applicable law.
- 1.3 Reporting structures are arranged. Power is distributed and the executives' duties and power are determined appropriately. Commanding power is properly limited under the supervision of the Board of Directors.
- 1.4 The Company's Code of Conduct is made in writing for the executives and employees to use as guidelines for their practices. Prohibitions for the executives and employees are determined to prevent any actions which may cause conflict of interest with the business as well as anti-corruption policy. Punishment is indicated in case of violation as well as the monitoring measures to ensure compliance with the Code of Conduct.
- 1.5 The Company issued "the anti-corruption policy and procedure" in writing for use as guidelines/procedures for performance to ensure compliance with anti-corruption measures which is also communicated both internally and externally so that all stakeholders acknowledged the Company's attempt to prevent corruption. Also, the Company is certified as the Collective Action against Corruption on 5 November 2018 and received a certificate on 26 February 2019 from the Institute of Directors of Thailand.

- 1.6 The Company determined the policy and methods for human resources management in writing including selection, training and promotion, remuneration payment, and so on with the aim to develop knowledge and abilities of the personnel. Furthermore, the need of development and training of employee in each position is surveyed and the annual training plan, together with the comparative report on the training results, is made. Executive and employee recruitment, development and retention processes are determined to align with the business requirements and to accommodate the business expansion in the future.
- 1.7 The Company created the succession plan for all executive positions.

The Audit Committee supervised internal audit work by approving the annual audit plan, acknowledging the audit results and expressing opinions on strengthening the internal control system to prevent or minimize possible risks as well as giving suggestions on making follow-up report to ensure efficiency and effectiveness of the internal audit work. In 2018, no significant fault regarding the internal control system is found.

## 2) Risk Assessment

- 2.1 Currently, the Company has the Risk Management Committee which is comprised of independent directors and executive directors who determine risk management policies and risk management structure as well as providing suggestions on risk management plans in accordance with strategic operations and business plans. In addition, the Risk Management Committee supervises and audit significant risk management reports whereby the Risk Management Committee performs implements the risk management policy.
- 2.2 The Risk Management Committee provided suggestions to the management regarding determination of policies, strategies and plans for risk management at organizational level to ensure systematic risk management system. The Board of Directors and the executives put importance on risk management by determining risk management policies and assessed the risk factors at organizational level along with measures of risk management in 4 aspects, which are strategic, operational, financial, and compliance with applicable law and regulations. Control Self-Assessment (CSA) of important processes is also arranged to assess possible risks, efficiency of internal control system, and risks of corruption to arrange appropriate and sufficient protection system to minimize possible effects on the Company's business operations.
- 2.3 Risk Management Team invited representatives from each division to assess risks and suggested risk management plans so that the Risk Management Committee could learn problems or difficulties of implementation and opinions on appropriateness of the risk management plans and Key Risk Indicator (KRI) which shall signal the Company in advance in case of any possible risks occurring. With this, the Company shall be able to adjust the risk management plan to align with the current situations. Moreover, the representatives provided additional advice, which shall be reported by the Risk Management Committee to the Board of Directors for acknowledgement of continuous work of the Risk Management Team.
- 2.4 Overall assessment and follow-up of the implementation of risk management plan by each division are conducted regularly. Also, reporting and risk management monitoring system is determined to ensure appropriateness and timely operations. The Company's executives assessed the situations and risks and analyzed the events which may affect or cause damage to the Company. Then, preventive measures would be indicated and the causes of risk factors would be monitored to create measures to minimize the relevant risks.

## 3) Control Activities

- 3.1 The Company indicated organizational structures, assigned power and duties to the executives of each division to ensure appropriate internal control. In addition, the committees such as the Risk Management Committee and Procurement Committee are appointed for checks and balances in operation.

- 3.2 The Company reviewed the Table of Authority which clearly indicate the duties and monetary limits for authority of the management at each level. Rules, procedures and operational methods are clearly determined in writing to support expansion and growth of the Company and control activities in accordance with the organizational goals.
- 3.3 The Company indicates control measures which are suitable for the risks and specific natures of the organization, complexity of work, nature of work, and scope of operation. Work manual of each division is created to be common standards of operations. Important duties and responsibilities are completely separated, including approval, transactions record, data processing, property maintenance to ensure cross-audit in accordance with audit principles and checks and balances.
- 3.4 The Company determines the organizational internal control for at the company level, divisional level and process level both manual and automated system in which register of operational document audit and access permission to the programs and budget control in Procurement Systems and Systems Applications and Products in Data Processing (SAP) are made.
- 3.5 In the case that the Company made any related transaction, strict monitoring measures are applied to ensure that the transactions passed through the determined process by taking account of the utmost benefit of the Company and treated them as the transactions made with external parties. The Audit Committee performed audit on the connected or related transactions in accordance with the rules of the Stock Exchange of Thailand on information disclosure. The Company compiled the information about majority shareholders for monitoring and audit purposes in which the accounting division is responsible for related transactions which shall be reported to the Audit Committee quarterly.
- 3.6 Information technology system security is appropriately controlled by determining user levels and access rights in accordance with their scope of responsibilities and control the rights to use programs which are suitable for operations of the employees at different levels.
- 3.7 Key Performance Indicators (KPIs) are indicated as the tools for planning and controlling performance of the executives of all levels for achievement of all objectives.

#### 4) Information & Communication

- 4.1 Information technology system has been continuously developed to facilitate employees' work, reduce manual operations and enhance work efficiency in support of the Company's expansion and growth. Also, the improvements are made in accordance with the relevant rules and regulations and security of information technology and electronic data storage system is emphasized.
- 4.2 The Company has been developed the information system to support the work of all divisions including budgeting, procurement, advance payment of contractors, petty cash and advance payment, any deductible, and status notification to customers to reduce telephone answering. Audit control system and rights of authorized persons at each level shall be determined as defined by the Company's rules.
- 4.3 Communication channels are arranged through Intranet, Email, Facebook, Line, and Website for all employees to obtain information about the Company's goals, policies, objectives, responsibilities, and rules and regulations to ensure accurate practice, as well as channels through which the executives can use to follow up sales of each project in comparison to daily target and reports such as sales or transfer (to transfer) balance in comparison with the determined goals, which shall be reported to the top management on weekly and monthly basis.

- 4.4 The Company has the information system from Systems, Applications and Products in Data Processing (SAP), ICON System, Procurement System and developed company website to be used for information management and presentation to support the executive decision making and support the work of all divisions. The system has now developed and canceled the ERP (Softpro) program.
- 4.5 Security control for each system has been implemented. The Company has the policy to control user's right limitation by setting the date on which the account will be disabled in advance which shall be effective date of resignation. In the case that employees forget password, they may request new password by themselves, and the new password shall be directly sent to their email for security.
- 4.6 The Company provides channels for filing of complains, opinions or suggestions and report of possible corruption or misconduct of the personnel by employees or other stakeholders in compliance with the principles of good corporate governance. Whistleblower policy is issued to communicate to all employees that if any cases of corruption fraudulent acts are found, they can directly inform the Audit Committee President via email or registered mail or Call Center 1260.
- 4.7 The Company discloses the information through SET's system and the Company's website [www.chewathai.com](http://www.chewathai.com). The external stakeholders may ask for any information from the Investor Relation Division via Call Center 1260 which is the channels for dissemination of information to the external parties so that shareholders and investors can receive complete, correct, timely, sufficient, and appropriate information to support their decision making.

## 5) Monitoring Activities

- 5.1 There were 4 Audit Committee's Meetings in 2019 for consideration and continuous monitoring of financial status and operating results and giving significant suggestions which may affect the Company and the management from time to time for timely solution and in accordance with the changing situations. In addition, the Company's auditor which is EY Company Limited by Miss Rungrapa Lertsuwankul, who is independent and appointed by the annual general shareholders' meeting, performed audit and expressed opinions on the Company's financial statements as well as auditing the accounting and financial internal control system to report the results to the Audit Committee. The results suggest that no significant fault was found in the Company's internal control system.
- 5.2 The Company has operating results monitoring system for the executives of each division to compare the operating results with the determined goals regularly so that appropriate strategies could be adjusted through the management. The meeting was held monthly. The Board of Directors acknowledged and compared the operating results to identify whether the determined goals were achieved in the quarter Board of Directors' meetings.

The Company's Internal Audit Department of the Company's separate 1 units. By Miss Suparat Ngamtaweekoon as the Chief of Internal Audit Unit on 1 February 2017 as she has appropriate educational background and experience in internal audit work as well as accounting and financial work. She understands the Company's activities and operations and satisfactorily passed the internal audit training. Also, she attended anti-corruption training, so the Company resolved that she is eligible for this role.



# REVIEW

## OF BUSINESS ASSETS

### Main Assets of the Company and its subsidiaries.

As of 31 December 2019, the assets the Company and its subsidiaries comprised of lands and development cost, real estate for investment and lands building and equipment, the detail are as follow;

Detail	Book Valuze as of 31 December 2017 (Million Baht)	Type of ownership	Obligation
Lands and development cost	5,680.33	Owner	11 projects has been mortgaged as secured with loans from financial institutions.
Real estate for investment	277.70	Owner	Mortgage as secured with loans from financial institutions.
Lands building and equipment	20.15	Owner	None
Intangible assets	13.01	Owner	None
<b>Total</b>	<b>5,991.19</b>		

### Lands and development cost.

Lands and development cost such as lands and buildings for sales, as of 31 December 2019 the book value is as 5,680.33 Million Baht, the detail are as follow;

Project's name	Asset Type	Appraisal Date	Appraisal Cost (Million Baht)	Book Value as of appraisal Date (Million Baht)	Increasing/Decreasing (Million Baht)	Appraisal Cost as of 31 December 2019 (Million Baht)	Book Value as of 31 December 2019 (Million Baht)	Ownership	Obligation
Hallmark Ngamwongwan <sup>1</sup>	Condominium	n/a	n/a	n/a	-	-	9.12	CTIC	None
Chewarom Rangsit - Don Meaung <sup>1</sup>	Housing Project	17 Jan 20	27.28	13.38	-	13.38	13.38	The Company	None
Chewathai Petchkaserm <sup>27</sup> <sup>1</sup>	Condominium	n/a	n/a	n/a	-	-	102.19	The Company	None
Chewathai Residence Asoke <sup>1</sup>	Condominium	14 Jan 20	317.94	200.67	-	200.67	200.67	The Company	None
Chewawan Pinklao Sathorn <sup>3</sup>	Housing Project	19 Dec 18	502.30	502.12	274.21	776.51	776.33	The Company	Mortgage as secured with 507 Million Baht loans from financial institutions
Chewa Home Wongwaen-Lamlukka <sup>3</sup>	Townhome	19 Dec 18	262.50	251.22	26.72	289.22	277.94	The Company	Mortgage as secured with 315 Million Baht loans from financial institutions.
Chewathai Residence Thonglor <sup>2</sup>	Condominium	21 Dec 18	345.80 (Land Only)	343.11	119.84	465.64	462.95	The Company	Mortgage as secured with 457 Million Baht loans from financial institutions.
Chewa Home Suksawat-Pracha Uthit <sup>3</sup>	Townhome	19 Dec 18	290.10	242.81	79.23	369.33	322.04	The Company	Mortgage as secured with 387 Million Baht loans from financial institutions.
Chewathai Kaset Nawamin	Condominium	n/a	n/a	n/a	-	-	648.20	The Company	Mortgage as secured with 814 Million Baht loans from financial institutions.
Chewathai Hallmark Charan <sup>13</sup>	Condominium	n/a	n/a	n/a	-	-	210.30	The Company	Mortgage as secured with 197 Million Baht loans from financial institutions.
Chewathai Hallmark Ladprao Chokchai <sup>4</sup>	Condominium	n/a	n/a	n/a	-	-	499.43	The Company	Mortgage as secured with 885 Million Baht loans from financial institutions.
Chewathai Pinklao	Condominium	n/a	n/a	n/a	-	-	460.78	The Company	None

Project's name	Asset Type	Appraisal Date	Appraisal Cost (Million Baht)	Book Value as of appraisal Date (Million Baht)	Increasing/Decreasing (Million Baht)	Appraisal Cost as of 31 December 2019 (Million Baht)	Book Value as of 31 December 2019 (Million Baht)	Ownership	Obligation
Chewarom Nakorn In	Housing Project	n/a	n/a	n/a	-	-	783.62	The Company	Mortgage as secured with 702 Million Baht loans from financial institutions.
Chewathai Home Office Eakkachai- Bangkok	Home Office	n/a	n/a	n/a	-	-	389.82	The Company	Mortgage as secured with 265 Million Baht loans from financial institutions.
Chewa Home Bangkok-Pathum	Housing Project	n/a	n/a	n/a	-	-	255.57	The Company	Mortgage as secured with 419 Million Baht loans from financial institutions.
Chewa Home Rangsit-Pathum	Housing Project	n/a	n/a	n/a	-	-	267.99	The Company	Mortgage as secured with 418 Million Baht loans from financial institutions.
<b>รวม</b>			<b>1,745.92</b>	<b>1,553.31</b>	<b>500.00</b>	<b>2,114.75</b>	<b>5,680.33</b>		

**Remark** <sup>1</sup>. Completed projects and transferred

<sup>2</sup>. Value Assets valuated by Comparison Approach which appraised by Prospec Appraisal Co., Ltd. which is in the list of Valuer approved by the Office of the SEC

<sup>3</sup>. Value Assets valuated by Residual Method which appraised by Prospec Appraisal Co., Ltd. which is in the list of Valuer approved by the Office of the SEC

### The real estate for investment.

The real estate for investment of the Company describes such as lands and ready built factories, as of 31 December 2019, the book value of the real estate for investment is equal to 277.70 Million Baht, the details are as follow;

Detail	Area (sq.w.)	Book Value as of 31 December 2019 (Million Baht)	Appraisal Cost (Million Baht)	Ownership	Obligation
Ready built factories phase 1 <sup>1</sup>	41,892.00	196.92	369.72	The Company	Mortgage as secured with 200.00 Million Baht loans from financial institutions.
Land phase 2 <sup>2</sup>	21,312.00	38.70	47.95	The Company	Mortgage as secured loans to the subsidiary.
Shop for rent <sup>3</sup>	768.81	42.08	59.97	The Company	Mortgage as secured loans to the subsidiary.
<b>total</b>		<b>277.70</b>			

#### Remark

1. Value Assets valuated by Income Approach and Market Approach on 11 December 2019 which appraised by UK Valuation and Agency Co., Ltd. which is in the list of Valuer approved by the Office of the SEC
2. Value Assets valuated by Cost Approach and Market Approach on 11 December 2019 which appraised by UK Valuation and Agency Co., Ltd. which is in the list of Valuer approved by the Office of the SEC
3. Value Assets valuated by Income Approach and Market Approach on 13 January 2020 which appraised by Agency for Real Estate Affairs Co., Ltd. which is in the list of Valuer approved by the Office of the SEC

### Land Building and Equipment.

Land Building and Equipment comprised of Building and the adjustment of rental building, mechanism, decorations and office equipment and sale offices and showroom. As of 31 December 2019, land building and equipment value is equal to 20.15 Million Baht, details are as follow;

Detail	Book Value as of 31 December 2019 (Million Baht)	Ownership	Obligation
Building and the adjustment of rental	5.72	Owner	None
Mechanism, decorations and office equipment	8.50	Owner	None
Sale offices and showroom	5.93	Owner	None
<b>Total</b>	<b>20.15</b>		

## Intangible Assets

Intangible assets is computer software, as of 31 December 2019 the value of intangible assets is equal to 13.01 Million Baht. The Company is the owner of computer software which is no any obligation.

## Investments for new projects.

In 2019, the Company acquired 4 plots of land for new project, total value is 1,308.22 Million Baht as below;

Type	Project	Transferred Date	Total Value (Baht)
Plot of Land	Chewathai Pinklao	22 Feb 19	412,078,720.00
Plot of Land	Chewarom Nakorn In	25 Feb 19	527,257,847.00
Plot of Land	Chewa Home Krungthep-Pathum	18 Jun 19	161,492,500.00
Plot of Land	Chewa Home Rangsit-Pathum	9 Aug 19	207,389,401.00
<b>Total in 2019</b>			<b>1,308,218,468.00</b>

The Company has policy to reduce the risk from related law and regulation, before acquired the land the Company will study the possibilities of developing project. When the Company found that the land is appropriated to develop according to the Company's strategies, the Company will acquire the land. Nevertheless, the Company has no policy for stocking the land bank due to the long term of developing, every lands which the Company has acquired is matched with location strategic.

## Assets appraisal

The assets appraisal of the Company and its subsidiaries comprised of investment assets, office assets, selling assets and assets for developing. In 2019, the Company assigned the appraisal company which is in the list of valuer approved by the Office of the SEC is by Prospec Appraisal Co.,Ltd. Agency for Real Estate Affairs Co., Ltd. and UK Valuation and Agency Co., Ltd.

## The investment in subsidiaries and joint ventures

As of 31 December 2019, there are a subsidiary two which is Chewathai Interchange Co., Ltd., Chewathai Home Office Ltd. two joint venture which are Chewathai Hup Soon Co., Ltd. and Chewa Heart Co., Ltd. and an associated Company which is Kamala Senior Living Co., Ltd.

As of 31 December 2019, the Company recorded the investment in subsidiary and the joint venture as cost method in the financial statement in amount of 135.59 Million Baht, detail are as follow;



Company	Registered Capital (Million Baht)	Paid up Capital (Million Baht)	Investment portion (percentage)	Investment value (Million Baht)
<b>The Subsidiary</b>				
Chewathai Interchange Co., Ltd.	100.00	100.00	100.00	68.59
Chewathai Home Offices Ltd.	135.00	135.00	100.00	-
<b>The Joint Venture</b>				
Chewathai Hup Soon Co., Ltd.	14.00	14.00	50.00	7.00
Chewa Heart Co., Ltd.	50.00	50.00	70.00	35.00
<b>The associated company</b>				
Kamala Senior Living Co., Ltd.	100.00	100.00	25.00	25.00

## Promotional privileges

The Company has received promotional privileges from the Board of Investment for industrial factory 2020 B.E. the privileges include the followings.

<b>Investment promotion certificate No.</b>	1251(2)/2557
<b>Date of investment promotion</b>	25 February 2014
<b>Type of investment promotion</b>	7.8 Development for industrial business
<b>Product of investment promotion</b>	Ready built factories 5 unit, Area 8,410 sq.m
<b>Promotional privileges</b>	<ul style="list-style-type: none"> <li>Exemption from corporate income tax on net profit derived from the promoted operations for a period of 8 years commencing from the date the promoted operations begin generating revenues but not exceeding 100% of investments, excluding land and working capital.</li> <li>Exemption from corporate income tax on dividends paid to shareholders from the income of the promoted operations during corporate income tax exemption period.</li> <li>A fifty percent reduction of corporate income tax on net profit from the promoted operations, for a period of 5 years after the tax-exemption period ends.</li> <li>Double deduction from taxable income of transportation, electricity and water supply costs for a period of 10 years from the date of the first revenue derived from promoted operations.</li> <li>Deduction of twenty-five percent of investment related to infrastructure installation or construction. The deduction is additional to normal depreciation.</li> <li>Permission to take out or remit abroad the money in foreign currency</li> </ul>

<b>Project specific conditions</b>	<ul style="list-style-type: none"> <li>• Must be operated within the period of not more than 36 months from the date of the promotion certificate.</li> <li>• Must increase the registered capital of not less than 40 million baht, combined with the original registered capital of not less than 240 million baht, with full payment before the opening date.</li> <li>• Persons with Thai nationality must hold shares of not less than 51 percent of the registered capital.</li> <li>• - Must follow the essence of the project to be promoted in terms of service types Size of the business Plan layout Plant building.</li> <li>• Must have an investment size of not less than 1 million baht.</li> <li>• Must submit a request for exercise of rights and benefits, except for corporate income tax and report the results within 120 days.</li> <li>• Corporate income tax with the value not exceeding 20,965,000 baht, which will be adjusted according to the amount of investment, excluding the actual land and working capital on the day of operation.</li> <li>• Must be certified to ISO 9000 or ISO 14000 or other equivalent international standards within 2 years from the date of operation.</li> <li>• Must be approved by the relevant government agency before proceeding.</li> <li>• Must set up factories in Amata City Industrial Estate, Rayong Province, within 15 years from the date of operation. Will not move the factory to other locations.</li> </ul>
<b>Investment promotion certificate No.</b>	58-2088-0-00-1-0
<b>Date of investment promotion</b>	25 August 2015
<b>Type of investment promotion</b>	7.8 Development for industrial business
<b>Product of investment promotion</b>	Ready built factories 5 unit, Area 8,710 sq.m
<b>Promotional privileges</b>	<ul style="list-style-type: none"> <li>• Exemption from corporate income tax on net profit derived from the promoted operations for a period of 8 years commencing from the date the promoted operations begin generating revenues but not exceeding 100% of investments, excluding land and working capital.</li> <li>• Exemption from corporate income tax on dividends paid to shareholders from the income of the promoted operations during corporate income tax exemption period.</li> <li>• A fifty percent reduction of corporate income tax on net profit from the promoted operations, for a period of 5 years after the tax-exemption period ends.</li> <li>• Double deduction from taxable income of transportation, electricity and water supply costs for a period of 10 years from the date of the first revenue derived from promoted operations.</li> <li>• Deduction of twenty-five percent of investment related to infrastructure installation or construction. The deduction is additional to normal depreciation.</li> <li>• Permission to take out or remit abroad the money in foreign currency.</li> </ul>

**Project specific conditions**

- Must be operated within the period of not more than 36 months from the date of the promotion certificate.
- Must increase the registered capital of not less than 40 million baht, combined with the original registered capital of not less than 240 million baht, with full payment before the opening date.
- Persons with Thai nationality must hold shares of not less than 51 percent of the registered capital.
- Must follow the essence of the project to be promoted in terms of service types Size of the business Plan layout Plant building.
- Must have an investment size of not less than 1 million baht.
- Must submit a request for exercise of rights and benefits, except for corporate income tax and report the results within 120 days.
- Corporate income tax with the value not exceeding 20,965,000 baht, which will be adjusted according to the amount of investment, excluding the actual land and working capital on the day of operation.
- Must be certified to ISO 9000 or ISO 14000 or other equivalent international standards within 2 years from the date of operation.
- Must be approved by the relevant government agency before proceeding.
- Must set up factories in Amata City Industrial Estate, Rayong Province, within 15 years from the date of operation. Will not move the factory to other locations.

**Investment Policy in its Subsidiary Company and its Associate Company**

- The core business means the real estate development business and businesses related to the operation of a real estate development business e.g. a real estate agent, a juristic person of real property, a restaurant related to a real estate project, and a sports club related to a real estate project]. The determination of whether or not a business is a core business shall be at the discretion of the Board of Directors.
- The Company has established a policy with respect to investment in its subsidiaries and joint venture companies, whereby investment will be made in businesses that are relevant to the operation of a real estate development business, and that show a high potential for growth and will yield appropriate returns.
- The Company will assign one of its representatives to act as a director in the afore-mentioned subsidiaries and joint venture companies. The number of representatives who will take on directorship positions shall be in accordance with the shareholding proportion. Alternatively, if such number of representatives is not in accordance with the shareholding proportion, it must be approved by the Board of Directors, based on reasonable grounds.
- Any investments, regardless of whether new or additional investments has to accord with the Notification of Capital Market Supervisory Board Re: Rules and Procedures for Acquisition and Disposal of Assets; and notification of the Board of Governors of the Stock exchange of Thailand Re : Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004.

# RELATED

## PARTY TRANSACTIONS

### Relationship characteristics

The company has made transactions with people who may have conflicts. The related transactions are made with the shareholders and / or the management of the company. Including making transactions with related companies with persons who may have conflicts as shareholders and / or executives which can summarize the relationship as follows:

Persons who may have conflicts	Relationship
Mr. CHARTCHAI PANICHEWA	<ul style="list-style-type: none"> <li>• Director</li> <li>• The major shareholder of Chartchewa Company Limited ("Chartchewa") in which Chartchewa is the major shareholder of the Company With a 67.64 percent shareholding in the Company with a paid-up capital of 1,275 million baht</li> <li>• The authorized director of the company</li> </ul>
Mrs. SOMHATAI PANICHEWA	<ul style="list-style-type: none"> <li>• Director</li> <li>• The major shareholder of Chartchewa Company Limited ("Chartchewa") in which Chartchewa is the major shareholder of the Company With a 67.64 percent shareholding in the Company with a paid-up capital of 1,275 million baht</li> <li>• The authorized director of the company</li> <li>• The wife of Mr. Chartchai Panichewa</li> </ul>
Mr. CHOON KIAT BOON	<ul style="list-style-type: none"> <li>• Director</li> <li>• The management of the company By being a managing director</li> <li>• The authorized director of the company</li> </ul>
Chewathai Hup Soon Co., Ltd.	<ul style="list-style-type: none"> <li>• Engaging in property development business</li> <li>• A joint venture in which the Company holds 50% of CTHS's shares in the paid-up registered capital of 14.00 million baht.</li> <li>• There are 2 joint directors with the Company, which are Mr. Chartchai Panichewa and Mr. Choon Kiat Boon</li> </ul>
Chewa Heart Co., Ltd.	<ul style="list-style-type: none"> <li>• Engaging in property development business</li> <li>• A joint venture in which the Company holds 70% of CTHS's shares in the paid-up registered capital of 50.00 million baht.</li> <li>• There are 2 joint directors with the Company, which are Mr. Chartchai Panichewa and Mr. Choon Kiat Boon</li> </ul>
Kamala Senior Living Co., Ltd.	<ul style="list-style-type: none"> <li>• Engaging in property development business</li> <li>• An associated company in which the Company holds 25% of KSL's paid-up registered capital in the amount of 100 million baht.</li> <li>• There are 1 director with the Company, which is Mr. Choon Kiat Boon</li> </ul>

Persons who may have conflicts	Relationship
Chartchewa Co.,Ltd	<ul style="list-style-type: none"> <li>Engaging in Holding company</li> <li>There are 2 joint directors with the company, which are Mr. Chartchai Panichewa and Mrs. Somhatai Phanitchewa.</li> </ul>
Thaisri Insurance PCL	<ul style="list-style-type: none"> <li>Director's relatives</li> </ul>
Amata Water Co., Ltd	<ul style="list-style-type: none"> <li>Director's relative</li> </ul>
Amata Facilities Services Co., Ltd	<ul style="list-style-type: none"> <li>Director's relative</li> </ul>

## Related Party Transactions

The Company and subsidiaries have related party transactions with connected juristic person/persons who may have conflict of interest, all of those transaction were made in a normal course of business of the Company and supported maximum benefit to the Company. The transactions is considered necessary and reasonable thus, the Audit Committee will consider the reasonableness and appropriateness of the price and presented to the Board of Directors' meeting for approval. There are the related party transactions of the company and subsidiaries for the year end 31 December 2019 and 2018, the detail are as follow;

Juristic Person/ Person who may have Conflicts of Interest	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		2019	2018	
<b>Chewathai Hup Soon Co., Ltd.</b> (joint venture the Company hold 50%.)	Debtor- advances	-	0.73	The aforementioned transaction is working capital and liquidity to the associated company. Therefore, the transaction is reasonable.
	Debtor- share payment	-	10.00	
	Creditor - advances	-	3,800 baht	
<b>Chewa Heart Co., Ltd.</b> (joint venture the Company hold 70%.)	Loan from related company	103.58	55.00	The aforementioned transaction occurs for being working capital and liquidity which benefits to the Company's business. However, the interest rate for the loan is referred from commercial banks' fixed deposit interest rate at that time.
	Interest income	3.41	1.59	
	Accured interest receivable	4.69	1.28	
	Creditor - advances	0.31	0.30	The aforementioned transaction is the management service fee to the related companies and deemed that the existing management service charged based on employees' salary who do the work. This transaction is considered to be reasonable and most beneficial to the Company.
	Revenue from management services	0.24	0.84	
<b>Kamala Senior Living Co., Ltd.</b> (joint venture the Company hold 25%.)	Loan from related company	64.00	34.00	The aforementioned transaction occurs for being working capital and liquidity which benefits to the Company's business. However, the interest rate for the loan is referred from commercial banks' fixed deposit interest rate at that time.
	Interest income	2.78	2.61	
	Accured interest receivable	3.57	0.79	



Juristic Person/ Person who may have Conflicts of Interest	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		2019	2018	
<b>Thaisri Insurance PCL</b> (common directors with the company)	Insurance Premium Insurance Premium - other account receivable Insurance Premium - other account payable	4.25 - 0.55	2.78 9,887 baht -	The aforementioned transaction is a supporting business of the company and insurance premium is closed to the rate thai Thaisri Insurance gives to other clients. This transaction is considered to be reasonable and most beneficial to the Company.
<b>Amata Water Co., Ltd</b> (the company is related to the company's directors.)	Utility expences in Amata City Utility expenses - other account payable	0.29 0.04	0.08 0.01	The aforementioned transaction is a supporting business of the company and has the same rate of other clients of Amata Water. This transaction is considered to be reasonable and most beneficial to the Company.
<b>Amata Facilities Services Co., Ltd</b> (the company is related to the company's directors.)	Mainternance fee in Amata City Mainternance fee in Amata City - Other creditor	0.29 0.03	0.30 -	The aforementioned transaction is a supporting business of the company and has the same rate of other clients of Amata Facilities. This transaction is considered to be reasonable and most beneficial to the Company.
<b>Mr. Chartchai Panichewa</b> (Chairman of the BOD)	Loan from related party Interest expense Accrual interest expense	- - -	- 2.47 -	Such transaction was to support the working capital and liquidity of business which was benefit to the Company. The interest rate charged was similar to the banks' loan interest rate. Such transaction was then reasonable and benefit to the Company.

## Necessary and Reasonable of Related Transactions

According to the resolution from the Board of Directors meeting No. 2/2020 on February 14, 2020 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2019 and December 31, 2018, the Board of Directors provided opinion concerning related transactions that such related transaction were necessary for the ordinary course of business whereas terms of such related party transactions with related persons during such period were reasonable and in the ordinary course of business.

## Measure or procedure for approval the related transaction

The Board of Director's meeting no. 3/2015 on 31 March 2015 had a resolution on approving the related transaction, the Company set out policy and procedures according to normal trading terms that the transaction are transparently and benefits to the company. The company will follow securities and exchange law, rule and regulation from The Securities and Exchange Commission, Thailand. The executive or related party will not allow to attend in the meeting during consider the related transaction. In case of the law specify that the approval must be approved by the Board of Directors, who will ask the audit committee to attend the meeting for the opinion on related transaction. The general business transaction and the transaction which is not a general condition, there are the principle as follow;

### **The general business transaction.**

The general business transaction and supporting business of the company must have conditions with normal agreement and fair price which is able to compare with other company and other individual or the transaction with conflict of interest persons or the same transaction with the same business in the market. In principle, the management can approve such transactions if the transaction has a transaction in the same way that a normal party will deal with the counterparty in the same situation with a bargaining power without any influence on its position as a director, executive or related person. The company is carried out under the principles approved by the Board of Directors and prepare a summary report of the transaction to the Audit Committee on a quarterly basis, the Company will comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand including compliance with the disclosure requirements of connected transactions.

### **The transaction is not a general condition.**

The transaction is not a general condition, the company assigned the audit committee to consider and opine in accordance with reasonable price of the transaction. In case the audit committee have no experience on the occurrence transaction, the company will provide the independence appraiser, the expertise or the external audit to opine the connected transaction to the audit committee. The audit committee will use the information for decision making and give the opinion to the Board of Directors or shareholder whichever case for approval.

### **The policy or trends of future transaction.**

The Company has entered into related transactions from normal business operations and normal supporting business that will continue in the future such as office management services, payments for utilities and facilities, car rental, apartment rental, payment for insurance, financial transaction with the person or juristic person related to the company. The transaction will be in line with the nature of the business with normal business conditions and can be referenced to business conditions of the same type as the Company, such as

- Sales of the condominium unit price will base on selling to customer including promotion and special discount following the company policy.
- Loan from related company, the interest rate charged will be similar to the banks' loan interest rate.
- Other transaction which has fee and condition that could compare with price list in the market.

The Audit Committee of the Company reviews and comments on normal business transactions or normal supporting business on a quarterly basis. However, if the transactions are not in line with normal business that may occur in the future, the Company will arrange the audit committee to review the necessity and reasonableness of the transaction before the transaction between each other.

# OVERVIEW AND ECONOMIC

## CONDITIONS IN THAILAND IN 2019

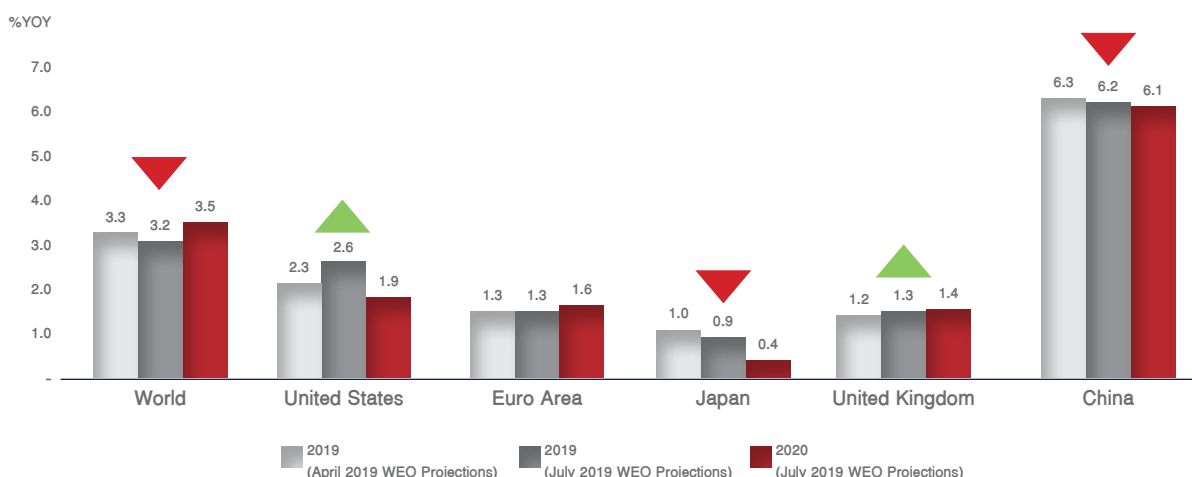
The global economy at the end of 2019 and the trend of 2020 continuously slow down in accordance with the impact of the trade war that has spread more. While many countries around the world have gradually relaxed monetary policy and began to consider using fiscal policy to sustain their economic growth. The global economy in the future is likely to expand at a slower growth rate. The chance of a technical recession (Economic growth contracted quarter by quarter for 2 consecutive quarters) is much higher in many countries with a high proportion of trade to GDP, such as Germany, Hong Kong and Singapore. The global economic growth is slowed down by the impact of the trade war. Business uncertainty due to new risks have erupted in many areas and spread in many regions, such as protests in Hong Kong. Stability of the governments in the eurozone and Latin America. The conflict between Japan and South Korea made the economic growth forecasts for 2020 in almost all regions become at risk of being revised downward, especially the ongoing impact of the US-China trade war, which still undermines global investment trends and business confidence in industrial production and exports through higher trade costs due to the tax barrier and cause the slowdown in world trade due to the adjustment of the supply chain in many industries that are affected. However, the labor market in many regions around the world still remains in the good standard due to the unemployment rate is still low.

For this reason, household consumption will continue to be an important factor in supporting economic growth. However, the impact of the trade war and the continuously increasing economic uncertainty began to have a broader impact, not only in specific areas in trade investment, but also began to expand the impact through other channels, such as declining household confidence, financial conditions that are suddenly tight at certain times due to fluctuations in the world financial markets, the slowdown in corporate loans and households, etc. The aforementioned causes are all the main causes that central banks around the world, including the Fed, ECB, BOJ and PBOC, and many countries are more likely to implement a more relaxed monetary policy, including policy rate cuts and increased liquidity in economic system. This low interest rate will be a key factor to help sustain the economic climate along with the easing fiscal policy through various stimulus measures, which will play a greater role in reducing the risk of the possibility of recession in some stages in the future.

There are 3 main risks for the remainder of the year 2019 and in 2020 are 3 as follows: 1) US-China trade and conflict, 2) geopolitical problems, especially Brexit and conflicts in the Middle East, and 3) problems and vulnerabilities in those countries that are at risk of extending the impact in the next phase. The impact of the trade war will continue to have a negative impact on the fact that the entire United States and China have increased import tariffs to nearly fill the import ceiling of both countries. The U.S. has raised import taxes on China worth around 50 billion US dollars and China has raised the US import taxes by around 100 billion US dollars. Although, there are trade negotiations proceeded along with, but the US-China trade conflict that has escalated into a technology war and a currency war has greatly reduced the chances of compromise. Therefore, achieving a trade agreement to end the trade war is unlikely from a different standpoint on both sides. In addition, tax risk in the US automotive and parts category in November has still remained. The European Union, including automotive exporters in almost all countries of the world, is still monitoring the progress of the US tax collection. On the other hand, Brexit is still prolonged and has the trend that is likely to return to create fluctuations as long as the United Kingdom is unable to reach a clear conclusion of secession from the European Union, the possibility of no-deal Brexit remains, which will have a huge negative impact on the economy of the United Kingdom and EU in the next phase. Meanwhile conflicts in the Middle East erupted, such as the lifting of Iran's US sanctions from an air strike at Saudi Arabia's oil production that is causing fluctuations in risky assets and world oil prices will increase business uncertainty due to the sudden change in world commodity prices. Finally, the

country's specific risks and vulnerabilities, such as prolonged protests in Hong Kong, Political stability in Italy, and the conflicts of Japan and South Korea, will continue to be the factors and increase the risks of economic growth in the region if such issues escalate to affect the confidence of the household and business sectors worldwide.

### Estimate the Growth Rate of the Global Economy and the Economies of Major Countries



Source : World Economic Outlook (WEO) , April 2019

### Overview of Thai economy in 2019

Thai economy was expected to expand by 3.0% in 2019, down to 2.8% in consistent with the continued contraction of the export sector that has spread to more economies in the country, while 2020 is expected to recover but it is still fragile and only grows by 2.8%.

Thai economy in the first half of 2019 grew only 2.6% YOY, slowing down in consistent with the contracted export value, including the slowdown of private investment in the 2<sup>nd</sup> quarter, while in the tourism sector, even though the number of tourists has recovered from the shipwreck at the end of 2018, the appreciation of the baht has directly affected the decrease in per capita expenditure of tourists. However, private consumption could continue to grow at 4.6% as being supported by the economic stimulus measures in the 2nd quarter.

For the rest of the year 2019, Thai economy was expected to continue to slow down. However, the growth rate would improve from the first half of the year due to low base factors with the expected annual growth rate at 2.8%. According to the key economic indicators in the 3<sup>rd</sup> quarter, both in terms of consumption of durable goods, real estate sector, and employment, they indicates that Thai economy has been affected by the contraction of the export sector in the previous period, while the export trend was still not showing signs of recovery as the trade war is still prolonged. However, it was expected that the economic stimulus measures implemented during the past August would contribute to the economy to some extent through private consumption, which from the mentioned economic situation together with low inflation, therefore, EIC expected the Monetary Policy Committee (MPC) to cut down the policy rate again for 25 bps for the rest of this year.

For the year 2020, Thai economy is expected to grow similar to that of 2019 at 2.8% due to the stable export sector. While private consumption and investment are likely to slow down due to the global economic slowdown in the next year. It is expected that the value of exports will grow slightly by only 0.2%. From the assumption that the United States, there will not be an increase in import taxes on Chinese products from 2019. However, if the trade war becomes more severe than expected, it may cause Thai exports to contract at -1.8%, which will cause Thai economy to slow down until 2.4%. In terms of private investment, it is expected to slow down slightly from the year 2019, as exports have not recovered together with the construction of the real estate sector that is affected by the LTV measures. In addition, private consumption will also slowed down due to many pressures, including the credit tighter direction of the economy, decline in car purchases in the future, and household debt at a high level.

Regarding the matter of monetary policy, in 2020, the MPC will keep the policy interest rate from 2019 at the rate of 1.25%, which is the lowest historical interest rate as additional interest cuts may have limited effectiveness in stimulating the economy during a sluggish economy.

As for the baht, the direction remained stable at the end of 2019, in the range of 30-31 baht per US dollar in accordance with the current account, which tends to have a surplus at a high level compared to other countries in the region. Meanwhile the inflation in 2020, EIC is expected to be at 0.8% due to the direction of the global crude oil price, which tends to decrease following the sluggish global economy.

### The view of Japanese Investors on Investments

Japan is the number one country that has applied for investment promotion from the BOI, the number one country in Thailand. Only in the first half of 2019, 108 projects have been approved for investment worth over 29,000 million baht. According to the discussions with representatives of Japanese investors, it was found that most Japanese entrepreneurs in Thailand would continue to invest this year. However, they don't have a large investment plan, which partly because it has invested a lot in Thailand in the previous phase. In the latter, investment characteristics tend to be the establishment of a research and product development center, including the investment of SMEs and the service sector that comes in to support the original business. There are some Japanese companies that have plans to invest in the EEC in the next phase, which most of them invest in not-related-to-the key industries. Furthermore, trade protectionist measures between the United States and China did not affect the Japanese entrepreneurs in China to move to Thailand much as most Japanese businesses in China focus on production in response to mainly Chinese market with a proportion of exports to the U.S. 6% of sales only. However, only electronics manufacturers, electrical appliances, and automotive parts that will move to Thailand.

The main factors that Japanese investors consider when choosing a country to invest are having a strong production chain, domestic market growth, good connection with neighbouring countries, including having enough labor and good skills, which Japanese investors think that Thailand has a strong production chain. However, the country is entering an ageing society and the market is getting smaller. Therefore, the investments in Thailand must be viewed more as a hub, which requires good connections with neighbouring countries, both in terms of transportation and rules and regulations in conducting business. The main obstacles to Thailand's industrial upgrading are shortage of highly skilled personnel, such as engineers and management groups, as they require higher wages compared to neighbouring countries, lack of English skills among workers, including a lack of policy continuity.



If comparing the attractiveness of investment between Thailand and other countries, such as Vietnam, Japanese entrepreneurs think that Vietnamese wages are cheaper than Thailand. However, it still lacks of a strong production chain, continuity policy, and the complexity of the rules, which makes Vietnam's environment not very favourable for investment. However, Vietnam has developed continuously. India is a fast-growing and potential market, but has complicated regulations and high tax rates, which are a major barricade in India, so they still want to have their production base in Thailand for exports. However, since most of the production bases are in the eastern region, it takes quite a long time to transport. Some businesses are interested in establishing a production base on the west side of Thailand instead and want the government to build and connect infrastructure that facilitates exports through Myanmar, including the customs tax system as well.

To enhance Thailand's competitiveness in the future, Japanese investors believe that Thai government should focus on 3 main issues, as follows:

1. Continue to drive the main policy from the government first, including the BOI investment promotion, the use of automation to replace human labor, and the Internet of Internet of Things technology, drive the EEC and Thailand 4.0 policy, and focus on human resource development, which is a major obstacle to business operations.
2. Take economic measures in a timely manner Both measures to stimulate investment and private consumption.
3. Strengthen the business environment, including improving government regulations, set appropriate minimum wage, and regularly exchange information between government and private sector

For enhancing the business environment that is often linked to solving structural problems The Bank of Thailand has been involved in driving reforms in various areas continuously as follows:

1. In the aspect of infrastructure in the financial sector, the Bank of Thailand has promoted the E-payment system to link the international payment system and push forward the use of local currency for trading To reduce business costs.
2. In the aspect of regulations, the Bank of Thailand has relaxed the criteria for foreign exchange businesses to do more in Thailand and considered the relaxation of regulations, SingleLending Limit (SLL) to allow foreign financial institutions to be able to extend loans for large scale infrastructure construction projects, including allowing Thai commercial banks to lend in the form of baht for customers, who can invest in CLMV. This financial sector will help facilitate the business sector and promote Thailand to be a business hub in the region

# THE MANAGEMENT

## DESCRIPTION AND ANALYSIS

### Summary on the Operating Performance Overview

In 2019, the company and its subsidiaries launched totally 7 projects, with the total value at 9,556 million baht Consisting of

#### Consisting of 3 condominium projects worth 5,298 million baht

1. Chewathai Kaset-Nawamin project value 1,700 million baht
2. Chewathai Hallmark Ladprao-Chokchai 4 project value 2,011 million baht
3. Chewathai Pinklao project value 1,587 million baht

#### 4 Housing total projects value 4,448 million baht

1. Chewa Home Suksawat-Pracha U-thit project value 890 million baht
2. Chewawan Pinklao-Sathorn project value 1,200 million baht
3. Chewa Biz Home Ekachai-Bangbon project value 765 million baht
4. Chewarom Nakhon In project value 1,593 million baht

For the year 2019 and 2018, the company and its subsidiaries had the total revenue of 1,154.37 million baht and 2,676.34 million baht respectively and had the net loss of 55.06 million baht and the net profit of 264.81 million baht respectively.

For the year 2019 compared to the year 2018, the company and its subsidiaries had the income from condominium ownership transfer that reduced to 71.56% because there was no new condominium project completed this year to recognize revenue. However, the revenue from housing projects increased by 79.55% and The company continues to recognize rental and service income from factory by 23.87%

For the year 2019, the company complied with the Thai Financial Reporting Standard, Issue No. 15 on the Revenue from Contracts with Customers ("TFRS 15") from 1 January 2019 that resulted in a decrease in the revenue from the real estate sales and an increase in the cost of the real estate sales and brought about the lower gross profit rate. During the 2nd quarter, on 1 April 2019, the Bank of Thailand enacted the mortgage control measures (LTV) that affected the real estate sector because enormous customers slowed down their decisions. In addition, during the year 2019, the real estate market had high price competition, so the company was more careful in conducting the business by delaying to launch projects to be in line with the defensive strategic plan

### Operating Performance and Financial Status for the Year 2018 and 2019

#### Revenue from Operating Performance

Details	As of 31 December 2019		As of 31 December 2018		Change	
	MB.	%	MB.	%	MB.	%
Income						
Revenue from sale of real estate	1,113.89	96.49	2,621.60	97.95	-1,507.71	-57.51
Rental and service income from factory	25.32	2.19	20.44	0.76	4.88	23.87
Other income	15.16	1.31	34.30	1.28	-19.14	-55.80
<b>Total Income</b>	<b>1,154.37</b>	<b>100</b>	<b>2,676.34</b>	<b>100</b>	<b>-1,521.97</b>	<b>-56.87</b>

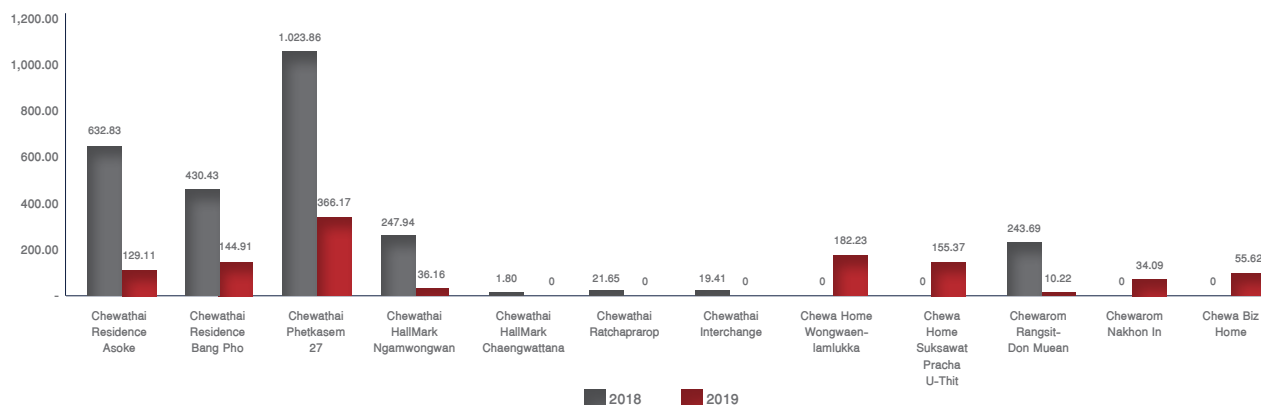
## Revenue from Operating Performance

### 1. Revenue from sale of real estate

For the year 2019, the revenue from sale of real estate was in the amount of 1,113.89 million baht, representing 96.49 percent of the total revenue. The revenue from sale of real estate decreased from the previous year by 1,507.71 million baht or decreased by 57.51 percent by dividing into

- **Condominium projects** was in the amount of 676.35 million baht, representing 60.72 percent of the revenue from sale of real estate that decreased from the same period of the previous year to 1,701.56 million baht or 71.56 percent. Factors that caused the revenue from condominiums decreased in 2019 because the company did not transfer the ownership of new condominiums projects in this year. Most condominiums will be completed and ready to recognize the revenue in 2020; therefore, it will gradually recognize the income from the past 3 projects. Most of them came from Chewathai Phetkasem27 in the amount of 366.17 million baht, and the rest included Chewathai Residence Bang Pho and Chewathai Residence Asoke, while there were 7 projects with the revenue recognition in 2018.
- **Housing projects** was in the amount of 437.54 million baht, representing 39.28 percent of the revenue from sale of real estate, which increased from the same period of the previous year to 193.86 million baht or 79.55 percent. In 2019, the company has expanded the development of housing projects. There were 4 new projects that started transferring the ownership that mainly came from Chewa Home Wongwaen-Lamlukka in the amount of 182.23 million baht, and the rest included Chewa Home Suksawat-Pracha U-thit, Chewa Biz Home Ekachai-Bangbon and Chewarom Nakhon In. Meanwhile, the income from housing projects in 2018 came from Chewarom Rangsit-Don Mueang only and complete transfer in this year. As a result, the company had more revenue from expansion of the housing projects.

The revenue from the real estate sales classified by the projects in 2019 and 2018

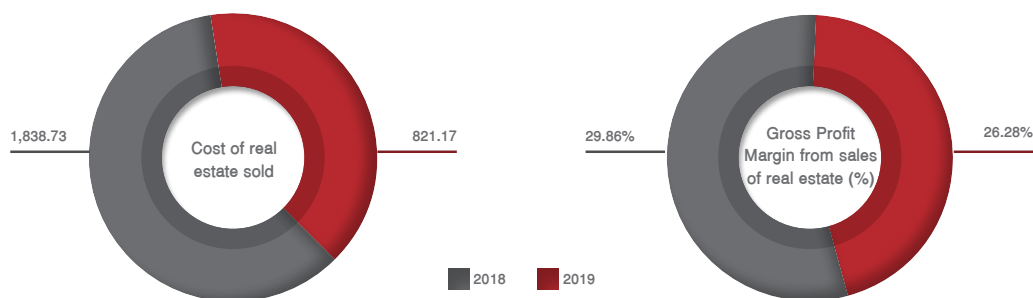


2. **Rental and service of Ready Built Factories** was in the amount of 25.32 million baht, representing 2.19 percent of the total income. The company has 10 prefabricated factories for rent at Amata City Industrial Estate in Rayong Province. In 2019, all factories were full rented, so the revenue from the factory rental and service fees increased by 4.88 million baht or 23.87 percent from the previous year.

### 3. Other incomes

The company had other incomes in the amount of 15.16 million baht, representing to 1.31 percent of the total revenue, which consist of the income from management services for the related companies, interest income etc. In 2019, other incomes of the company decreased from the previous year in the amount of 19.14 million baht, representing 55.80 percent

## Cost of Goods Sold and Gross Profit



In 2019, the company had cost of real estate sold in the amount of 821.17 million baht, representing 73.72 percent of the revenue from sale of real estate that decreased from the previous year by 1,017.56 million baht or 55.34 percent. The decrease of the cost of real estate sales was in consistent with the lower revenue from sale of real estate and the gross profit margin from sale of real estate equivalent to 26.28 percent when compared to the previous year, which reduced by 3.58 percent.

Cost of Rental and service from factory is the depreciation cost of investment properties including prefabricated factories for rent and shop units for rent was in the amount of 13.07 million baht in 2019, increased from the previous year to 0.82 million baht, which increased from the depreciation cost of shops for rent.

In 2019, the company had the total cost in the amount of 834.24 million baht, representing 72.27 percent of the total revenue that decreased from the previous year by 1,016.74 million baht or 54.93 percent due to reduction of the cost of real estate sales in 2019 in accordance with the property sales, which is the company's main revenue and cost.

The company had the gross profit amount of 304.97 million baht that decreased from the previous year by 486.09 million baht or 61.45 percent, and gross profit margin of 26.77 percent or decreased from the previous year to 3.17 percent

## Selling and Administrative Expenses

In 2019, the company had the total selling and administrative expenses in the amount of 360.15 million baht, representing 31.20 percent of the total revenue, which decreased from the previous year by 84 million baht or 18.91 percent due to a decrease in the selling expenses.

Selling expenses include salaries and expenses on sales and marketing staff, specific business taxes and ownership transfer fees, advertising and public relations and sales promotion costs, sales commissions. The expenses relating to the transfer of ownership decreased as the amount of ownership decreased.

The company also used various marketing media to advertise for future projects, which has not yet recognized the revenue this year. It resulted in reduction of the total expenses from the previous year. If compared the total selling and administrative expenses with the total revenue for the year 2019, the company had an increase in the SG&A Ratio from the previous year by 16.60 percent to 31.20 percent.

## Share of Profits (Loss) from Investments in Joint Ventures and associates

The profit sharing from the investment in the joint venture is the recognition of the profit sharing from the investment in Chewathai Hup Soon Company Limited ("CTHS") in the proportion of 50 percent and Chewa Heart Company Limited ("CWH") in the proportion of 70 percent. In this regard, the company recognized the share of profit from the investments in the joint ventures in the amount of 0.66 million baht.

The profit sharing from the investment in the associates is the recognition of the profit sharing from the investment in Kamala Senior Living Company Limited, which the company entered into a consortium contract with the proportion of shareholder at 25 percent. The company recognized the share of loss from the investment in the associates in the amount of 5.71 million baht.

Chewa Heart Company Limited is the developer of the Heart Sukhumvit 62/1 Project value 160 MB. and Heart Sukhumvit 36 Project value 270 MB. which the two projects have been under development. Kamala Senior Living Company Limited is the developer of the Kamala Senior Living Project value 3,500 MB. which has been also under development.

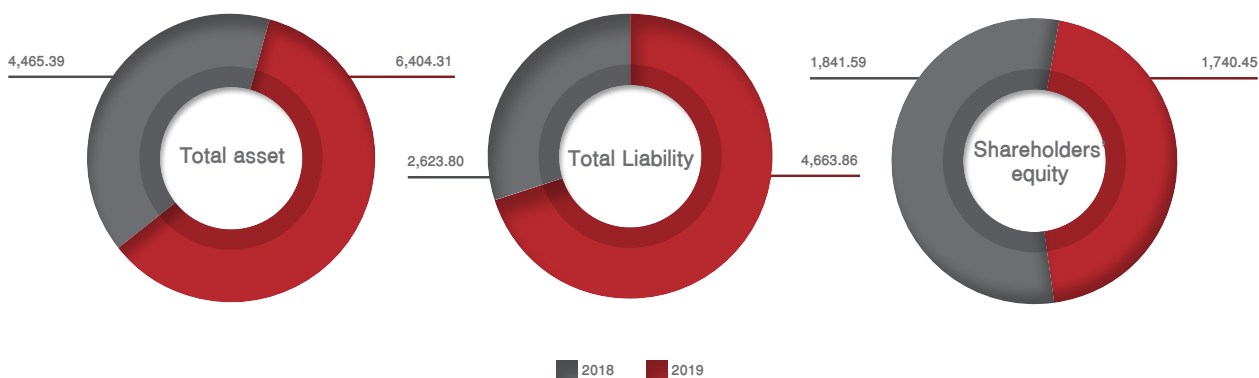
### Financial Costs

For the year 2019, the company had the financial cost in the amount of 22.74 million baht, which decreased from the previous year in the amount of 23.36 million baht or 50.67 percent because the company gradually repaid the loan to the financial institutions on the repayment due for the income recognized projects and resulted in reduction of the financial cost as well.

### Net Profit

From the operating performance in 2019, the company and its subsidiaries had a Net loss of 55.06 million baht, representing a Net profit margin of -4.77 percent. In 2018, the company had a net profit of 264.81 million baht, representing a Net profit margin of 9.89 percent, which decreased from the previous year in the amount of 319.87 million baht or 120.79 percent due to reduction in the revenue from sale of real estate

### Financial position as of 31 December 2019



### Total Assets

As of 31 December, 31 2019, the company had the total assets of 6,404.31 million baht, which increased from the previous year to 1,938.92 million baht or 43.42 percent with changes in the significant assets as follows:

- Land and real estate development costs were worth 5,680.33 million baht, representing 88.70 percent of the total assets. This amount increased from the previous year by 2,518.50 million baht or 79.65 percent. It is an increase of project development cost according to an increase of 12 projects under development
- Long-term loans to related party were in the amount of 131.58 million baht, representing 2.05 percent of the total assets, which increased from the previous year by 97.58 million baht, representing 287 percent.

### Total Liabilities

As of 31 December 2019, the company had the total liabilities of 4,663.86 million baht, increased to 2,040.06 million baht or 77.75 percent from the previous year, with the following details:

**Current liabilities** in the amount of 868.84 million baht, representing 82.95 percent of the total liabilities, which increased from the previous year by 3,238.48 million baht or 513.75 percent by having changes in significant current liabilities as follows:



- Bank overdrafts and short-term loans were in the amount of 51.24 million baht, which increased from the previous year. The company used the amount as working capital for projects that are currently under development.
- Trade and other payables were in the amount of 287.68 million baht, representing 6.17 percent of the total liabilities, which increased from the previous year by 144.19 million baht or 100.49 percent because there are many outstanding trade payables for the works under construction of the condominium projects at the end of the year 2019.
- Current portion of long-term loans from financial institutions were in the amount of 1,682 million baht, representing 36.06 percent of the total liabilities, increased from the previous year by 1,276.28 million baht or 314.57 percent because the company had loans on the repayment due within one year for the projects to be completed and ready to be transferred in 2020; therefore, the company recorded them as current liabilities.
- Current portion of debentures were in the amount of 1,693.78 million baht, representing 36.32 percent of the total liabilities, increased from the previous year in the full amount.
- Deposits and advance received from customers were in the amount of 61.53 million baht, representing 1.32 percent of the total liabilities, which increased by 39.78 million baht or 182.89 percent from the previous year because the company received advance payments from customers from the projects under construction. The company has a policy for customers to pay down installments according to conditions.

**Non-current liabilities** were in the amount of 795.02 million baht, representing 17.05 percent of the total liabilities, which decreased from the previous year by 1,198.42 million baht or 60.12 percent with the following changes in significant liabilities:

- Debentures, net of current portion were in the amount of 482.61 million baht because in 2019 the company issued the debentures worth 486 million baht with an interest rate at 5.90 percent for 2 years. Besides, there are debentures due within one year in the amount of 1,693.78 million baht that were recorded as current liabilities.

## Shareholders' Equity

The shareholders' equity as of 31 December 2019 was in the amount of 1,740.45 million baht, which decreased by 101.14 million baht or 5.49 percent because the company paid dividends of the 2018 operating performance of 44.62 million baht at the rate of 0.035 baht per share and the company had a loss from the operation in 2019; as a result, the company had the remaining retained earnings of 218.87 million baht. The retained earnings decreased by 101.14 million baht or 31.61 percent.

## LIQUIDITY ANALYSIS

### Statement of Cash Flow

The outstanding balance of the cash flow statement ending 31 December 2019 and 2018 was in the amount of 35.94 million baht and 506.94 million baht respectively. The cash decreased from the previous year by 471 million baht or 92.91 percent with the details as follows:

The net cash flow used in operating activities was in the amount of 1,919.18 million baht, which was paid for the development of real estate projects under construction.

The net cash flow used in investment activities was in the amount of 109.39 million baht, which was mainly paid for the investment in joint ventures and associates.

The net cash flow from financing activities was in the amount of 1,557.57 million baht, which mainly came from the long-term loans from financial institutions and debentures.

## Appropriateness of Capital Structure

The debt to equity ratio (D/E) according to the financial statements at the end of 2019 were equal to 2.68 times, increased from the end of the year 2018 with the rate equal to 1.42 times as the total debt ratio increased from the previous year by 77.75 percent from the loans from financial institutions and debentures. The shareholders' equity decreased by 5.49 percent.

The interest-bearing debt to equity ratio (IBD/E) at the end of the year 2019 was equal to 2.42 times, increased from the end of the year 2018 with the rate equal to 1.30 times.

## Key factors and influences which may affect company performance and financial position in the future.

### 1. Government Policies

Legal changes and regulations related to the real estate business are changes in laws relating to the City Planning Act, Terms of Land Allocation under Condominium Act, And the Building Control Act. For example, the determination of land area, the width of the corridor and the road, the defining of the central area assessment and preparation of environmental impact reports. Also, the changes to the rules governing the use of land, traffic planning and the mass transit system project. As such, they may affect the cost and development costs of the Company's real estate projects.

However, in the future, it is expected that there will be positive factors from the government, whether it is investment in infrastructure and distribution of transportation systems. To encourage development in the outer space Which affects the investment in real estate of the private sector.

In addition, there is a project to develop the Eastern Economic Corridor (EEC) to stimulate the industrial investment. Such factors may affect the recognition of revenue from the Company's factory for rent.

### 2. Loan from Financial Institutions

Credit control measures of the Bank of Thailand (BOT) or the LTV (Loan to Value) measures to prevent speculation. And to economic bubble that may occur in the future Because found Intense competition Together with the reduction of credit standards, therefore would like to issue measures for borrowers to save before borrowing Have down payment before buying a house Including the lender Realize the real risk. Able to support risks from uncertainty of collateral value. And to encourage people who want to borrow to buy housing for real residence can buy at a reasonable price Such factors may cause consumers to be more careful in spending. Or may delay the purchase decision which may result in further development of the property developer.

However, the company is aware of such risks. And have measures to control By arranging for counselors to provide guidance to reduce credit problems with financial institutions.

### 3. Economy and Political situation of the country

Residential real estate business is the Company's core business. In which, it may be affected by political unrest. This causes a slowdown in the country's economy, the decrease in economic confidence, and the slowdown in consumer spending. As a result, real estate trading slows down. Therefore, the economic condition and volatility of domestic political situation may affect the revenue from the sales of the company's real estate projects.

#### **4. Fluctuation of Project development costs**

For real estate development business, another most significant cost apart from cost of land is construction materials. It is varied by periodic oil price fluctuations which are parts of the uncontrollable external factors. They have had an impact on the cost of construction as well as the construction industry, while selling price for real estate can not be immediately adjusted. In addition, competition in the real estate market is another limitation on price adjustments. As such the risk management of volatility in construction material prices has been applied in the business as such cost is the main cost of construction.

#### **5. Long-Term Loans from Financial Institutions**

Due to the business of real estate development for sale, the Corporation must rely on long-term loans from different financial institutions. Among a number of uncertain factors, banks are getting stricter on approving loans. Besides this, capital costs may have higher risk. As a result, the Corporation may delay the development of new projects in the future. However, the Corporation continues to raise funds from long-term funding sources from debentures in order to have a long-term source of funds and fixed cost to reduce financial risks that may occur.

# **REPORT OF THE BOARD**

## OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

### **Dear Shareholders**

The Board of Directors is responsible for the financial statements of Chewathai Public Company Limited and the consolidated financial statements of the Company and its subsidiaries, as well as the financial information contained in the annual report. As such, the financial statements are prepared in accordance with financial reporting standards, and the appropriate accounting policies and consistently applied. Cautious discretion and best estimates are in place, with sufficient disclosures made in the notes to the financial statements as to be transparent and beneficial to shareholders and investors.

The Board of Directors has established and maintained an appropriate and effective internal control system to reasonably ensure that the accounting information is accurate, complete, and adequate as well as to prevent any significant fraud or malfunction.

In this regard, the Board of Directors has appointed the Audit Committee. as for the accounting policies and quality of financial reports, as well as the internal control and internal audit system to be reviewed. The opinion of the Audit Committee on this matter appears in the report of the Audit Committee as shown in this annual report.

The Company financial statements and the consolidated financial statements of the Company and its subsidiaries have been audited by the auditor of the Company, EY Office Limited. In order to have the best auditing practice, The Board of Directors has supported by providing the relevant information and documents to enable the auditor to review and provide an opinion in accordance with the auditing standards. The auditor's opinion appears in the auditor's report as shown in this annual report.

In the Board of Directors' opinion, the overall internal control system of the Company is satisfactory with reasonable assurance that the financial statements of Chewathai Public Company Limited and the consolidated financial statements of the Company and its subsidiaries for the year ended 31<sup>st</sup> December 2019 are reliable by adhering to the standards of financial reporting and comply with relevant laws and regulations.



**(Mr Chartchai Panichewa)**

Chairman of the Board of Directors  
Chewathai Public Company Limited

# INDEPENDENT

## AUDITOR'S REPORT

To the Shareholders of Chewathai Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Chewathai 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 Chewathai 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 Chewathai Public Company Limited and its subsidiaries and of Chewathai 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 each matter are described below.

### Recognition of revenue from sale of real estate

The Group recognised revenue from sale of real estate according to accounting policy, as disclosed in Note 5.1 to the financial statements. Revenue from sale of real estate is a significant amount in relation to total revenue of the Group. In addition, the Group has entered into agreements with a large number of customers and there are a variety of conditions in these agreements, pertaining to matters such as sale promotions and discounts to boost sales. I have therefore focused on the audit of the actually occurring and timing of revenue recognition.

I have examined the recognition of revenue from sale of real estate of the Group by

- Assessing the Group's IT system and its significant internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the designed control, and with special consideration of the internal controls which respond to the above risks.
- Examining sale transactions during the year with agreements and supporting documents for actual sale of real estate transactions occurring during the year and near the end of the accounting period, 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.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sale transactions throughout the period, particularly for accounting entries made through journal vouchers.

## Value of land and real estate development costs

Estimating the net realisable value of land and real estate development costs, as disclosed in Notes 5.5 and 10 to the consolidated financial statements, is an area of management judgement, regarding to the estimation of provision for diminution in the value of long outstanding projects and under developing projects. This requires detailed analysis of the nature of projects, competitive environment and economic circumstances. There is a risk with respect to the amount of provision set aside for diminution in the value of land and real estate development costs.

I have examined value of land and real estate development costs by

- Gaining an understanding the internal controls of the Group relevant to the determination of provision for diminution in the value of land and real estate development costs by making enquiry of responsible executives and gaining an understanding of the designed controls.
- Gaining an understanding of the basis applied in determining the provision for diminution in value of land and real estate development costs, and reviewing the consistency of the application of that basis.
- Comparing the developing periods, sales periods and projects movements to identify projects with indicators of lower than normal turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of land and real estate development costs for each project.
- Comparing gross profit margin of sales transactions occurring during the year to identify projects that indicate net realisable value of land and real estate development costs lower than costs.
- Gaining an understanding of and assessed the significant assumptions and approaches applied by management or an independent appraiser in preparing estimates of net realisable value of projects that there were indicators of lower turnover or net realisable value lower than land and real estate development costs.

**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.

Rungrapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 14 February 2020



## CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	35,935,771	506,941,487	30,416,530	366,969,325
Trade and other receivables	7, 9	11,949,996	17,813,988	21,056,325	18,820,885
Short-term loans to related parties	7	36,000,000	55,000,000	36,000,000	55,000,000
Land and real estate development costs	10	5,680,326,213	3,161,830,940	5,288,966,009	3,132,547,181
Advance for construction work		18,703,990	2,108,978	18,703,990	2,108,978
Deposit for purchase of land		29,665,000	246,987,955	29,665,000	246,987,955
Cost to obtain contracts with customers	11	940,862	-	940,862	-
Other current assets	12	38,497,469	30,214,200	34,881,003	24,339,428
<b>Total current assets</b>		<b>5,852,019,301</b>	<b>4,020,897,548</b>	<b>5,460,629,719</b>	<b>3,846,773,752</b>
<b>Non-current assets</b>					
Restricted bank deposits	13	28,343,527	20,323,310	28,343,527	20,323,310
Long-term loans to related party	7	131,577,891	34,000,000	329,077,891	34,000,000
Investment in subsidiaries	14	-	-	68,593,941	68,593,941
Investments in joint ventures	15	40,366,814	39,701,670	42,000,000	42,000,000
Investment in associate	16	18,949,032	24,661,435	25,000,000	25,000,000
Investment properties	17	277,701,241	290,770,383	277,701,241	290,770,383
Property, plant and equipment	18	20,148,440	17,101,118	16,532,279	13,320,479
Intangible assets	19	13,006,509	7,117,254	12,856,338	7,117,254
Deferred tax assets	32	14,022,573	1,839,539	13,927,756	1,174,179
Other non-current assets		8,174,660	8,973,741	6,238,827	7,371,946
<b>Total non-current assets</b>		<b>552,290,687</b>	<b>444,488,450</b>	<b>820,271,800</b>	<b>509,671,492</b>
<b>Total assets</b>		<b>6,404,309,988</b>	<b>4,465,385,998</b>	<b>6,280,901,519</b>	<b>4,356,445,244</b>

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

AS AT 31 DECEMBER 2019

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts	20	51,239,047	-	41,240,435	-
Trade and other payables	7, 21	287,682,203	143,492,999	284,870,628	144,696,378
Retention payables		81,704,860	32,325,328	79,169,506	32,207,948
Current portion of long-term loans from financial institutions	22	1,682,000,830	405,717,329	1,682,000,830	405,717,329
Current portion of debentures	23	1,693,782,628	-	1,693,782,628	-
Income tax payable		-	16,826,602	-	14,013,118
Deposits and advance received from customers		61,530,666	21,751,180	51,337,666	21,639,892
Short-term provisions	24	2,206,977	3,526,798	2,080,827	200,000
Other current liabilities		8,691,205	6,721,505	8,532,056	6,693,510
<b>Total current liabilities</b>		<b>3,868,838,416</b>	<b>630,361,741</b>	<b>3,843,014,576</b>	<b>625,168,175</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	22	297,047,244	300,834,018	297,047,244	300,834,018
Debentures, net of current portion	23	482,613,190	1,683,651,370	482,613,190	1,683,651,370
Provision for long-term employee benefits	25	11,423,761	5,670,896	11,423,761	5,670,896
Long-term provisions	24	1,593,714	-	1,245,779	-
Deferred tax liabilities	32	2,347,967	3,278,916	2,347,967	3,278,916
<b>Total non-current liabilities</b>		<b>795,025,876</b>	<b>1,993,435,200</b>	<b>794,677,941</b>	<b>1,993,435,200</b>
<b>Total liabilities</b>		<b>4,663,864,292</b>	<b>2,623,796,941</b>	<b>4,637,692,517</b>	<b>2,618,603,375</b>

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

# CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Shareholders' equity</b>					
Share capital	26				
Registered					
2,307,692,307 ordinary shares of Baht 1 each		2,307,692,307	2,307,692,307	2,307,692,307	2,307,692,307
Issued and paid-up					
1,275,027,883 ordinary shares of Baht 1 each (31 December 2018: 1,275,027,183 ordinary shares of Baht 1 each)		1,275,027,883	1,275,027,183	1,275,027,883	1,275,027,183
Premium on ordinary shares		214,482,296	214,481,771	214,482,296	214,481,771
Retained earnings					
Appropriated - statutory reserve	29				
- the Company		23,942,846	23,942,846	23,942,846	23,942,846
- subsidiary		8,126,384	8,126,384	-	-
Unappropriated		218,866,287	320,010,873	129,755,977	224,390,069
<b>Total shareholders' equity</b>		<b>1,740,445,696</b>	<b>1,841,589,057</b>	<b>1,643,209,002</b>	<b>1,737,841,869</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,404,309,988</b>	<b>4,465,385,998</b>	<b>6,280,901,519</b>	<b>4,356,445,244</b>
		-	-	-	-

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

# CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from sale of real estate	30	1,113,892,575	2,621,600,416	1,022,103,685	2,354,252,416
Rental income		25,317,933	20,445,356	25,317,933	20,445,356
Other income					
Interest income		6,611,837	4,442,252	8,351,973	4,422,296
Others		8,545,122	29,855,072	10,261,976	34,113,495
<b>Total revenues</b>		<b>1,154,367,467</b>	<b>2,676,343,096</b>	<b>1,066,035,567</b>	<b>2,413,233,563</b>
<b>Expenses</b>					
Cost of real estate sold		821,176,521	1,838,729,434	744,478,043	1,649,407,281
Cost of rental		13,069,142	12,252,722	13,069,142	12,252,722
Selling expenses		194,329,348	258,839,658	184,753,678	229,986,764
Administrative expenses		165,817,451	185,314,460	162,867,007	174,340,590
<b>Total expenses</b>		<b>1,194,392,462</b>	<b>2,295,136,274</b>	<b>1,105,167,870</b>	<b>2,065,987,357</b>
<b>Profit (loss) before share of profit (loss) from investments in joint ventures and associate, finance costs and income tax expenses</b>		<b>(40,024,995)</b>	<b>381,206,822</b>	<b>(39,132,303)</b>	<b>347,246,206</b>
Share of profit (loss) from investments in joint ventures	15.2	665,144	(1,271,836)	-	-
Share of loss from investment in associate	16.3	(5,712,403)	(88,565)	-	-
<b>Profit (loss) before finance costs and income tax expenses</b>		<b>(45,072,254)</b>	<b>379,846,421</b>	<b>(39,132,303)</b>	<b>347,246,206</b>
Finance costs		(22,742,685)	(46,094,992)	(22,742,685)	(45,363,218)
<b>Profit (loss) before income tax expenses</b>		<b>(67,814,939)</b>	<b>333,751,429</b>	<b>(61,874,988)</b>	<b>301,882,988</b>
Income tax revenues (expenses)	32	12,750,444	(68,938,222)	13,320,987	(61,386,819)
<b>Profit (loss) for the year</b>		<b>(55,064,495)</b>	<b>264,813,207</b>	<b>(48,554,001)</b>	<b>240,496,169</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	25	(1,568,046)	232,652	(1,568,046)	232,652
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>		<i>(1,568,046)</i>	<i>232,652</i>	<i>(1,568,046)</i>	<i>232,652</i>
Other comprehensive income for the year		(1,568,046)	232,652	(1,568,046)	232,652
<b>Total comprehensive income for the year</b>		<b>(56,632,541)</b>	<b>265,045,859</b>	<b>(50,122,047)</b>	<b>240,728,821</b>
<b>Earnings per share</b>	34				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		(0.04)	0.24	(0.04)	0.22

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
 FOR THE YEAR ENDED 31 DECEMBER 2019

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated retained earnings	Total
			Appropriated - statutory reserve			
			The Company	Subsidiary		
<b>Balance as at 1 January 2018</b>	750,000,000	144,381,400	11,918,038	8,126,384	194,843,671	1,109,269,493
Profit for the year	-	-	-	-	264,813,207	264,813,207
Other comprehensive income for the year	-	-	-	-	232,652	232,652
Total comprehensive income for the year	-	-	-	-	265,045,859	265,045,859
Unappropriated retain earnings transferred to statutory reserve (Note 29)	-	-	12,024,808	-	(12,024,808)	-
Issurance of new shares (Note 26)	467,335,804	70,100,371	-	-	-	537,436,175
Stock dividend (Note 37)	57,691,379	-	-	-	(57,691,379)	-
Dividend payment (Note 37)	-	-	-	-	(70,162,470)	(70,162,470)
<b>Balance as at 31 December 2018</b>	<u>1,275,027,183</u>	<u>214,481,771</u>	<u>23,942,846</u>	<u>8,126,384</u>	<u>320,010,873</u>	<u>1,841,589,057</u>
<b>Balance as at 1 January 2019</b>	1,275,027,183	214,481,771	23,942,846	8,126,384	320,010,873	1,841,589,057
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard (Note 4)	-	-	-	-	113,892	113,892
Loss for the year	-	-	-	-	(55,064,495)	(55,064,495)
Other comprehensive income for the year	-	-	-	-	(1,568,046)	(1,568,046)
Total comprehensive income for the year	-	-	-	-	(56,632,541)	(56,632,541)
Converted warrants to share capital (Note 26)	700	525	-	-	-	1,225
Dividend payment (Note 37)	-	-	-	-	(44,625,937)	(44,625,937)
<b>Balance as at 31 December 2019</b>	<u>1,275,027,883</u>	<u>214,482,296</u>	<u>23,942,846</u>	<u>8,126,384</u>	<u>218,866,287</u>	<u>1,740,445,696</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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



CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated retained earnings	
<b>Balance as at 1 January 2018</b>	750,000,000	144,381,400	11,918,038	123,539,905	1,029,839,343
Profit for the year	-	-	-	240,496,169	240,496,169
Other comprehensive income for the year	-	-	-	232,652	232,652
Total comprehensive income for the year	-	-	-	240,728,821	240,728,821
Unappropriated retained earnings					
transferred to statutory reserve (Note 29)	-	-	12,024,808	(12,024,808)	-
Issuance of new shares (Note 26)	467,335,804	70,100,371	-	-	537,436,175
Stock dividend (Note 37)	57,691,379	-	-	(57,691,379)	-
Dividend payment (Note 37)	-	-	-	(70,162,470)	(70,162,470)
<b>Balance as at 31 December 2018</b>	<u>1,275,027,183</u>	<u>214,481,771</u>	<u>23,942,846</u>	<u>224,390,069</u>	<u>1,737,841,869</u>
<b>Balance as at 1 January 2019</b>	1,275,027,183	214,481,771	23,942,846	224,390,069	1,737,841,869
Cumulative effects of the change					
in accounting policies due to					
the adoption of new financial					
reporting standard (Note 4)	-	-	-	113,892	113,892
Loss for the year	-	-	-	(48,554,001)	(48,554,001)
Other comprehensive income for the year	-	-	-	(1,568,046)	(1,568,046)
Total comprehensive income for the year	-	-	-	(50,122,047)	(50,122,047)
Converted warrants to					
share capital (Note 26)	700	525	-	-	1,225
Dividend payment (Note 37)	-	-	-	(44,625,937)	(44,625,937)
<b>Balance as at 31 December 2019</b>	<u>1,275,027,883</u>	<u>214,482,296</u>	<u>23,942,846</u>	<u>129,755,977</u>	<u>1,643,209,002</u>
	-	-	-	-	-
	-	-	-	-	-

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
**CASH FLOW STATEMENT**  
 FOR THE YEAR ENDED 31 DECEMBER 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(67,814,939)	333,751,429	(61,874,988)	301,882,988
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Decrease in land and real estate development costs as a result of transfer to cost of sales	810,006,536	1,832,352,449	734,693,644	1,643,030,295
Depreciation and amortisation	27,460,098	15,986,635	27,008,905	15,772,069
Amortisation of transaction costs of issuing debentures	12,312,852	5,490,459	12,312,852	5,490,459
Amortisation of financial fees	812,069	496,302	812,069	496,302
Write-off of withholding tax deducted at source	-	20,150	-	20,150
Loss on disposals and write-off of equipment	40,231	400,502	40,231	394,073
Share of loss (profit) from investments in joint ventures	(665,144)	1,271,836	-	-
Share of loss from investment in associate	5,712,403	88,565	-	-
Provision for long-term employee benefits	3,792,807	1,368,647	3,792,807	1,368,647
Provision for maintenance expenses (reversal)	1,358,172	2,182,283	2,408,103	(1,406,186)
Provision for compensation for housing estate juristic persons	1,593,714	-	1,245,779	-
Interest income	(6,611,837)	(4,442,252)	(8,351,973)	(4,422,296)
Interest expenses	7,235,157	40,108,231	7,235,157	39,376,457
Profit from operating activities before change in operating assets and liabilities	795,232,119	2,229,075,236	719,322,586	2,002,002,958
Operating assets decrease (increase)				
Trade and other receivables				
- Related parties	10,729,823	538,706	4,454,228	(619,367)
- Others	1,171,308	(1,841,115)	1,137,309	(2,233,480)
Advances to related party	-	-	-	13,810,663
Land and real estate development costs	(3,133,785,910)	(1,965,565,573)	(2,699,113,903)	(1,965,565,573)
Advance for construction work	(16,595,012)	11,224,626	(16,595,012)	11,224,626
Deposit for purchase of land	217,322,955	(200,795,955)	217,322,955	(200,795,955)
Other current assets	3,541,773	(3,735,757)	60,382	(7,829,058)
Other non-current assets	799,081	(4,125,371)	1,133,119	(4,381,371)
Operating liabilities increase (decrease)				
Trade and other payables				
- Related parties	601,723	(1,246,648)	1,327,256	1,387,216
- Others	142,798,753	(202,986,372)	137,990,604	(196,655,277)
Retention payables	49,379,532	(54,694,836)	46,961,558	(54,677,566)
Deposits and advance received from customers	39,779,486	(170,426,246)	29,697,774	(170,331,036)
Short-term provisions	(2,677,993)	(261,671)	(527,276)	-
Other current liabilities	1,969,700	2,815,087	1,838,546	2,843,498
Cash flows used in operating activities	(1,889,732,662)	(362,025,889)	(1,554,989,874)	(571,819,722)
Cash paid for income tax	(29,450,140)	(57,120,492)	(25,413,571)	(49,647,395)
<b>Net cash flows used in operating activities</b>	<b>(1,919,182,802)</b>	<b>(419,146,381)</b>	<b>(1,580,403,445)</b>	<b>(621,467,117)</b>

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

## CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**CASH FLOW STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2019

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Increase in restricted bank deposits	(8,020,217)	(20,323,310)	(8,020,217)	(20,323,310)
Decrease (increase) in loans to related parties	(78,577,891)	13,000,000	(276,077,891)	13,000,000
Cash paid for investment in associate	-	(24,750,000)	-	(24,750,000)
Proceed from sales of equipment	-	94,400	-	94,400
Cash paid for purchase of equipment	(16,448,600)	(7,883,537)	(16,167,078)	(7,596,527)
Cash paid for purchase of computer software	(6,919,164)	(3,296,200)	(6,763,800)	(3,296,200)
Cash received from interest income	574,697	3,301,032	524,996	37,222,818
<b>Net cash flows used in investing activities</b>	<b>(109,391,175)</b>	<b>(39,857,615)</b>	<b>(306,503,990)</b>	<b>(5,648,819)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans and overdraft				
from financial institutions	51,239,047	-465,000,000	41,240,435	(465,000,000)
Decrease in short-term loans from related party	-	(18,506,105)	-	-
Cash paid for repayment of long-term loans from related parties	-	(252,318,925)	-	(252,318,925)
Cash received from drawdown of long-term loans				
from financial institutions	1,670,492,456	1,276,009,755	1,633,982,596	1,276,009,755
Cash paid for repayment of long-term loans from financial institutions	(398,807,797)	(1,562,148,673)	(362,297,938)	(1,523,023,173)
Proceeds from issuance of debentures	486,000,000	1,698,500,000	486,000,000	1,698,500,000
Cash paid for repayment of debentures	-	(170,000,000)	-	(170,000,000)
Cash paid for transaction costs of issuing debentures	(5,568,404)	(20,243,683)	(5,568,404)	(20,243,683)
Cash paid for financial fees	-	(1,308,371)	-	(1,308,371)
Proceed from increase in share capital	1,225	537,436,175	1,225	537,436,175
Dividend paid	(44,625,937)	(70,162,470)	(44,625,937)	(70,162,470)
Cash paid for interest expenses	(201,162,329)	(112,735,136)	(198,377,337)	(111,489,684)
<b>Net cash flows from financing activities</b>	<b>1,557,568,261</b>	<b>839,522,567</b>	<b>1,550,354,640</b>	<b>898,399,624</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(471,005,716)</b>	<b>380,518,571</b>	<b>(336,552,795)</b>	<b>271,283,688</b>
Cash and cash equivalents at beginning of year	506,941,487	126,422,916	366,969,325	95,685,637
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b>35,935,771</b>	<b>506,941,487</b>	<b>30,416,530</b>	<b>366,969,325</b>
	-	-	-	-
<b>Supplemental cash flow information</b>				
Non-cash items				
Interest expenses recorded as land and real estate development costs	194,715,900	79,397,383	191,998,569	79,397,383
Transfer from land and real estate development costs to property, plant and equipment	-	3,399,347	-	-
Transfer from land and real estate development costs to investment properties	-	45,845,123	-	45,845,123
Stock dividend	-	57,691,379	-	57,691,379
Actuarial gain (loss)	(1,960,058)	290,815	(1,960,058)	290,815

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

# CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1. General information

Chewathai Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Chartchewa Company Limited, which was incorporated in Thailand. The Company is principally engaged in the development of properties for sales and rent. The registered office of the Company is at 1168/80 Lumpini Tower, 27th Floor, Unit D, Rama IV Road, Tungmahamek, Sathorn, 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 Chewathai Public Company Limited (“the Company”) and the following subsidiary companies (“the Subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u> Percent	<u>2018</u> Percent
<u>Held by the Company</u>				
Chewathai Interchange Limited	Real estate development	Thailand	100	100
<u>Held by subsidiary company</u>				
Chewathai Home Office Limited (100 percent held by Chewathai Interchange Limited)	Real estate development	Thailand	100	-

During the current year, the change in the structure of subsidiaries are as follows:

In May 2019, Chewathai Interchange Limited, which is the Company's 100% owned subsidiary, acquired 100% of share capital of Chewathai Home Office Limited (formerly known as "Thaicorp Capital Company Limited"). The subsidiary has determined the acquisition of such company in accordance with Thai Financial Reporting Standard No. 3 (revised 2018) and has considered that this acquisition is, in substance, an asset acquisition. The subsidiary recorded this acquisition at purchase price as specified in the share purchase agreement. Net value of assets acquired and liabilities assumed from such company as at the acquisition date in the consolidated financial statements of Chewathai Public Company Limited are as follows:

(Unit: Thousand Baht)

Net assets acquired and liabilities assumed as at acquisition date

Cash	18
Land and real estate development costs	420,565
Other current assets	698
Equipment	274
Deposit	405
Bank overdrafts	(8,756)
Deposits and advance received from customers	(9,566)
Other current liabilities	(2,507)
Retention payables	(6,042)
Long-term loans from financial institution	(36,510)
Net value at purchase price	<u>358,579</u>

- 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, joint ventures and associate 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 Company's and its subsidiaries' 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.

The Group adopted TFRS 15 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 2019, and the comparative information was not restated. The Group elects to apply the following practical expedients.

- Not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods identified in accordance with the previous accounting policy;

The cumulative effect of the change is described in Note 4.

**(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
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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 believes that adoption of these standards will not have any significant impact on the financial statements.

### **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 expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 17.01 million (the Company only: approximately Baht 17.01 million) and the Group's liabilities by approximately Baht 17.01 million (the Company only: approximately Baht 17.01 million).

#### **4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 on the beginning balance of retained earnings for 2019 comprises:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Impact on retained earnings as at 1 January 2019		
Costs to obtain contracts with customers	142	142
Related tax	(28)	(28)
<b>Total</b>	<b>114</b>	<b>114</b>

The amounts of adjustments affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase	TFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Cost to obtain contracts with customers	-	941	941
<b>Total assets</b>	<b>-</b>	<b>941</b>	<b>941</b>
<b>Liabilities</b>			
Deferred tax liabilities	2,160	188	2,348
<b>Total liabilities</b>	<b>2,160</b>	<b>188</b>	<b>2,348</b>
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	218,113	753	218,866
<b>Total shareholders' equity</b>	<b>218,113</b>	<b>753</b>	<b>218,866</b>
<b>Total liabilities and shareholders' equity</b>	<b>220,273</b>	<b>941</b>	<b>221,214</b>

(Unit: Thousand Baht)

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Revenue from sale of real estate	1,128,126	(14,233)	1,113,893
Cost of real estate sold	813,257	7,920	821,177
Selling expenses	217,281	(22,952)	194,329
Income tax revenues	12,910	(160)	12,750
Loss for the year	(55,704)	(640)	(55,064)
<b>Loss per share (Baht)</b>			
Basic loss per share	(0.04)	-	(0.04)

(Unit: Thousand Baht)

	Separate financial statements		
	Previous accounting policy	Increase	TFRS 15
<b>Statement of financial position</b>			
<b>Assets</b>			
Cost to obtain contracts with customers	-	941	941
<b>Total assets</b>	-	941	941
<b>Liabilities</b>			
Deferred tax liabilities	2,160	188	2,348
<b>Total liabilities</b>	2,160	188	2,348
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	129,003	753	129,756
<b>Total shareholders' equity</b>	129,003	753	129,756
<b>Total liabilities and shareholders' equity</b>	131,163	941	132,104

(Unit: Thousand Baht)

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Revenue from sale of real estate	1,035,727	(13,623)	1,022,104
Cost of real estate sold	737,303	7,175	744,478
Selling expenses	206,351	(21,597)	184,754
Income tax revenues	13,481	(160)	13,321
Loss for the year	(49,194)	(640)	(48,554)
<b>Loss per share (Baht)</b>			
Basic loss per share	(0.04)	-	(0.04)



The nature of these adjustments are described below:

- Commission paid to obtain a customer contract - The Group has determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the Group immediately recorded commission as selling expenses when the transaction occurred.
- Promotion expenses specified in the contracts with customers are given to customers when they register the transfer of houses or condominium units, including free of charge items or consideration paid to customers.
  - a) Provision for items without charge such as furniture and fixtures - The Group offer free of charge items to customers when the customers register the transfer of houses or condominium units. The management of the Group has considered that the free of charge items are component parts of houses or condominium units, which are the main performance obligations under the contracts. Therefore, the Group is to record these costs as costs of real estate sold, not selling expenses as previously recorded.
  - b) Consideration paid to customers - The Group paid registration fee for the transfer of houses or condominium units or paid common area fee to the juristic person of house projects or condominium projects on behalf of customers when the customers register the transfer of houses or condominium units. The management of the Group has considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from sale of real estate, not selling expenses as previously recorded.

## **5. Significant accounting policies**

### **5.1 Revenue recognition**

#### *Revenue from sale of real estate*

Revenue from sale of real estate are recognised at the point in time when control of the asset is transferred to the customer, generally upon registration of the transfer of land and houses and residential condominium units. Revenue is measured at the amount of the consideration received after deducting discounts and expenses the Group paid on behalf of the customers. Terms of payment are in accordance with the installment period specified in the contract made with the customers. The amount of consideration which the Group received from the customers before the control of the

asset has been transferred to the customers is presented under the caption of “Advance received from customers” in the statement of financial position.

#### *Rental income*

Rental income from factory is recognised on a straight-line basis over the lease term.

#### *Interest income*

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

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

### **5.2 Cost of real estate sold**

In determining the costs of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are allocated on the basis of the saleable area.

Cost of real estate sold includes cost of free of charge items which the Group delivers to customers as specified in the contract made with the customers such as furniture and fixtures. The Group has considered that the free of charge items are component parts of houses or condominium units, which are the main performance obligations under the contracts.

Selling expenses, such as specific business tax and ownership transfer fee are recognised as expenses when land and houses or residential condominium units are sold.

### **5.3 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.

### **5.4 Trade and other receivables**

Trade and other receivables 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.

## **5.5 Land and real estate development costs**

Land and real estate development costs are valued at the lower of cost and net realisable value. Cost consists of cost of land, land improvement, design fees, public utilities, construction, interest expenses capitalised as project costs and other related cost actually incurred, and provision for real estate development costs.

The Group recognise loss on diminution in value of projects (if any) in profit or loss.

## **5.6 Cost to obtain a contract with customers**

The Group recognises commission paid to obtain a customer contract as an asset and recognises it as expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

## **5.7 Investments**

- a) Investments in joint ventures and associate are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiary, joint ventures and associate are accounted for in the separate financial statements using the cost method.

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

## **5.8 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 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land.

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.

## 5.9 Property, plant and equipment and 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 is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and lease building improvement	20 and 5 years
Furniture, fixtures and office equipment	3 and 5 years
Sales office and mock-up room	1 to 5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

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.

## 5.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset or development of the projects that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

To the extent that funds are borrowed specifically for the development of projects, interest costs are presented as the actual borrowing costs less any investment income from the temporary investment of those borrowings (if any). To the extent that funds are borrowed and used for the general purposes, the interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year, other than borrowings made for specific purposes.

### 5.11 Intangible assets

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.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 and 10 years

### 5.12 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprises 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.

### 5.13 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 is depreciated over the shorter of the useful life of the asset and the lease period.

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.

#### 5.14 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the investment properties, 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 5.15 Employee benefits

##### ***Short-term employee benefits***

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

##### ***Employee Joint Investment Program (EJIP)***

The Company has established an Employee Joint Investment Program (EJIP). The program is monthly contributed by eligible employees and by the Company to EJIP participant. The details of the program are as described in Note 28 to the financial statements. The Company's contributions are recognised as expenses when incurred.



## ***Post-employment benefits***

### ***Defined contribution plans***

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

### ***Defined benefit plans***

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan 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.

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 Company recognised restructuring - related costs.

## **5.16 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.

## **5.17 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.

### **5.18 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 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.

## **6. 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 results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for loss on diminution in value of land and real estate development costs**

The Group determines loss on diminution in value of land and real estate development costs when there has been a significant decline in fair value. The management determines the diminution in value of land and real estate development costs based on net realisable value. The determination of what is significant and the diminution in value requires the management to exercise judgement.

### **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.

### **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**

The obligation under the defined benefit plan 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.

### **Investment properties, buildings and equipment/Depreciation**

In determining depreciation of investment properties, buildings and equipment, the management is required to make estimates of the useful lives and residual values of the investment properties, buildings and equipment and to review estimate useful lives and residual values when there are any changes.

**Provision for maintenance expenses of houses and condominium units**

In determining provision for maintenance expenses of houses and condominium units, the management has to exercise judgement to estimate the maintenance expenses of houses and condominium units expected to be incurred based on experiences of actual expenses claimed in the past and currently available information related to the cost of various types of maintenance work.

**Classification of long-term loans**

In determining the classification of current portion of long-term loans from banks, the management has to exercise judgement to estimate the redemption of collateral and repayment of loans in accordance the terms and conditions specified in each loan contract.

**Project development costs estimation**

In calculating cost of land and houses and condominium units sold, the Group has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on its business experience and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

**Compensation for housing estate juristic persons**

The Group estimates the compensation for housing estate juristic persons by using the rate specified by the regulator and the judgement of management regarding the budgeted public utilities costs as a basis for the calculation.

**Litigation**

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 7. Related party transactions

The relationships between the Company, subsidiaries, joint ventures, associate and its related parties are summarised below.

Name of related parties	Relationship
Chartchewa Company Limited	Major shareholder
Chewathai Interchange Limited	Subsidiary
Chewathai Home Office Limited (formerly known as “Thaicorp Capital Company Limited”)	Subsidiary (100 percent held by Chewathai Interchange Limited)
Chewathai Hup Soon Limited	Joint venture
Chewa Heart Company Limited	Joint venture
Kamala Senior Living Company Limited	Associate
Global Environmental Technology Company Limited	Common director
Thaisri Insurance Public Company Limited	Common director
Amata Water Company Limited	Common director
Amata City Company Limited	Common director
Amata Facility Services Company Limited	Common director

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 policy
	2019	2018	2019	2018	
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Management fee income	-	-	2.24	5.61	Contract price
Interest income	-	-	1.79	0.02	1.50% p.a. (2018: 5.46% p.a.)
<u>Transactions with joint ventures</u>					
Management fee income	0.24	0.84	0.24	0.84	Contract price
Interest income	3.41	1.59	3.41	1.59	5.15% and 5.00% p.a. (2018: 5.15% p.a.)
<u>Transactions with associate</u>					
Interest income	2.78	2.61	2.78	2.61	5.00% p.a.
<u>Transactions with related companies</u>					
Other administrative expenses	4.82	3.24	4.82	3.21	Contract price and market price
Interest expenses	-	3.25	-	3.05	4.00% and 5.25% p.a.

As at 31 December 2019 and 2018, the balances of the accounts between the Company, subsidiaries and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>Other receivables - related parties (Note 9)</u></b>				
Subsidiaries	-	-	9,256	1,191
Joint ventures	5,000	12,314	5,000	12,314
Associate	3,574	793	3,574	793
Related companies (related by common director)	-	10	-	10
Total other receivables - related parties	8,574	13,117	17,830	14,308
<b><u>Short-term loans to related party</u></b>				
Joint venture	36,000	55,000	36,000	55,000
Total short-term loans to related party	36,000	55,000	36,000	55,000
<b><u>Long-term loans to related parties</u></b>				
Subsidiary	-	-	197,500	-
Joint venture	67,578	-	67,578	-
Associate	64,000	34,000	64,000	34,000
Total long-term loans to related parties	131,578	34,000	329,078	34,000

Loans to subsidiary are unsecured loans, carrying interest at the fixed rate. The loans are repayable when borrower has sufficient cash flow. As at 31 December 2019, the Company has presented such loan as long-term loans because the Company believed that the subsidiary had no sufficient cash flow for repayment of the loan to the Company within next 12 months.

Loans to joint venture are unsecured loans, carrying interest at the fixed rate. The loans are repayable at call and when borrower has sufficient cash flow. As at 31 December 2019, the Company has presented loan amounting to Baht 67.58 million as long-term loans because the Company believed that the joint venture had no sufficient cash flow for repayment of the loan to the Company within next 12 months.

Loans to associate are unsecured loans, carrying interest at the fixed rate. The loans are repayable at call. As at 31 December 2019, the Company has no intention to call for such loans from the associate within next 12 months. So, the Company presented such loans as long-term loans.



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b><u>Other payables - related parties (Note 21)</u></b>				
Subsidiary	-	-	3,433	2,708
Joint ventures	-	4	-	4
Related companies (related by common director)	622	16	622	16
Total other payables - related parties	622	20	4,055	2,728

**Loans to related parties**

As at 31 December 2019 and 2018, the balance of loans to related parties and the movements are as follows.

(Unit: Thousand Baht)

Company	Consolidated financial statements			
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Chewa Heart Company Limited	55,000	60,578	(12,000)	103,578
Kamala Senior Living Company Limited	34,000	30,000	-	64,000
Total	89,000	90,578	(12,000)	167,578

(Unit: Thousand Baht)

Company	Separate financial statements			
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Chewa Heart Company Limited	55,000	60,578	(12,000)	103,578
Kamala Senior Living Company Limited	34,000	30,000	-	64,000
Chewathai Interchange Limited	-	224,600	(27,100)	197,500
Total	89,000	315,178	(39,100)	365,078

### Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2019	2018
Short-term employee benefits	33.18	31.75
Post-employment benefits	2.40	1.51
Total	35.58	33.26

### 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	316	365	270	325
Bank deposits	35,620	506,576	30,147	366,644
Total	35,936	506,941	30,417	366,969

As at 31 December 2019, bank deposits in saving accounts carried interests between 0.1% and 0.6% per annum (2018: between 0.1 % and 0.6% per annum).

### 9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 3 months	1,796	319	1,796	319
3 - 6 months	-	6	-	6
Total	1,796	325	1,796	325
Less: Allowance for doubtful debts	-	-	-	-
Total trade accounts receivable - unrelated parties, net	1,796	325	1,796	325

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Other receivables</u>				
Other receivables - related parties	313	10,786	7,780	10,977
Other receivables - unrelated parties	732	3,375	582	3,191
Accrued income - related party	-	257	-	1,257
Interest receivables - related parties	8,261	2,074	10,050	2,074
Interest receivables - unrelated parties	848	997	848	997
Total other receivables	10,154	17,489	19,260	18,496
Total trade and other receivables - net	11,950	17,814	21,056	18,821

## 10. Land and real estate development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Land	5,329,049	3,700,736	4,854,470	3,409,929
Construction and design expenses	6,874,673	5,405,227	5,246,801	4,028,005
Interest capitalised as cost	587,672	392,956	522,008	330,009
Other costs	157,054	121,027	148,015	112,237
Total	12,948,448	9,619,946	10,771,294	7,880,180
Less: Accumulated cost transferred				
to cost of sales	(7,218,878)	(6,408,871)	(5,436,483)	(4,701,788)
Less: Transfer to investment properties	(45,845)	(45,845)	(45,845)	(45,845)
Less: Transfer to property, plant				
and equipment	(3,399)	(3,399)	-	-
Land and real estate development costs - net	5,680,326	3,161,831	5,288,966	3,132,547

During the years, the Group included borrowing costs in cost of land and construction in progress. These were determined by applying a capitalisation rate which is the weighted average of the financial charges on total borrowings as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Borrowing costs included in cost of land				
and construction in progress (Million Baht)	195	79	192	79
Capitalisation rate (%)	4.10 - 7.25	4.28 - 5.45	4.10 - 5.00	4.28 - 5.45

As at 31 December 2019 and 2018, the Group has mortgaged land and construction thereon of projects to secure bank overdrafts and long-term loans from financial institutions of the Company and the subsidiary. The net book values are as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value of mortgaged land and construction thereon	4,894	1,895	4,535	1,895

#### 11. Costs to obtain a contract with customer

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2019	-
Increase due to the adjustment to retained earnings	142
Addition during the year	6,071
Amortisation as selling expenses during the year	(5,272)
Balance as at 31 December 2019	941

#### 12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Refundable withholding tax	22,035	9,412	20,812	9,412
Prepaid expenses	4,899	16,500	2,657	10,786
Deferred revenue	2,695	734	2,695	734
Others	8,868	3,568	8,717	3,408
Total	38,497	30,214	34,881	24,340

### 13. Restricted bank deposit

These represent saving deposits pledged with the banks to secure the arrangement and maintenance of public utilities or land improvement of the Company's real estate projects.

### 14. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
Chewathai Interchange Limited and its subsidiary	100,000	100,000	100	100	68,594	68,594	-	-
Total					68,594	68,594	-	-

On 16 May 2019, Chewathai Interchange Limited, which is the Company's 100% owned subsidiary, acquired 1.35 million ordinary shares, or 100% of share capital of Chewathai Home Office Limited (formerly known as "Thaicorp Capital Company Limited") in an amount of Baht 359 million as described in Note 2.2.

### 15. Investments in joint ventures

#### 15.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

								(Unit: Thousand Baht)	
						Consolidated financial statements		Separate financial statements	
						Carrying amounts based on equity method		Carrying amounts based on cost method - net	
Joint venture	Nature of business	Shareholding percentage		Cost					
		2019	2018	2019	2018	2019	2018	2019	2018
		(%)	(%)						
Chewathai Hup Soon Limited	Sale and rent of properties	50	50	7,000	7,000	8,734	6,823	7,000	7,000
Chewa Heart Company Limited	Real estate development	70	70	35,000	35,000	31,633	32,879	35,000	35,000
Total				42,000	42,000	40,367	39,702	42,000	42,000

## 15.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income from investments in joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements			
	Share of profit (loss) from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year	
	2019	2018	2019	2018
Chewathai Hup Soon Limited	1,911	244	-	-
Chewa Heart Company Limited	(1,246)	(1,516)	-	-
Total	665	(1,272)	-	-

During the years 2019 and 2018, there is no dividend income from joint ventures.

## 15.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit: Million Baht)

	Chewathai Hup Soon Limited		Chewa Heart Company Limited	
	2019	2018	2019	2018
Cash and cash equivalents	3.65	27.25	3.33	2.91
Current assets	6.91	19.20	294.69	215.31
Non-current assets	7.78	8.31	1.07	0.84
Short-term loans	-	-	(36.00)	(131.00)
Current portion of long - term loans	-	-	(91.12)	(26.14)
Long-term loans	-	-	(102.41)	-
Current liabilities	(0.88)	(41.12)	(24.37)	(14.95)
<b>Net assets</b>	<b>17.46</b>	<b>13.64</b>	<b>45.19</b>	<b>46.97</b>
Shareholding percentage (%)	50%	50%	70%	70%
<b>Carrying amounts of joint ventures based on equity method</b>	<b>8.73</b>	<b>6.82</b>	<b>31.63</b>	<b>32.88</b>



## Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	Chewathai Hup Soon Limited		Chewa Heart Company Limited	
	2019	2018	2019	2018
Revenue	20.04	9.36	0.01	0.01
Cost of sales	(12.80)	(6.65)	-	-
Selling and administrative expenses	(2.32)	(1.98)	(1.79)	(2.18)
Income tax expenses	(1.09)	(0.24)	-	-
Profit (loss) for the year	3.83	0.49	(1.78)	(2.17)
Other comprehensive income	-	-	-	-
Total comprehensive income	3.83	0.49	(1.78)	(2.17)

**16. Investment in associate**

## 16.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Consolidated		Separate	
							financial statements	financial statements	financial statements	financial statements
							Carrying amounts based	Carrying amounts based	Carrying amounts based	Carrying amounts based
							on equity method	on equity method	on cost method - net	on cost method - net
			2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)						
Kamala Senior Living Co., Ltd.	Real estate development	Thailand	25	25	25,000	25,000	18,949	24,661	25,000	25,000
Total					25,000	25,000	18,949	24,661	25,000	25,000

## 16.2 Significant changes in investment in associate

In April 2018, Kamala Senior Living Company Limited which is the Company's 25% owned associate, increased its registered share capital from Baht 1 million to Baht 100 million by issuing new ordinary shares of 9,900,000 shares of Baht 10 each and fully called up. The Company paid for the capital increase in proportion to the amount of Baht 24.75 million to the associate on 24 April 2018. The associate registered its increase in share capital to the Ministry of Commerce on 27 April 2018. Consequently, carrying amount of investment in associate based on cost method was Baht 25 million.

### 16.3 Share of comprehensive income

During the years, the Company has recognised its share of loss from investment in associate company in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Associate	Consolidated financial statements			
	Share of loss from investment in associate during the year		Share of other comprehensive income from investment in associate during the year	
	2019	2018	2019	2018
Kamala Senior Living Co., Ltd.	(5,712)	(89)	-	-
<b>Total</b>	<b>(5,712)</b>	<b>(89)</b>	<b>-</b>	<b>-</b>

During the years 2019 and 2018, there is no dividend income from the associate.

### 16.4 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	Kamala Senior Living Co., Ltd.	
	2019	2018
Current assets	21.18	25.14
Non-current assets	516.96	383.83
Current liabilities	(10.17)	(171.15)
Non-current liabilities	(452.18)	(139.17)
<b>Net assets</b>	<b>75.79</b>	<b>98.65</b>
Shareholding percentage (%)	25%	25%
<b>Carrying amounts of associate based on equity method</b>	<b>18.95</b>	<b>24.66</b>

## Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended	
	31 December	
	Kamala Senior Living Co., Ltd.	
	2019	2018
Revenue	0.03	-
Administrative expenses	(22.88)	(0.31)
Loss for the year	(22.85)	(0.31)
Other comprehensive income	-	-
Total comprehensive income	(22.85)	(0.31)

**17. Investment properties**

The net book value of investment properties as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
		Condominium		
	Factory for rent	units for rent	Vacant land	Total
31 December 2019:				
Cost	262,042	45,845	38,698	346,585
Less: Accumulated depreciation	(65,116)	(3,768)	-	(68,884)
Net book value	<u>196,926</u>	<u>42,077</u>	<u>38,698</u>	<u>277,701</u>
31 December 2018:				
Cost	262,042	45,845	38,698	346,585
Less: Accumulated depreciation	(54,339)	(1,476)	-	(55,815)
Net book value	<u>207,703</u>	<u>44,369</u>	<u>38,698</u>	<u>290,770</u>

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	Condominium			Total
	Factory for rent	units for rent	Vacant land	
Net book value as at 1 January 2018	218,480	-	38,698	257,178
Transfer from land and real estate				
development costs	-	45,845	-	45,845
Depreciation charged	(10,777)	(1,476)	-	(12,253)
Net book value as at 31 December 2018	207,703	44,369	38,698	290,770
Depreciation charged	(10,777)	(2,292)	-	(13,069)
Net book value as at 31 December 2019	196,926	42,077	38,698	277,701

The fair value of the investment properties as at 31 December 2019 and 2018 stated below:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2019	2018
Factory for rent	369,720	366,204
Condominium units for rent	59,965	61,280
Vacant land	47,950	42,620

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the vacant land has been determined based on market price, while that of the factory held for rent and condominium units for rent have 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 rental rates.

The Company has pledged investment properties amounting to approximately Baht 197 million (2018: Baht 246 million) as collateral against credit facilities received from financial institutions, as described in Note 22.

## 18. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements			
	Buildings and leased building improvement	Furniture, fixtures and office equipment	Sales office and mock-up room	Total
<b>Cost</b>				
1 January 2018	4,570	10,002	6,766	21,338
Additions	264	6,001	1,618	7,883
Transfer from land and real estate development costs	3,399	-	-	3,399
Disposals and write-off	(11)	(485)	(892)	(1,388)
31 December 2018	8,222	15,518	7,492	31,232
Additions	366	4,540	11,543	16,449
Write-off	-	(1)	(291)	(292)
31 December 2019	8,588	20,057	18,744	47,389
<b>Accumulated depreciation</b>				
1 January 2018	2,394	6,752	2,666	11,812
Depreciation for the year	159	1,878	1,174	3,211
Depreciation on disposals and write-off	(1)	(349)	(542)	(892)
31 December 2018	2,552	8,281	3,298	14,131
Depreciation for the year	319	3,276	9,766	13,361
Depreciation on write-off	-	(1)	(250)	(251)
31 December 2019	2,871	11,556	12,814	27,241
<b>Net book value</b>				
31 December 2018	5,670	7,237	4,194	17,101
31 December 2019	5,717	8,501	5,930	20,148
<b>Depreciation for the year</b>				
2018 (included in selling and administrative expenses)				3,211
2019 (included in selling and administrative expenses)				13,361

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and leased building improvement	Furniture, fixtures and office equipment	Sales office and mock-up room	Total
<b>Cost</b>					
1 January 2018	3,184	4,382	8,341	6,451	22,358
Additions	-	-	5,978	1,618	7,596
Disposals and write-off	-	(11)	(461)	(892)	(1,364)
31 December 2018	3,184	4,371	13,858	7,177	28,590
Additions	-	366	4,259	11,543	16,168
Write-off	-	-	(1)	(291)	(292)
31 December 2019	3,184	4,737	18,116	18,429	44,466
<b>Accumulated depreciation</b>					
1 January 2018	-	2,205	5,337	2,422	9,964
Depreciation for the year	-	131	1,755	1,111	2,997
Depreciation on disposals and write-off	-	(1)	(332)	(542)	(875)
31 December 2018	-	2,335	6,760	2,991	12,086
Depreciation for the year	-	136	3,022	9,757	12,915
Depreciation on write-off	-	-	(1)	(250)	(251)
31 December 2019	-	2,471	9,781	12,498	24,750
<b>Allowance for impairment loss</b>					
1 January 2018	3,184	-	-	-	3,184
Increase during the year	-	-	-	-	-
31 December 2018	3,184	-	-	-	3,184
Increase during the year	-	-	-	-	-
31 December 2019	3,184	-	-	-	3,184
<b>Net book value</b>					
31 December 2018	-	2,036	7,098	4,186	13,320
31 December 2019	-	2,266	8,335	5,931	16,532
<b>Depreciation for the year</b>					
2018 (included in selling and administrative expenses)					2,997
2019 (included in selling and administrative expenses)					12,915



As at 31 December 2019 and 2018, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets were as follows:

(Unit : Million Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2019	2018	2019	2018
Equipment were fully depreciated but are still in use	10.09	7.53	8.01	6.29

## 19. Intangible assets

The net book value of computer software as at 31 December 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cost	15,353	8,434	15,198	8,434
Less: Accumulated amortisation	(2,346)	(1,317)	(2,342)	(1,317)
Net book value	13,007	7,117	12,856	7,117

A reconciliation of the net book value of computer software for the years 2019 and 2018 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	7,117	4,343	7,117	4,343
Acquisition of computer software	6,919	3,296	6,764	3,296
Amortisation	(1,029)	(522)	(1,025)	(522)
Net book value at end of year	13,007	7,117	12,856	7,117

## 20. Bank overdrafts

(Unit: Thousand Baht)					
	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Bank overdrafts	MOR	51,239	-	41,240	-

Bank overdrafts are secured by the Company and the subsidiary's land and constructions thereon of real estate projects.

## 21. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts payable - unrelated parties	241,553	72,548	239,942	72,536
Accrued expenses - unrelated parties	15,525	49,654	15,201	49,339
Other payables - related parties	622	20	4,055	2,728
Other payables - unrelated parties	29,982	21,271	25,673	20,093
Total trade and other payables	287,682	143,493	284,871	144,696

## 22. Long-term loans from financial institutions

(Unit: Thousand Baht)					
Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated and Separate financial statements	
				2019	2018
1.	507	MLR-1.25	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 4 years	188,869	67,000
2.	315	MLR-1.40	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 4 years	47,658	93,700

(Unit: Thousand Baht)

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated and Separate financial statements	
				2019	2018
3.	531	MLR-2.00	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 90% of the selling price and not less than amount as stated in the agreement and within 2 years	-	81,071
4.	387	MLR-1.75	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 66 months	86,257	106,200
5.	197	MLR-2.00	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 75% of the selling price and not less than amount as stated in the agreement and within 30 months	48,200	48,200
6.	814	MLR-2.85	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 60 months	282,030	282,030
7.	200	MLR-1.38	Repayment of principal and interest within 10 years from the first draw down date	187,348	29,162
8.	885	Year 1-2: MLR-2.15 and thereafter MLR-1.90	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 60 months	253,743	-
9.	457	MLR-2.125	Repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 36 months	184,193	-
10.	702	MLR-1.90%	Repayment of principal upon redemption of house of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 48 months	403,247	-

(Unit: Thousand Baht)

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated and Separate financial statements	
				2019	2018
11.	419	MLR-2.85%	Repayment of principal upon redemption of house of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 48 months	151,293	-
12.	418	MLR-2.35%	Repayment of principal upon redemption of house of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement and within 60 months	145,940	-
Total				1,979,048	707,363
Less: Deferred financial fees				-	(812)
Net				1,979,048	706,551
Less: Current portion				(1,682,001)	(405,717)
Long-term loans - net of current portion				297,047	300,834

Movement of the long-term loan account during the year ended 31 December 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	706,551	706,551
Add: Additional borrowings	1,670,493	1,633,983
Amortisation of financial fees	812	812
Less: Repayment	(398,808)	(362,298)
Balance as at 31 December 2019	1,979,048	1,979,048

The loans are secured by the mortgage of the Company's land and construction thereon of real estate projects and investment properties.

The loan agreements contain several covenants which, among other things, require the Company to maintain debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreements and maintain the shareholding percentage of major shareholders. As at 31 December 2019, the Company has been unable to maintain some financial ratios covenanted under the loan agreements (unrelated to principal and interest payment). For the purpose of reporting under Thai Financial Reporting Standards, the Company has presented the outstanding balances of such

loans amounting to Baht 1,116.58 million as at 31 December 2019 as current liabilities in the statement of financial position. On 13 February 2020, the Company has already received waiver letter for not complying with such covenants from the bank.

As at 31 December 2019, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 2,939 million (2018: Baht 1,743 million).

## 23. Debentures

Details of approval to issue the debenture of the Company are as follows:

Approved by	The Annual General Meeting of Shareholders of the Company held on 2 April 2019
Amount	Revolving amount of Baht 4,500 million or the equivalent in any other currencies
Term	Specify at each time
Type	Any types of debentures such as unsecured and/or secured
Method of issuance	Public offering and/or private placement and/or institutional investors in Thailand or offshore

As at 31 December 2019, the Company has unissued debentures under the above mentioned approval totaling Baht 2,316 million. (2018: Baht 1,302 million).

The outstanding balance of debentures as at 31 December 2019 and 2018 are detailed below.

					Consolidated and separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
No.	Interest rate per annum	Age	Repayment	Maturity	2019	2018	2019	2018
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2018	Fixed rate 6.25%	2 years	At maturity	17 January 2020	498,500	498,500	498,500	498,500
No. 2/2018	Fixed rate 6.00%	2 years	At maturity	7 September 2020	1,200,000	1,200,000	1,200,000	1,200,000
No. 1/2019	Fixed rate 5.90%	2 years	At maturity	21 March 2021	486,000	-	486,000	-
					<u>2,184,500</u>	<u>1,698,500</u>	<u>2,184,500</u>	<u>1,698,500</u>
Less: Unamortised portion of deferred transaction costs							(8,104)	(14,849)
Total debentures							2,176,396	1,683,651
Less: Current portion							(1,693,783)	-
Total debentures - net of current portion							<u>482,613</u>	<u>1,683,651</u>

Movements in the debentures during the year ended 31 December 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2019	1,683,651
Add: Issue of new debenture during the period	486,000
Amortisation of deferred transaction costs	12,313
Less: Transaction costs for issuance of debenture	(5,568)
Balance as at 31 December 2019	2,176,396

Prospectus contains certain covenants and restrictions regarding the maintenance of certain financial ratios, dividend payments and formal reporting when the significant events occurred such as a legal case, loan default.

#### 24. Short-term provisions

(Unit: Thousand Baht)

	Consolidated financial statements	
	Short-term provisions	Long-term provisions
	After-sale maintenance expenses	Compensation for housing estate juristic persons
As at 1 January 2018	1,606	-
Increase during the year	5,538	-
Utilised	(261)	-
Reversal of provisions	(3,356)	-
As at 31 December 2018	3,527	-
Increase during the year	3,145	1,594
Utilised	(2,678)	-
Reversal of provisions	(1,787)	-
As at 31 December 2019	2,207	1,594



(Unit: Thousand Baht)

	Separate financial statements	
	Short-term provisions	Long-term provisions
	After-sale maintenance expenses	Compensation for housing estate juristic persons
As at 1 January 2018	1,606	-
Increase during the year	200	-
Utilised	-	-
Reversal of provisions	(1,606)	-
As at 31 December 2018	200	-
Increase during the year	2,671	1,246
Utilised	(527)	-
Reversal of provisions	(263)	-
As at 31 December 2019	2,081	1,246

**25. Provision for long-term employee benefits**

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2019	2018
<b>Provision for long-term employee benefits</b>		
<b>at beginning of year</b>	5,671	4,593
Included in profit or loss:		
Current service cost	2,075	1,211
Interest cost	231	158
Past service cost	1,487	-
Included in other comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumptions changes	-	98
Financial assumptions changes	1,960	(181)
Experience adjustments	-	(208)
<b>Provision for long-term employee benefits</b>		
<b>at end of year</b>	11,424	5,671

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 Company has additional long-term employee benefit liabilities of Baht 1.49 million as a result. The Company reflects the effects of the change by recognising past service costs as expenses in the income statement of the current year.

As at 31 December 2019 and 2018, the Company does not expect to pay of long-term employee benefits during the next year.

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 20 years (2018: 20 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	Consolidated and separate financial statements	
	2019	2018
Discount rate	1.91	3.26
Salary increase rate	7.00 and 9.00	7.00 and 9.00
Turnover rate	0 - 30	0 - 30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2019		As at 31 December 2018	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.40)	1.69	(0.87)	1.05
Salary increase rate	1.71	(1.44)	1.00	(0.84)

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2019		As at 31 December 2018	
	Increase	Decrease	Increase	Decrease
	20%	20%	20%	20%
Turnover rate	(1.80)	2.37	(1.04)	1.35

## 26. Share capital

The increase in share capital of the Company during the year 2019 resulting from exercising of warrants are summarised below.

Date of exercised	Type of warrant	Number of exercised warrants (Unit)	Ordinary shares issued for exercised warrants (Shares)	Exercise price (Baht per share)	Date of registration of share capital with the Ministry of Commerce	Date of the Stock Exchange of Thailand approved ordinary shares as listed securities
27 November 2019 (a final exercise date)	CHEWA-W1	700	700	1.75	4 December 2019	16 December 2019

On 3 April 2018, the Annual General Meeting of the shareholders approved the resolution relating to share capital of the Company as the following:

1. Approved an increase in the Company's registered share capital from Baht 750,000,000 to Baht 2,307,692,307 by issuing Baht 1,557,692,307 of additional ordinary shares (1,557,692,307 shares of Baht 1 each) to support the distribution of the stock dividend, offer the new ordinary shares to its existing shareholders and reserve for the issuance of warrants. The Company registered the change of its registered share capital with the Ministry of Commerce on 26 April 2018.
2. Approved a resolution to pay a dividend from operating results of 2017 to the Company's shareholders, comprising a cash dividend and stock dividend totaling Baht 0.08547 per share, as detailed below:
  - a) A cash dividend of Baht 0.008547 per share.
  - b) A stock dividend distributed at a rate of 1 dividend share for every 13 existing shares. The dividend shall be converted as dividend payment at Baht 0.076923 per share, totaling 57,691,379 shares.

The payment of dividend have been made on 2 May 2018. The Company registered the increase in its issued and paid-up share capital as a result of the stock dividend to the Ministry of Commerce on 2 May 2018. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 7 May 2018.

3. Approved an increase in the registered capital by issuing an additional not exceed 750,000,000 ordinary shares with a par value of Baht 1 each, to be allocated to the existing shareholders proportionate to their respective shareholding (Rights Offering) at a ratio of 1 existing ordinary share exercise to 1 new ordinary share at Baht 1.15 per share. In case there are remaining ordinary shares from rights offering, it shall be allocated and offered to investors as a private placement. During 7 May 2018 to 11 May 2018, the Company offered and allocated the newly-issued ordinary shares totaling 467,335,804 shares to existing shareholders of the Company. The Company registered the increase in its issued and paid-up share capital to the Ministry of Commerce on 17 May 2018. The Stock Exchange of Thailand approved the additional ordinary shares as listed securities on 22 May 2018.

#### Reconciliation of number of ordinary shares

(Unit: Shares)		
	For the year ended 31 December	
	2019	2018
<u>Registered share capital</u>		
Number of ordinary shares as at 1 January	2,307,692,307	750,000,000
Increase in share capital during the year	-	1,557,692,307
Number of ordinary shares as at 31 December	2,307,692,307	2,307,692,307
<u>Issued and paid-up share capital</u>		
Number of ordinary shares as at 1 January	1,275,027,183	750,000,000
Increase from stock dividend	-	57,691,379
Increase in share capital during the year	-	467,335,804
Increased due to exercise of warrants	700	-
Number of ordinary shares as at 31 December	1,275,027,883	1,275,027,183

## 27. Warrants

On 28 May 2018, the Company issued free of charge warrants No.1 (CHEWA-W1) for the existing shareholders that subscribed and received the right offering of the increase share capital in a ratio of 1 warrant for every 1 subscribed share. The warrants, which are securities listed on the Stock Exchange of Thailand, was traded on 6 June 2018. Detail of warrants are as follows:

Type	: Named certificate and transferable
Term	: 1 year and 6 months from the issue date
Expiry date	: 27 November 2019
Exercise price	: Baht 1.75 per share (Subject to change under adjustment of exercise price section)
Exercise ratio	: 1 ordinary share per warrant
Exercise period	: Warrants can be exercised on 28 December 2018, 28 June 2019 and 27 November 2019

During the year, movement of the warrant of the Company are as follows:

Number of warrants outstanding as at 1 January 2019	Number of warrants issued during the year	Number of warrants exercised during the year	Number of warrants expired during the year	Number of warrants outstanding as at 31 December 2019
(Units)	(Units)	(Units)	(Units)	(Units)
467,335,804	-	(700)	(467,335,104)	-

## 28. The Employee Joint Investment Program (EJIP)

The significant details of the Employee Joint Investment Program (EJIP) 3 project are as follow:

The Company eligible under EJIP:	Chewathai Public Company Limited
The Period of EJIP:	<ul style="list-style-type: none"> <li>- Project 1: 26 January 2018 to 25 January 2022, with a total duration of 4 years.</li> <li>- Project 2: 26 December 2018 to 25 December 2022, with a total duration of 4 years.</li> <li>- Project 3: 26 December 2019 to 25 December 2023 with a total duration of 4 years.</li> </ul>

Eligible employees under EJIP:	Management level from Assistant Vice President and above who will pass the probation within 25 January 2018 for project 1, 31 December 2018 for project 2 and 31 December 2019 for project 3 on the voluntary basis; directors and advisors of the Company are not entitled for this program.
EJIP arrangement:	<p>The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate 5% of the salary of each month.</p> <p>The Company will contribute 100% of the amount contributed by EJIP participants on a monthly basis.</p>
EJIP buying schedule:	Monthly basis.
Conditions for holding the securities:	<ul style="list-style-type: none"> <li>- After 1 year period enabled to sell 20% of cumulative and contributed shares in the first year.</li> <li>- After 2 year period enabled to sell 20% of cumulative and contributed shares in the first year and 40% in the second year.</li> <li>- After 3 year period enabled to sell 20% of cumulative and contributed shares in the first year, 20% in the second year and 60% in the third year.</li> <li>- After 4 year period enable to sell 100% of the balance shares in EJIP account.</li> </ul>
EJIP program manager:	Phillip Securities Public Company Limited

On 26 January 2018, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC).

During the year 2019, the Company contributed Baht 1.81 million to the program (2018: Baht 0.95 million).

## 29. 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% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

According to the Thai Civil and Commercial Code, the subsidiary is required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the subsidiary pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment.



### 30. Revenue from contracts with customers

#### 30.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Type of goods:</b>				
Revenue from sales of houses, townhomes and home office	437,541	243,686	381,917	243,686
Revenue from sales of condominium	676,352	2,377,914	640,187	2,110,566
Total revenue from contracts with customers	1,113,893	2,621,600	1,022,104	2,354,252

#### 30.2 Revenue recognised in relation to contract balances

As at 31 December 2019, the Group recognised revenue that was included in advance received from customers at the beginning of the year amounting to Baht 10.01 million (the Company only: Baht 9.95 million).

#### 30.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2019, revenue aggregating to Baht 1,486 million (the Company only: Baht 1,429 million) is expected to be recognised in the future relating to performance obligations that are unfinished of contracts with customers. The Group expects to complete the performance obligations within 2 years.

### 31. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Purchase of land and payment of construction in progress during year	3,328	2,045	2,891	2,045
Changes in land, constructions in progress and land held for development	(2,518)	(164)	(2,157)	(356)
Salaries and wages and other employee benefits	134	137	134	137
Depreciation and amortisation	28	16	27	16
Rental expenses from operating lease agreements	14	10	14	10

## 32. 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	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Current income tax charge	-	66,493	-	58,243
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(12,750)	2,445	(13,321)	3,144
<b>Income tax expenses (revenue) reported in profit or loss</b>	<u>(12,750)</u>	<u>68,938</u>	<u>(13,321)</u>	<u>61,387</u>

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 statements		financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial loss (gain)	392	(58)	392	(58)
	<u>392</u>	<u>(58)</u>	<u>392</u>	<u>(58)</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	(67,815)	333,751	(61,875)	301,883
Applicable tax rate	0% and 20%	0% and 20%	0% and 20%	0% and 20%
Accounting profit (loss) before tax multiplied by income tax rate	(13,563)	66,750	(12,375)	60,377
Effects of:				
Change in value of investments accounted for the equity method	1,009	272	-	-
Non-deductible expenses	180	2,159	170	2,105
Additional expense deductions allowed	(252)	(753)	(252)	(753)
Items treated as revenue under the revenue code	-	422	-	422
Others	(124)	88	(864)	(764)
Total	813	2,188	(946)	1,010
Income tax expense (revenue) reported in profit or loss	(12,750)	68,938	(13,321)	61,387

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Deferred tax assets</b>				
Accumulated depreciation - sale office	1,309	-	1,309	-
Provision for long-term employee benefits	2,285	1,134	2,285	1,134
Provision for maintenance expenses	441	706	415	40
Provision for compensation for housing estate juristic persons	318	-	249	-
Unused tax loss	9,670	-	9,670	-
Total	14,023	1,840	13,928	1,174
<b>Deferred tax liabilities</b>				
Deferred costs to obtain contracts with customers	188	-	188	-
Rental income from factory	539	147	539	147
Deferred financial fees	1,621	3,132	1,621	3,132
Total	2,348	3,279	2,348	3,279

As at 31 December 2019, the subsidiaries have unused tax losses totaling Baht 19.31 million (2018: nil), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of unused tax losses.

The unused tax losses which deterred tax assets have not been recognised, amounting to Baht 19.31 million will expire by 2024.

### 33. Promotional privileges

The Company has received promotional privileges from the Board of Investment for industrial factory, pursuant to the investment promotion certificate No. 1251(2)/2557 issued on 25 February 2014 and the investment promotion certificate No. 58-2088-0-00-1-0 issued on 25 August 2015. Subject to certain imposed conditions, the privileges include the followings.

- Exemption from corporate income tax on net profit derived from the promoted operations for a period of 8 years commencing from the date the promoted operations begin generating revenues but not exceeding 100% of investments, excluding land and working capital.
- Exemption from corporate income tax on dividends paid to shareholders from the income of the promoted operations during corporate income tax exemption period.
- A fifty percent reduction of corporate income tax on net profit from the promoted operations, for a period of 5 years after the tax-exemption period ends.
- Double deduction from taxable income of transportation, electricity and water supply costs for a period of 10 years from the date of the first revenue derived from promoted operations.
- Deduction of twenty-five percent of investment related to infrastructure installation or construction. The deduction is additional to normal depreciation.
- Permission to take out or remit abroad the money in foreign currency.

The Company's operating revenues for the years ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)			
	Promoted operations		Non-promoted operations	
	2019	2018	2019	2018
Domestic sales				
• Revenue from sale of real estate	-	-	1,022,104	2,354,252
• Rental income	25,318	20,445	-	-

### 34. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) 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.

Diluted 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 issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share.

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Profit (loss) for the year (Thousand Baht)	(55,064)	264,813	(48,554)	240,496
Weighted average number of ordinary shares (Thousand shares)	1,275,027	1,100,897	1,275,027	1,100,897
Earnings (loss) per share (Baht per share)	(0.04)	0.24	(0.04)	0.22

However, there is no calculation of diluted earnings per share from warrants for the period ended 27 November 2019 (a final exercise date) since the aggregated amounts of the exercise price of warrants was higher than the average market price of the Company's ordinary shares.

### 33. 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 directors.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- Real estate business segment which is land and houses and residence condominium projects for sale.
- Rental business segment which is factory for rent.

No operating segments have been aggregated to form the above reportable operating segments.

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.

The following tables present revenue and profit information regarding the Company's and its subsidiary's operating segments for the year ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2019				
	Real estate business	Rental business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,114	25	1,139	-	1,139
Inter-segment revenue	-	-	-	-	-
Total revenues	1,114	25	1,139	-	1,139
Segment gross profit	293	12	305	-	305
Other income	15	-	15	-	15
Finance costs	(23)	-	(23)	-	(23)
Depreciation and amortisation	(14)	-	(14)	-	(14)
Interest in the profit or loss of joint ventures and associate accounted for by the equity method	(5)	-	(5)	-	(5)
Other expenses	(339)	(7)	(346)	-	(346)
<b>Segment profit (loss)</b>	<b>(73)</b>	<b>5</b>	<b>(68)</b>	<b>-</b>	<b>(68)</b>
<b>Non allocate income and expenses</b>					
Income tax revenue					13
<b>Loss for the year</b>					<b>(55)</b>



(Unit: Million Baht)

	For the year ended 31 December 2018				
	Real estate business	Rental business	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	2,622	20	2,642	-	2,642
Inter-segment revenue	-	-	-	-	-
Total revenues	2,622	20	2,642	-	2,642
Segment gross profit	783	8	791	-	791
Other income	34	-	34	-	34
Finance costs	(43)	(3)	(46)	-	(46)
Depreciation and amortisation	(4)	-	(4)	-	(4)
Interest in the profit or loss of joint ventures and associate accounted for by the equity method	(1)	-	(1)	-	(1)
Other expenses	(437)	(3)	(440)	-	(440)
<b>Segment profit</b>	332	2	334	-	334
<b>Non allocate income and expenses</b>					
Income tax expenses					(69)
<b>Profit for the year</b>					265

The following tables present total assets information regarding the Group's operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

	As at 31 December 2019				
	Real estate business	Rental business	Total reportable segments	Unallocated assets	Consolidated
<b>Segment total assets</b>	5,790	278	6,068	336	6,404
Investment in joint ventures and associate accounted for by the equity method	59	-	59	-	59
Additions to non- current assets other than financial instruments and deferred tax assets	(5)	(13)	(18)	16	(2)

(Unit: Million Baht)

	As at 31 December 2018				
	Real estate business	Rental business	Total reportable segments	Unallocated assets	Consolidated
<b>Segment total assets</b>	3,475	291	3,766	699	4,465
Investment in joint ventures and associate accounted for by the equity method	64	-	64	-	64
Additions to non- current assets other than financial instruments and deferred tax assets	23	34	57	35	92

### Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the years 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

## 36. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent and 7 percent of basic salary. The fund, which is managed by Krungsri Asset 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 4.3 million (2018: Baht 3.2 million) were recognised as expenses.

### 37. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Stock dividends for 2017	Annual General Meeting of the shareholders on 3 April 2018	57.69	0.077
Final dividends for 2017	Annual General Meeting of the shareholders on 3 April 2018	6.41	0.009
Interim dividend for 2018	Board of Directors' Meeting on 8 August 2018	63.75	0.050
Total for 2018		127.85	0.136
Final dividends for 2018	Annual General Meeting of the shareholders on 2 April 2019	44.63	0.035
Total for 2019		44.63	0.035

### 38. Commitments and contingent liabilities

#### 38.1 Capital commitments

As at 31 December 2018, the Company had capital commitments of approximately Baht 6.8 million, relating to purchase computer software (2019: Nil).

#### 38.2 Commitments for purchase of land and construction work

As at 31 December 2019 and 2018, the Company had the following outstanding commitments in respect of agreements to purchase of land and construction of projects.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Construction contracts	1,433	551	1,418	551
Agreements to purchase land for development of future projects	224	700	224	700

### 38.3 Operating lease commitments

The Group has entered into several lease agreements in respect of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2019 and 2018, the Group had commitments under these operating lease contracts as follows:

		(Unit: Million Baht)	
		Consolidated and separate financial statements	
		2019	2018
Payable:			
In up to 1 year		5	3
In over 1 and up to 5 years		5	3

### 38.4 Guarantee

As at 31 December 2019 and 2018, there were outstanding bank guarantees issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business as follows:

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Letter of guarantees for arrangement and maintenance of public utilities	307	67	286	67
Letter of guarantee to guarantee payment due to creditor	1	-	1	-

### 38.5 Litigation

1) In December 2016, individuals, as a plaintiff, sued the Company and a subsidiary, as a defendant, demanding the subsidiary to revoke their title and legal act over the land for public use purposes or to register servitude to allow the plaintiff to use the land, and to demolish the structures thereon. Subsequently, in October 2019, the Company, the subsidiary and plaintiff signed a settlement agreement to settle the dispute in relation to this case whereby the Company is to demolish the structures thereon and register servitude to allow the plaintiff to make use of the land. The Court of First Instance has rendered its judgement as per the settlement agreement. Currently, the Company has already demolished the structures thereon and the subsidiary is under the process of registering servitude.

In addition, in September and December 2017, individuals filed 2 additional lawsuits against the Company and the subsidiary, demanding compensatory damages of Baht 0.6 million. The lawsuit is currently in the judicial process. However, the management believes that there will be no material impacts to the Company and the subsidiary.

2) In October 2019, the Company was sued in a civil lawsuit, relating to allegations of breaches of agreement to purchase and to sell, for compensation of Baht 0.11 million. Currently, the case is under the process of the Court of First Instance and the mediation process. However, the management believes that there will be no material impacts to the Company.

### 39. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were disclosed fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	478	478
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	2,184	-	2,184

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	470	470
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	1,702	-	1,702

## 40. Financial instruments

### 40.1 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, trade and other receivables, loans, short-term loans and long-term loans. 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 accounts receivable, loans, and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

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

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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				Non-		
	Within	1-5	Over	Floating	interest		Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
<u>Financial Assets</u>							
Cash and cash equivalents	-	-	-	36	-	36	Note 8
Trade and other receivables	-	-	-	-	12	12	-
Loans to related parties	36	132	-	-	-	168	Note 7
Advance for construction work	-	-	-	-	19	19	-
Restricted bank deposits	-	-	-	28	-	28	Note 13
	36	132	-	64	31	263	
<u>Financial Liabilities</u>							
Bank overdrafts	-	-	-	51	-	51	Note 20
Trade and other payables	-	-	-	-	288	288	-
Retention payables	-	-	-	-	82	82	-
Long-term loans from financial institutions	-	-	-	1,979	-	1,979	Note 22
Debentures	1,694	482	-	-	-	2,176	Note 23
Deposits and advance received from customers	-	-	-	-	62	62	-
	1,694	482	-	2,030	432	4,638	

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2018						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
	(% per annum)						
<u>Financial Assets</u>							
Cash and cash equivalents	-	-	-	506	1	507	Note 8
Trade and other receivables	-	-	-	-	18	18	-
Loans to related parties	55	34	-	-	-	89	Note 7
Advance for construction work	-	-	-	-	2	2	-
Restricted bank deposits	-	-	-	20	-	20	Note 13
	<u>55</u>	<u>34</u>	<u>-</u>	<u>526</u>	<u>21</u>	<u>636</u>	
<u>Financial Liabilities</u>							
Trade and other payables	-	-	-	-	143	143	-
Retention payables	-	-	-	-	32	32	-
Long-term loans from financial institutions	-	-	-	707	-	707	Note 22
Debentures	-	1,684	-	-	-	1,684	Note 23
Deposits and advance received from customers	-	-	-	-	22	22	-
	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>707</u>	<u>197</u>	<u>2,588</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				
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	30	-	30	Note 8
Trade and other receivables	-	-	-	-	21	21	-
Loans to related parties	96	269	-	-	-	365	Note 7
Advance for construction work	-	-	-	-	19	19	-
Restricted bank deposits	-	-	-	28	-	28	Note 13
	<u>96</u>	<u>269</u>	<u>-</u>	<u>58</u>	<u>40</u>	<u>463</u>	
<b>Financial Liabilities</b>							
Bank overdrafts	-	-	-	41	-	41	Note 20
Trade and other payables	-	-	-	-	285	285	-
Retention payables	-	-	-	-	79	79	-
Long-term loans from financial institutions	-	-	-	1,979	-	1,979	Note 22
Debentures	1,694	482	-	-	-	2,176	Note 23
Deposits and advance received from customers	-	-	-	-	51	51	-
	<u>1,694</u>	<u>482</u>	<u>-</u>	<u>2,020</u>	<u>415</u>	<u>4,611</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				
<b>Financial Assets</b>							
Cash and cash equivalents	-	-	-	366	1	367	Note 8
Trade and other receivables	-	-	-	-	19	19	-
Loans to related parties	55	34	-	-	-	89	Note 7
Advance for construction work	-	-	-	-	2	2	-
Restricted bank deposits	-	-	-	20	-	20	Note 13
	<u>55</u>	<u>34</u>	<u>-</u>	<u>386</u>	<u>22</u>	<u>497</u>	
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	-	145	145	-
Retention payables	-	-	-	-	32	32	-
Long-term loans from financial institutions	-	-	-	707	-	707	Note 22
Debentures	-	1,684	-	-	-	1,684	Note 23
Deposits and advance received from customers	-	-	-	-	22	22	-
	<u>-</u>	<u>1,684</u>	<u>-</u>	<u>707</u>	<u>199</u>	<u>2,590</u>	

### **Foreign currency risk**

As at 31 December 2019 and 2018, the Group has no balances of financial assets and liabilities denominated in foreign currency.

### **40.2 Fair values of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The carrying value and estimated fair value of long-term financial liabilities as at 31 December 2019 and 2018 are presented below.

	(Unit: Million Baht)			
	Consolidated and separate financial statements			
	As at 31 December 2019		As at 31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Debentures	2,185	2,184	1,699	1,702

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

During the current year, there were no transfers within the fair value hierarchy.

#### 41. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 2.7:1 (2018: 1.4:1) and the Company's was 2.8:1 (2018: 1.5:1).

#### 42. Subsequent events after reporting period

42.1 On 15 January 2020, the Company issued unsubordinated, unsecured and with representation debenture as follow:

No.	Interest rate per annum	Age	Repayment	Maturity	Number of debenture (shares)	Amount (Thousand Baht)
1/2020	Fixed rate 6.75	2 years	At maturity	15 January 2022	379,200	379,200

On 15 January 2020, the Company received Baht 379.20 million on this issued debenture.

42.1 On 6 January 2020, the Company entered into a loan agreement amounting to Baht 300 million with a financial institution. The Company has mortgaged the project's land as collateral against the credit facilities received from financial institution. The loan is repayable within December 2021.

#### 43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 14 February 2020.








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