

Section 1 *Overview of Business*

1. Policy and Overview of Business

1.1 Vision and Business Strategy

Pace Development Corporation Public Company Limited (PACE) is a leader in Thai luxury property. With core strengths in understanding the high-end consumer, PACE delivers innovation using world-class design and standards, enhancing people's lives by introducing new trends to the market in the most sought-after locations.

The Company works with leading global suppliers and partners in both luxury property development and gourmet food & beverage businesses, creating award-winning luxury property and hospitality. Ownership of gourmet food and beverage brand DEAN & DELUCA is a platform for expansion globally, providing another recurring stream of revenue for PACE.

Vision

PACE's vision is to be a leader in premium quality lifestyles through creating design-driven properties, hospitality, and retail concepts in the world's most sought-after locations. Through architectural leadership, PACE provides world-class design and premium quality, introducing new trends, improving the landscape and enhancing people's lives. PACE creates a full range of lifestyle property developments which will continue to meet the needs of our clients, both today and in the future. PACE delivers innovation in the retail market with a strategy to build a portfolio of global food & beverage brands, including ownership of the global brand DEAN & DELUCA. Our dedicated team provides the highest levels of service, and contributes in a positive way to the communities in which we do business.

Our Mission

- Creating the finest luxury property, hospitality and retail using world-class design
- Innovating and introducing new market-leading concepts through understanding our customers' needs and lifestyles both for today and the future
- Consistently delivering the highest standards of quality, architecture, locations and service
- Building a dedicated team and network who make a positive social contribution, enhancing the landscape and places where we do business
- Embedding the sustainability mindset in business objectives and daily operations

Business Strategy

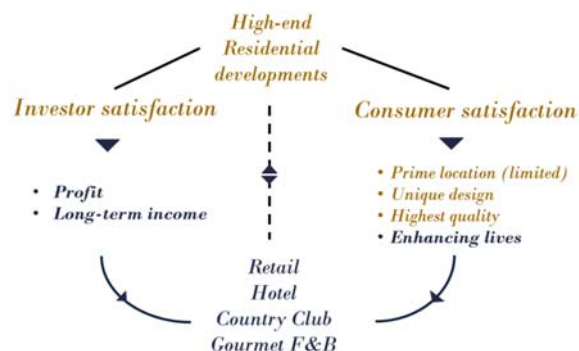
PACE specializes in serving the needs of our high-end client base through active engagement and consumer insights which enable the Company to be a leader in property development, hospitality and retail. The business strategy of PACE features the following categories:

- **High-end residential development**

PACE's core value in real estate development focuses on delivering high quality, providing innovative market leading properties which provide outstanding functionality and practicality in prime locations. Using world-class design, each development features finest specifications and well controlled execution, resulting in premium standards which have gained trust and credibility from customers and shareholders. As a result, PACE properties remain highly sought after, and are able to command higher prices than other high-end developments at comparable locations.

- **Lifestyle businesses that generate recurring income**

PACE integrates lifestyle elements into its property development business, not only to enhance the quality of life for residents, but also to add recurring income streams to strengthen shareholder and investor trust. These include hospitality and retail operations. In addition, PACE is the owner of New York's iconic food and beverage retail brand DEAN & DELUCA.

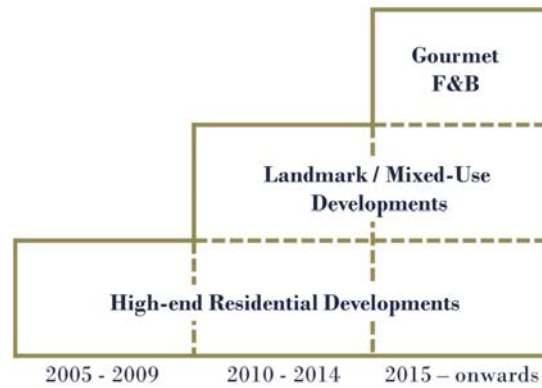


The diagram of PACE's business strategy

The gourmet F&B business arm reflects the synergy of lifestyle and property. As a property developer, the ownership of DEAN & DELUCA utilizes the Company's existing knowledge of the high-end sector combined with strengths in construction and execution for expansion of the brand, while enabling greater consumer insights through wider market appeal on a global level. This knowledge enhances PACE's ability to expand abroad as well as bring new trends from around the globe into the Thai real estate market.

The change of strategy to turnaround the food & beverage business via the franchising model with global renowned partners shall prove to generate positive cash flow to the Company and ultimately to the shareholders in 2019 and the future.

PACE's business direction is illustrated as steps of business development in the chart below:



PACE's stages of development

1.2 Significant Changes and Development

Pace Development Corporation Public Company Limited ("the Company") has its main business in the high-end real estate development, lifestyle business, and gourmet food and beverage retail worldwide under the "DEAN & DELUCA" brand, where it became the owner of the stores in the U.S.A. and Thailand, and co-owner of the stores in Japan in a joint venture agreement. As of December 31st, 2018, the Company's registered capital and paid up capital is THB 12,039 million. The Company has its head office situated at 87/2 CRC Tower, All Seasons Place, 45th Floor unit 4, Wireless Road, Lumpini, Pathumwan, Bangkok

The Company was founded on September 1st, 2003, under the name "Cinkara Company Limited" with fully paid capital of THB 2 million and on November 6th, 2003, Mr. Sorapoj Techakraisri purchased the shares and the Company increased its registered capital to fully paid THB 10 million in order to engage in the real estate development business sector.

Year	Significant changes within the year
2003	Founded Cinkara Company Limited.
2004	Commenced development of "Ficus Lane".
2007 -	Founded YLP Company Limited to develop a condominium under the name "Saladaeng Residences".
2008	Founded Pace Project One Company Limited ("Pace One"), founded Pace Project Two Company Limited ("Pace Two"), founded Pace Project Three ("Pace Three") to develop the mixed-use MahaNakhon project, and founded Pace Real Estate Company Limited ("PRE") as a holding company to hold shares in Pace One, Pace Two and Pace Three.
2011	The Company restructured the ownership portions within the group to prepare for listing in the Stock Exchange of Thailand (SET). The Company completed the process of converting into a public company by increasing its capital increase to THB 600 million for public offering. The Company changed the name to Pace Development Corporation Public Company Limited (PACE).
2013	The Company launched MahaSamutr project, a luxury mixed-use development in Hua Hin with Thailand's first private Country Club and Villas. The Company is listed in the Stock Exchange of Thailand (SET) with a registered capital of THB 2,054.3 million. The Company bought shares and shareholder loans of the jointly controlled entities from IBC Thailand and IDJ Holdings

	Co., Ltd., resulting in PRE, Pace One, Pace Two and Pace Three becoming subsidiaries of the Company with the ownership proportions (direct and indirect) of approximately 68%.
	The Company commenced construction of MahaSamutr Development, Hua Hin.
2014	The Company bought land and successfully changed the proprietary right in MahaNakhon from leasehold to freehold.
	Founded Pace Country Club Co., Ltd. and Pace Food Retail Co., Ltd.
	Acquired DEAN & DELUCA, the world's iconic gourmet food and beverages brand valued USD 140 million.
2015	Officially launched Nimit Langsuan project.
	Purchased the rest of the shares of Pace One, Pace Two, Pace Three, and PRE from IBC Thailand and IDJ Holdings Co., Ltd.
	Allocated ordinary shares for private placement totally 542.7 million shares as consideration to IBC Thailand Ltd. and IDJ Holding Co., Ltd. at the offering price of THB 3.39 per share.
	Acquired ordinary shares and assignment of the rights to receive a repayment of the outstanding shareholder loan of Dean and DeLuca (Thailand) Company Limited ("D&D Thailand") from Mr. Sorapoj Techakraisri with total consideration of THB 240 million by issuing 64,690,027 new ordinary shares at an offer price of THB 3.71 per share in order to repay to Mr. Sorapoj Techakraisri.
	Increased the capital by issuing newly ordinary shares by Rights Offering in an amount of not exceeding 600 million shares with the par value of THB 1 per share.
	Construction loan received from a Thailand's Financial institution for a development of a project on Naradhiwas road with the total amount of THB 1,090 million.
2016	Launched MahaSamutr Villa & Country Club Project under the theme of "The Sound of MahaSamutr", including "MahaSamutr Villas", the luxury freehold villas, and "MahaSamutr Country Club" surrounded by MahaSamutr Lagoon - Asia's largest man-made lagoon.
	Established a joint venture company "Dean & DeLuca Cafe Japan Co., Ltd."
	Founded Pace Management Co., Ltd, as subsidiary
	Commenced the construction for a new super luxury development "Nimit Langsuan" on Langsuan Road.
	Founded 2 new subsidiaries namely D&D Mount Limited and D&D Fourteen Limited.
	Received loans from Thailand's Financial Institution for expanding DEAN & DELUCA with the total amount of THB 1,100 million.
	Allocated newly-issued ordinary shares to a specific investor (Private placement), in the amount of 176.3 million shares at THB 3.00 per share to Bell Investments Limited and Asension Trading Limited in exchange for the land in Niseko Sub-district, Hokkaido Prefecture, Japan, instead of cash payment.
	Allocated the newly-issued ordinary shares to international investors (Private placement) in the amount of 320 million shares at the offering price of THB 3.00 per share in the total amount of THB 960 million.
	Grand opening "MahaNakhon" Project under the theme of "MahaNakhon Bangkok Rising: The Night Of Lights", officially Thailand's tallest building at 314 meters and 77 storeys.
	Founded Dean & DeLuca Small Format Lq. LLC, a subsidiary of Dean & DeLuca Inc.
2017	Founded Dean & DeLuca Airport Company Limited, as subsidiary
	Received the total investment of THB 8,441.2 million from Apollo Asia Sprint Holding Company Limited, Goldman Sachs Investments Holdings (Asia) Limited, and Mercer Investments (Singapore) Pte. Ltd. by issuing ordinary shares of the Company's two subsidiaries namely Pace Project One Company Limited ("Pace One") and Pace Project Three

2018

Company Limited ("Pace Three") totaling of THB 7,783.2 million in the form of equity, and received THB 658 million in the form of loan, in relation to the development and completion of the MahaNakhon project.

Allocated ordinary shares to existing shareholders (Rights offering) totally 7,516,056,394 shares and allocated warrant No.1 and No.2 of the Company, in the amount up to 1,503,211,278 units and 2,505,352,131 units respectively. Also allocated newly issued shares to specific investors (Private Placement) in the amount up to 1,500,000,000 shares.

Allocated newly-issued ordinary shares to a specific investor (Private placement), namely The Siam Commercial Bank Public Company Limited in the amount of 400,000,000 shares at the offering price of THB 0.51 per share.

Approved the Company to purchase shares in Pace One and Pace Three, in the proportion of 49.00 percent and 48.72 percent of the total shares of each of the companies, respectively from Apollo Asia Sprint Company Limited and Goldman Sachs Investments Holdings (Asia) Limited. The total amount of the purchase is, not exceeding, USD 320 million or, not exceeding, THB 10,000 million.

Disposed of the assets of the total value of THB 14,000 million to King Power Mahanakhon Company Limited which is not a connected person of the company. This comprises disposition of assets in Pace One and Pace Three in the amount of THB 12,800 million and business procurement compensation for seeking purchasers, negotiating with relevant parties including managing and implementing the completion of the disposal of asset in the amount of not exceeding THB 1,200 million.

Restructured the shareholding of a subsidiary whereby Dean & DeLuca Asia (Thailand) Company Limited ("DDAT"), which is a subsidiary of the Company (indirectly held 100% by the Company, acquired the shares in Dean & DeLuca Airport Company Limited ("DDAP") from other shareholders. This transaction resulted in DDAT to be a shareholder of DDAP with the proportion of 100%.

Dissolved and liquidated PACE Creative Agency Company Limited.

Founded 3 subsidiaries as follows:

- 1) DEAN & DELUCA ASIA (SINGAPORE) PTE.LTD. in Singapore
- 2) Dean & DeLuca Consumer China (HK) Co., Limited in Hong Kong Special Administrative Region of the People's Republic of China
- 3) Dean & DeLuca China (HK) Co., Limited in Hong Kong Special Administrative Region of the People's Republic of China

Entered into the Framework Agreement on Franchise with Kinghill Overseas Holding Limited, which is a subsidiary of Charoen Pokphand Group with respect to DEAN & DELUCA Business in the People's Republic of China. Executed the Master Franchise Agreement with NPPG (Thailand) Public Company Limited to grant an exclusive franchise right in Thailand.

Allocated newly-issued ordinary shares to a specific investor (Private placement), namely Asia Alpha Equity Fund 2 in the amount of 500,000,000 shares at the offering price of THB 0.58 per share.

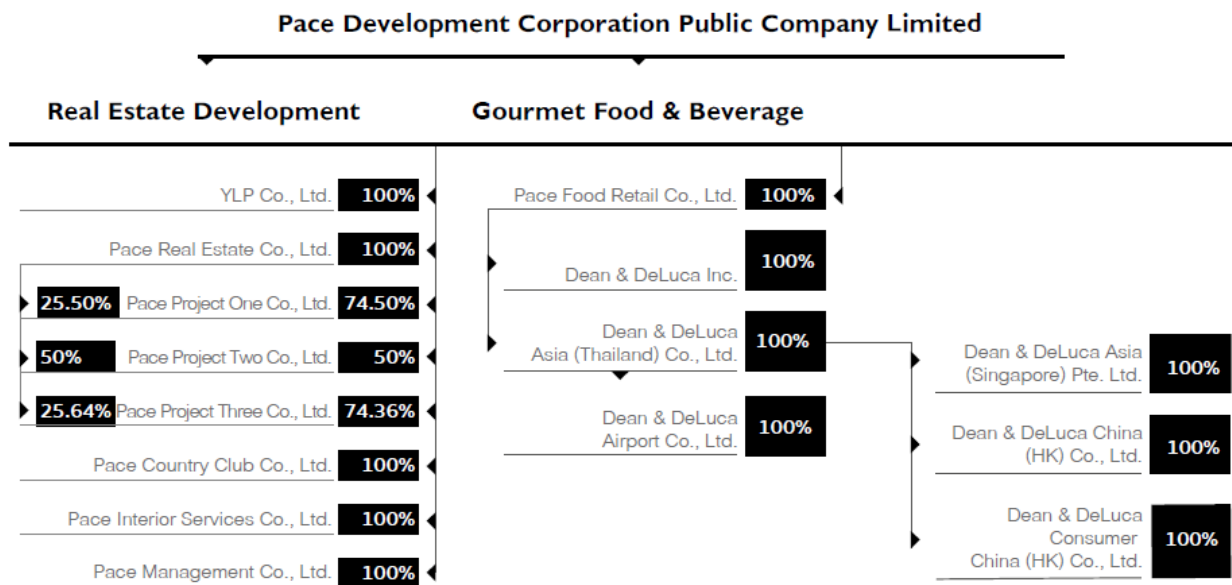
Approved Dean & DeLuca Asia (Thailand) Company Limited ("DDAT") to conduct the entire business transfer from Dean & DeLuca Airport Company Limited ("DDAP").

Entered into the Agreement with Lagardere Travel Retail, a pioneering global leader in the travel retail industry including duty free shop and retail stores in airports, train stations and travel hub. The Agreement grants Lagardere the exclusive rights to act as the franchisee for opening and operational managing of DEAN & DELUCA stores in retail area in airports around the world with targeting the expansion of 150 stores in 5 years.

1.3 Overview of Business of the Company and subsidiaries

The Company was founded on September 1st, 2003, under the name “Cinkara Company Limited”, and started its real estate development business by launching the first project called “Ficus Lane”. With a passion for leadership in high-end property development, the Company has continually expanded its development business and client base. Recently, the Company has entered into the retail food and beverage business, a new line of business featuring “DEAN & DELUCA”, an iconic global food and beverage brand. As a result, the Company currently generates revenue primarily from real estate development and the gourmet food and beverage business. As of February 28th, 2019, the Company has 37 subsidiaries and 1 joint venture company which can be categorized into the following business lines as follows below:

The Organization Structure of the Company and subsidiaries



* Information as of 28 February 2019

Name of the company	Business	Type of Business	Proportion of Shareholder (%)
Pace Development Corporation Public Company Limited	Property Development and management, and manage its subsidiaries	Develop real estate projects such as MahaSamutr Villas, Nimit Langsuan, etc.	-
YLP Co., Ltd.	Property development and management	Develop real estate projects such as Saladaeng Residences and Windshell Naradhiwas on Naradhiwas-Rajanakarin Road, which is expected to be launched in 2019	100
Pace Real Estate Co., Ltd.	Property development and management	A holding company to hold shares in MahaNakhon project	100
Pace Project One Co., Ltd.	Hotel	Develop luxury boutique hotel	74.50+25.50 ¹⁾ *
Pace Project Two Co., Ltd.	Property development and management	Develop super-luxury residences under the internationally recognizable brand "The Ritz-Carlton Residences, Bangkok"	50 + 50
Pace Project Three Co., Ltd.	Lifestyle retail	Develop lifestyle retail	74.36+25.64 ¹⁾ *
Pace Country Club Co., Ltd.	Property Development and management	Develop and manage a luxury real estate project "MahaSamutr Country Club in Hua Hin"	100
Pace Food Retail Co., Ltd.	Gourmet food & beverages	A holding company to hold shares in gourmet food and beverage business under brand Dean & DeLuca in U.S.A. and Thailand	100
Pace Interior Services Co., Ltd.	Design and interior design	Provide services of design and interior design to support PACE businesses	100
Pace Management Co., Ltd.	Property development and management	Provide services for property development management of housing estates and condominiums	99.97
Dean & DeLuca Asia (Thailand) Co., Ltd.	Gourmet food & beverages	Operate gourmet food and beverage business, premium supermarket under brand "Dean & DeLuca" in Thailand	100
Dean & DeLuca Inc.	Premium supermarket, and Food and Beverages	Operate premium supermarket, and provide gourmet food and beverage brand "DEAN & DELUCA" worldwide, as the owner of the store in the U.S.A.	100 ²⁾ *
Dean & DeLuca Airport Co., Ltd.	Gourmet food & beverages	Operate gourmet food and beverage business, premium supermarket under brand "Dean & DeLuca" in airports	100 ³⁾ *

Remark:

¹⁾ Proportion of share held (Indirect) by Pace Real Estate Co., Ltd.

²⁾ Dean and DeLuca Inc., (Registered in the U.S.) shares held (indirect) by Pace Food Retail Co., Ltd. with the proportion of 100% in 2018 which is the same type of business namely gourmet food and beverages, totaling of 23 subsidiaries and 1 affiliate (joint venture): Dean & DeLuca, Inc., Dean & DeLuca Brands, Inc., Dean & DeLuca Marketing, LLC, Dean & DeLuca Atlanta, LLC, Dean & DeLuca Markets, LLC, D&D Cafes of NC, LLC, Dean & DeLuca Georgetown, Inc., Dean & DeLuca Imports, Inc., Dean & DeLuca Call Center, Inc., Dean & DeLuca New York, Inc., Dean & DeLuca Espresso, Inc., Dean & DeLuca Madison Avenue, Inc., Gaetano & Barteau, Inc., Dean & DeLuca International, LLC, Dean & DeLuca Brands Hawaii, LLC, Dean & DeLuca, Incorporated, Dean & DeLuca Espresso D.C., Inc. Dean & DeLuca Productions, LLC., Dean & DeLuca Small Format, LLC, Dean & DeLuca Small Format, Lq. LLC, Dean & DeLuca Fourteen Ltd., Dean & DeLuca Mount Ltd., Dean & DeLuca Consumer Brands Inc., Dean & DeLuca Cafe Japan Co., Ltd. (joint venture).

³⁾ Dean and DeLuca Airport Co., Ltd. shares held (indirect) by Dean and DeLuca Asia (Thailand) Co., Ltd. with the proportion of 100%

As of December 31st, 2018, the Company and its subsidiaries have developed real estate projects that are currently under construction and in selling process totaling 3 projects, (1) MahaSamutr, (2) Nimit Langsuan, and (3) Windshell Naradhiwas projects.

In addition, the Company operates the world's iconic gourmet food and beverage brand called "DEAN & DELUCA". As of December 31st, 2018, the Company owns 6 stores in the U.S.A., 12 stores in Thailand, and owns 24 stores only cafe format in Japan, registered within a joint venture company "Dean & DeLuca Cafe Japan Co., Ltd." with a Japanese partner. Moreover, the Company also operates the licensing agreements in 37 stores outside the U.S.A namely in Japan (market format), Singapore, South Korea, Philippines, Hong Kong, Kuwait, United Arab Emirates (UAE), Hawaii (U.S.A.), Macao, Bahrain and Malaysia.

1.4 The relationship between the business and major shareholder (If any)

The Company has no significant relationship or relevance to the business operation of a major shareholder.

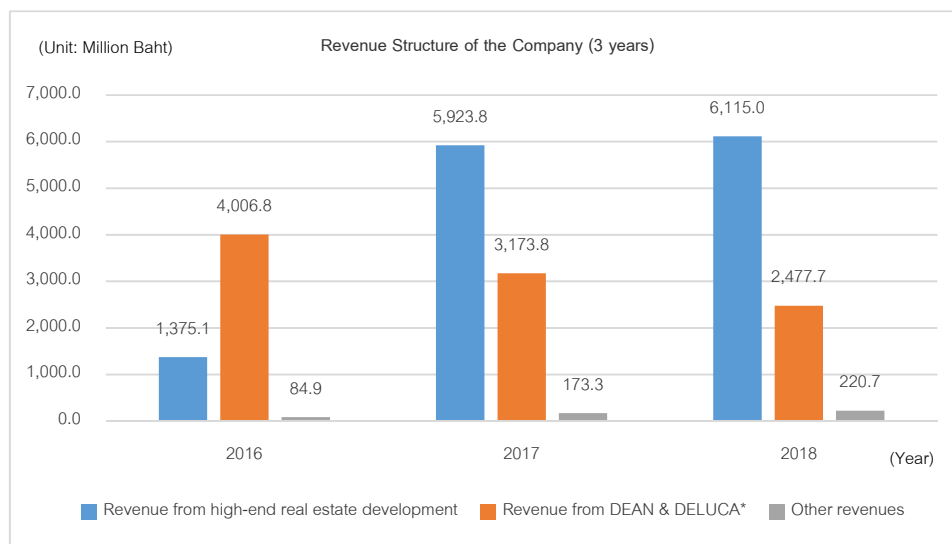
2. Operation of Business

2.1 Characteristics of Products and Services

The Company and subsidiaries generate revenues primarily from real estate development for sale, as well as the gourmet food and beverage business, summarized for the last 3 years below:

(Unit: million Baht)

Business	Operated by	% of the Company's Shareholders	2016		2017		2018	
			Revenue	%	Revenue	%	Revenue	%
Revenue from high-end real estate development	The Company and subsidiaries	100	1,375.1	25.1	5,923.8	63.9	6,115.0	69.4
Revenue from DEAN & DELUCA	Subsidiaries	100	4,006.8	73.3	3,173.8	34.2	2,477.7	28.1
Other revenues	The Company and subsidiaries	100	84.9	1.6	173.3	1.9	220.7	2.5
Total revenues			5,466.8	100.0	9,270.9	100.0	8,813.4	100.0



In 2018, the Company generated revenue from sales and transfer of residential condominium units of the MahaNakhon project's "The Ritz-Carlton Residences, Bangkok" and MahaSamutr Villas project in Hua Hin; totaling 6,115.0 million Baht, or an increase of 3% as compared with the revenue from sales and transfer of residential condominium units in 2017 of 5,923.8 million Baht. The significant increase was mainly due to the ability to continually transfer The Ritz-Carlton Residences, Bangkok in which has begun since the second quarter of 2016. A total amount of 4,527.5 million Baht has been recognized in the second quarter of 2018 or 74.0% of the total revenue from high end real estate development in 2018.

The revenue from the Food and Beverage business "DEAN & DELUCA" is 2,477.7 million Baht, which decreased 22.0% as compared with the year 2017, which had recorded a revenue of 3,173.8 million Baht. This was mainly due to a reduction of four stores from a total of ten stores in 2017.

In 2018, other income increases of 47.4 million Baht or 27% as compared to the year 2017 with the amount of 173.3 million Baht. This is from an increase in interest income due to the reversal of allowance for doubtful account of interest receivable to recognize as interest income in this year.

The Company and its subsidiaries had 3 completed developments: Ficus Lane project, Saladaeng Residences project and MahaNakhon project. As of December 31st, 2018, the Company and its subsidiaries have 3 on-going developments: MahaSamutr, Nimit Langsuan, as well as Windshell Naradhiwas projects. The summary of all the projects are as follows:

Project	Location	Type of project	No. of units	Sale area (sq.m.)	Project value for sale (million Baht)	Recognizable Portion (%)	Construction Period
<u>Completed Projects:</u>							
1. Ficus Lane	Sukhumvit 44/1 Road	Condominium	70 residences	12,109.8	900	100	2004 – 2006
2. Saladaeng Residences	Saladaeng Soi 1, Silom Road	Condominium	132 residences	13,087.9	2,310	100	2008 – 2011
3. MahaNakhon** The Ritz-Carlton Residences	Naradhiwas-Rajanakarin Road	Super luxury residences	209 residences	47,725.44	15,000	99*	2011 - 2018
<u>Developing Projects:</u>							
1. MahaSamutr	Soi 112 Hua-Hin District, Prachuabkhirikhan Province	Luxury resort-style villas and private club					2013 – 2018 (some parts to be finished in 2016)
1.1 Luxury Villa		Luxury resort-style villas	80 villas	-	4,000	16*	2013 – 2018
1.2 Country Club		Luxurious Country Club	-	-	-	-	2013 – 2019
2. Nimit Langsuan	Langsuan Road	Super luxury condominium	176 residences	25,325	8,000	94*	2016 – 2019
3. Windshell Naradhiwas	Naradhiwas-Rajanakarin Road	High-rise Residence	36 residences	18,538	3,000	27*	2016 – 2019

Remark: * means % of total unit sold.

**MahaNakhon Project has completed construction in 2018 and will completely recognize revenue in 2019.

The main target group for the Company's real estate development is high purchasing power Thais and foreigners seeking leading quality, prime locations and design-driven functionality. Given this respect, the Company considers and sets the selling price per square meter appropriate for each project based on location and project concept.

The target audience for gourmet food and beverage business under DEAN & DELUCA brand are quality conscious consumers wanting premium gourmet food and beverages as well as a fine range of specialty items including artisanal packaged foods, confectionery, culinary ingredients, homeware products and kitchen utensils. DEAN & DELUCA is operated by the Company under 6 subsidiaries, and 1 joint venture company:




Subsidiaries	by	Type of Business	Started since
1. Dean & DeLuca Inc. (U.S.A.)	Company	Premium supermarket and gourmet food and beverage in the U.S.A.	December 2014 (since acquired)
2. Dean & DeLuca Asia (Thailand) Co., Ltd.	Company	Gourmet food and beverage restaurant/cafe including premium gourmet market in Thailand including 2 stores in Suvarnabhumi Airport	April 2015 (since acquired) January & August 2017 for Suvarnabhumi Airport
3. Dean & DeLuca Cafe Japan Co., Ltd.	Dean & DeLuca Japan Co., Ltd. (DDJ) (50%)	Premium supermarket and gourmet food and beverage in Japan	March 2016 (since the joint venture agreement)
4. Dean & DeLuca Airport Co., Ltd.	Shareholding by Dean & DeLuca Asia (Thailand) Co., Ltd. (100%)	In the process of liquidation with the Revenue Department after entire business transfer to Dean & DeLuca Asia (Thailand) Co., Ltd.	January 2017 (since registered a subsidiary)
5. DEAN & DELUCA ASIA (SINGAPORE) PTE. LTD.	Dean & DeLuca Asia (Thailand) Co., Ltd. (100%)	Hold Asia and Pacific master franchise license and operate regionally	August 2018
6. Dean & DeLuca China (HK) Co., Limited	Dean & DeLuca Asia (Thailand) Co., Ltd. (100%)	A franchise business holding the master franchise of market and cafes in China	August 2018
7. Dean & DeLuca Consumer China (HK) Co., Limited	Dean & DeLuca Asia (Thailand) Co., Ltd. (100%)	A franchise business holding the franchise of consumer products in China	August 2018

Summary of DEAN & DeLuca Store in Thailand in 2018

Location	Type of Store	Store size (SQ.M.)	Established	Number of Seat
MAHANAKHON CUBE (Previously as MAHANAKHON SALE GALLERY)	Flagship Restaurant – Cafe and Market.	969	2010	140
PARK VENTURE	Cafe	156	2011	72
SATHORN SQUARE	Cafe	79	2011	32

CENTRAL EMBASSY	Restaurant – Cafe	290	2014	74
EMQUARTIER	Restaurant – Cafe	231	2015	66
THE CRYSTAL	Restaurant – Cafe	236	2016	78
ALL SEASONS PLACE	Cafe	92	2016	37
FYI BUILDING	Cafe	84	2016	24
SUVARNABHUMI AIRPORT 1	Cafe with Pizza	178	2017	90
SILOM SOI1	Cafe with Pizza	290	2017	89
SUVARNABHUMI AIRPORT 2	Cafe	78	2017	33
Khao Yai	Pop up Food Truck	120	2017	100

The completed real estate developments are Ficus Lane, which is the Company's first residential condominium project, Saladaeng Residences project and MahaNakhon project. The details of which are as follows:

Details of the Project (As of December 31 st , 2018)			
	Ficus Lane 	Saladaeng Residences 	MahaNakhon 
Location	Soi Sukhumvit 44/1 (Pichaisawat), Sukhumvit Road, Klong-Toei district, Bangkok	Soi Saladaeng 1, Silom Road, Silom sub-district, Bang-Rak district, Bangkok	Naradhiwas-Rajanakar Road, Bangrak District, Bangkok
Project area	2-3-57 Rai (1,157 sq.w.)	584 sq.w.	9 Rai 1 Ngan 51.1 sq.w.
Project details	Two 7-storey residential buildings with 7 floors above ground and 1 floor below ground	One residential building with 25 floors above ground and 5 floors below ground	The Ritz-Carlton Residences, Bangkok (23 – 73/F). A super-luxury residential development under an internationally recognizable brand
No. of unit	70 residences	132 residences	209 residences
Project value for sale	Approx. 900 million Baht	Approx. 2,310 million Baht	Approx. 15,000 million Baht
Year of completion	2006	2011	2018
Recognizable portion	100%	100.0%	99%

Presently, the Company is developing and selling high-end projects being MahaSamutr, Nimit Langsuan, and Windshell Naradhiwas. The details of all projects are as follows:

MahaSamutr Project



Situated in an upper market beach resort town, MahaSamutr Hua Hin consists of luxury resort-style villas and a luxurious private members' Country Club set around Asia's largest man-made clear water lagoon and beach. The development provides an exclusive, private environment with a secluded elegant atmosphere, suitable for holidays, relaxation, family gatherings and recreational activities. The 800-meter-long lagoon, situated on the 72,000-sq.m. lot, is visible and directly accessible from all villas, providing fun activities, such as swimming, paddle-boarding, diving, and other water sports. Using the latest technology from leading global company Crystal Lagoons Corporation, the color and the quality of the water is tested and carefully monitored to ensure the highest standards of cleanliness, while also minimizing impact on the environment reservation and using energy saving measures.

Details of the Project (As of December 31st, 2018)

Location	Soi 112 Hua-Hin District, Prachuabkhirikhan Province
Project area	Approximately 129 Rai 3 Ngan 17.3 sq. w.
No. of villas	80 luxury Villas
Sales price	Approx. 50 million Baht / Villa
Project details	Residential units: MahaSamutr Villas Country Club: Hua Hin Country Club, managed by PACE and supported by ILC (for members and residents) Beach Club: MahaSamutr Beach Club, managed by PACE and supported by ILC (for residents)
Project value for sale*	Approx. 4,000 million Baht (Villa component only)
Construction period	Construction Q3 2013 – 2018
Sales period	Sales office and official sales commence in Q2 2016
Project features	800-meter-long man-made lagoon (total area 72,000 sq.m.); artificial beach; gated secure community
Progress on construction (as of December 31 st , 2018)	100% completed villa, and it's currently under construction and decoration of the country club which is about 77% completed, and the sport club is about 91% completed.

Nimit Langsuan Project



NIMIT Langsuan, a super-luxury 54-storey residential freehold development, centrally located on Langsuan Road and within walking distance to Lumpini Park. Designed and built to the highest international standards, the tower is seemingly made entirely of amber glass, a result of the state-of-the-art facade to create a timeless and elegant architectural statement. NIMIT Langsuan features homes, ranging from 77 - 640 square meters and offering two - four bedrooms layouts, with views overlooking Lumpini Park, Royal Bangkok Sports Club, Langsuan Village and Chidlom. Residents enjoy a wide range of facilities with the lush garden entrance providing a unique greeting upon arrival.

Details of the Project (As of December 31st, 2018)

Location	Langsuan Road
Project area	Approx. 2 Rai 2 Ngan 40.2 sq. w.
Sales area	Approx. 25,325 sq.m.
Sales price	Approx. 320,000 Baht / sq.m.
Project details	A super luxury residential building with 54 floors, not exceeding 176 residences
Project value for sale	Approx. 8,000 million Baht
Construction period	2016 – 2019
Project features	<ul style="list-style-type: none"> • Lush Garden – Ground floor • Amenities 10th floor • Parking 100%
Progress on construction (as of December 31 st , 2018)	The core structure reached Level 41 and facade installation progresses as planned

Windshell Naradhiwas Project

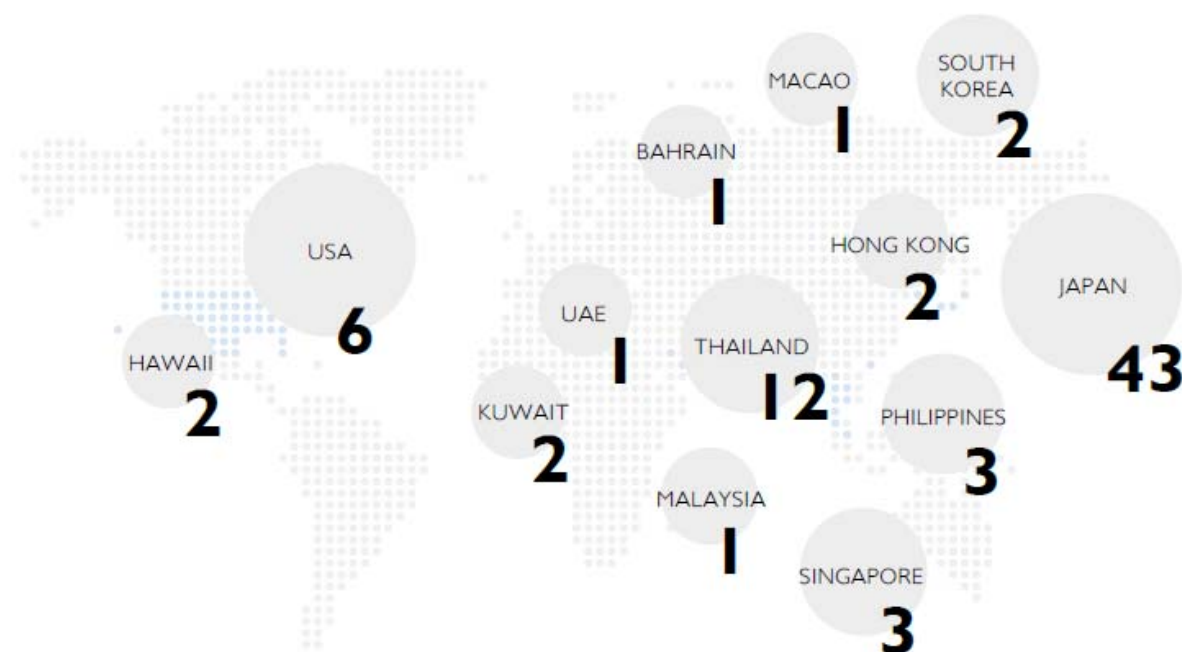
WINDSHELL NARADHIWAS

Windshell Naradhiwas is a high-rise residential project with the concept of a tropical stacking home for urban living. Combining the best elements of a house and a condominium for a tropical home in the sky, it provides space, volume, and natural cross-ventilation, featuring both indoor and outdoor living with options of a 455 or 564 square meter duplex. Maximizing privacy, the project has only 36 units, with 2 units per floor and separate lifts. The cross-ventilation design enables natural air flow. Moreover, the project offers customization of interior styles by the sale of bare shell units.

Details of the Project (As of December 31st, 2018)

Location	On Naradhiwas-Rajanakarin Road
Project area	2 Rai 87.4 sq.w.
Sales price	Starting from 180,000 Baht / sq.m.
Project details	Condominium with 28 floors and 36 residential units
Size	2 sizes : Small 455 sq.m. and Large 564 sq.m. with options of combining spaces horizontally and vertically of 3,000 sqm.
Project value for sale	Approx. 3,000 million Baht
Construction period	2016-2019
Project features	Floor 1 Lobby and Garden Floors 2-9 Car park Floors 10-27 Residences Floor 28 Swimming pool, kids' pool, steam room, communal kitchen, multi-purpose room, fitness, garden, common living area
Progress on construction (as of December 31 st , 2018)	The column and sheer wall at Level 28 is on process.

The map below shows the locations of DEAN & DELUCA stores worldwide:



As of December 31st, 2018, the Company owns 6 stores in the forms of cafe and markets in the United States, 12 stores in the forms of cafe and markets in Thailand, and owns 24 stores only cafe format in Japan, registered within a joint venture company “Dean & DeLuca Cafe Japan Co., Ltd.” with a Japanese partner. Moreover, the Company also operates the licensing agreements in 37 stores outside the US namely in Japan (market format), Singapore, South Korea, The Philippines, Kuwait, United Arab Emirates (UAE), Hawaii (United States), Macao, Bahrain, Hong Kong and Malaysia. As at the year end 2018 the total number of DEAN & DELUCA stores worldwide is 79. The company plans to continue to expand the number of stores both in Thailand and other countries directly, as well as continuing to sell licenses and the trade name to its licensees.

2.2 Marketing and Competition

2.2.1 Competitive Strategy and Product Distribution

Real Estate Development Business

PACE and its subsidiaries focus on high-end residential development and hospitality as its key segments. The “Zero Defect” policy provides strict real estate development quality control measures combined with innovation, dedication and leadership in design, to match the needs of high-end consumers.

The Company sets pricing based on market conditions comparable to other competitors in the same industry with premiums for innovative designs, prime locations, high standards of facilities, services integration and mixed-use

convenience where possible. Through service and quality delivered to its customers, the Company has also built brand loyalty which enables a further premium in pricing for each property.

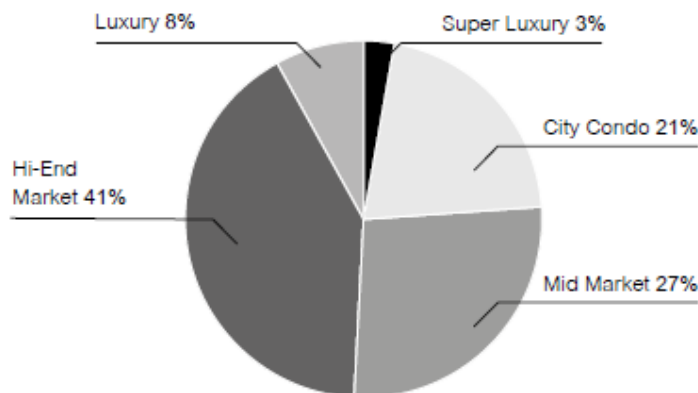
2.2.2 Market Conditions and Competition

Real Estate Development Business

According to Nexus Property Marketing research, condominium market continued to grow in 2018 which the number of new condominium supply were 60,900 units from 138 projects. Top 3 locations where the highest number of condominium supply increases are: 1. Phayathai, Ratchadaphisek and Phaholyothin with 21,100 units or 35%; 2. Phra Khanong and Suan Luang with 13,500 units or 22%; 3. Thon Buri— Petchakasem with 8,500 units or 14%. The new supplies in these 3 locations accounted for 65-70% of the total number of new condominiums launched in Bangkok for the past 5 years. Reasons are these locations are near BTS Skytrain stations and there are still available lands to buy for developing new projects.

41% of the new condominium supply derives from high-end segment with average price from 110,000 to 190,000 Baht per sq.m., 27% from middle segment with average price from 75,000 – 110,000 Baht per sq.m. and 21% from city condominium segment with average price lower than 75,000 Baht. The reason that selling price was not relevant to citizens income was because the land price had increased, therefore, property developers needed to develop higher price projects.

CLASSIFICATION OF CONDOMINIUM BY SEGMENT

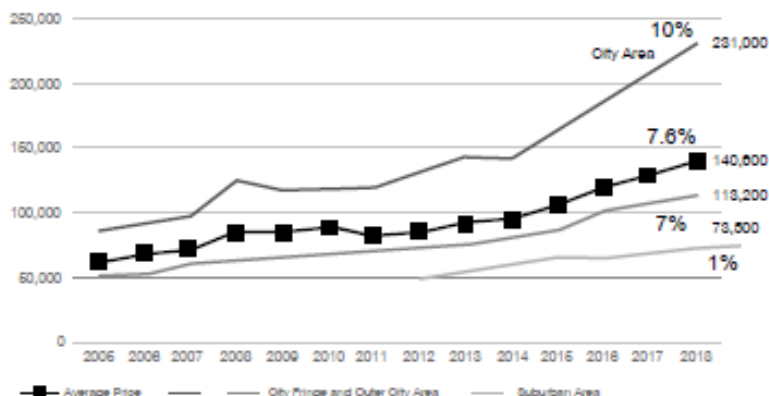


Source: Nexus Research, December 2018

In 2018, average selling price of condominium in Bangkok rose 7.6%. Price of condominium in CBD increased 10% with average price of 231,000 Baht per sq.m. And price of condominium in outer city area increased 7% with average price of

113,200 baht per sq.m. While price of condominium in suburban area rose only 1% or approximately 73,500 Baht per sq.m.

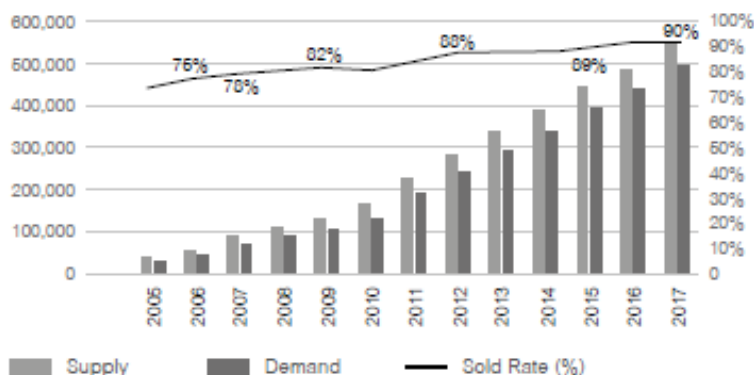
AVERAGE PRICE PER SQUARE METER OF BANGKOK CONDOMINIUM



Source: Nexus Research, December 2018

Overall demand in 2018 continued growing. Condominium sales in market totaled 52,000 units which 31,800 units sold were from new condominium launched in 2018 and 20,300 units sold were from condominium launched before 2018. A total condominium sales rate in the market stood at 90%.

CUMULATIVE DEMAND, SUPPLY AND SOLD RATE OF CONDOMINIUM IN BANGKOK



Source: Nexus Research, December 2018

Super-luxury Condominium Market Overview

Due to market demand, super-luxury and luxury condominium markets continued to grow. The first factor was investors foresee potential in investment as condominium price increased approximately 10-12% per year and rental fee at 3% per year. The next factor was the outstanding design and quality of each development that attract customers. The last factor was the change of people lifestyle, customers now prefer to live in the city and luxury condominiums could fulfill this need. Estimated sales of city center condominiums and outer area was approximately 70%.

Also, supplies of super-luxury and luxury condominiums had not been very high. There were only 10% of the new condominiums from these segments from total newly launched housing developments and condominiums each year.

Location was still the most important factor for luxury properties purchasing decision. And customers prefer to choose prime location condominium rather than single house project since single house usually located in the alley while condominiums located next to main street, shopping malls and BTS Skytrain.

Source: An interview of Khun Aliwassa Pathnadabutr - Managing Director of CBRE (Thailand) Company Limited / Luxury property in Thailand analysis, Forbes Life Thailand Special Edition, November 2018.

Land Pricing Analysis

According to Agency for Real Estate Affairs, the average land price in greater Bangkok rose 5.3% in 2018. This resulted from an expansion of BTS Skytrain in Bangkok Metropolitan Region. Land prices along Skytrain increased by 7-10%. While the most expensive locations are Siam Square, Chidlom, Ploenchit, Nana and Asoke, with an average price of 2.2 million Baht per sq.w., rose by 10 – 12.8%, followed by Wireless Road area with average price of 2 million Baht per sq.w., increased 25% and Silom area with average price of 1.85 million Baht per sq.w., increased by 8.8%.

Overall, land prices in Bangkok Metropolitan Area are likely to increase continuously, especially the city center and BTS Skytrain areas.

Ranking	Zone	Price (baht / sq.w.)	(%) (yoy)
1	Siam Square	2,200,000	10%
2	Sukhumvit, Time Square	2,200,000	12.8%
3	Wireless Road	2,000,000	25%
4	Silom	1,850,000	8.8%
5	Sukhumvit 21, Asoke	1,650,000	17.9%
6	Sathon	1,650,000	10%
7	Yaowarat	1,300,000	4%
8	Sukhumvit, Ekamai	1,100,000	10%
9	Phahon Yothin	1,000,000	17.6%
10	Phaya Thai	950,000	5.6%

Source: Agency for Real Estate Affairs, May 2018

Gourmet Food and Beverages Business

DEAN & DELUCA seeks to appeal to people passionate about high quality food products and food experiences, and care about choice amongst the finest producers, ingredients and prepared foods that the Company can source on their behalf. We strive to cater to a knowledgeable consumer base with the personal income to seek out and pay for high quality ingredients and food experiences. Given the Company's offering of market and cafe formats, the brand offers equal opportunity for time-pressured consumers to have a high quality convenience coffee and meal, or a home chef seeking broad ingredients for their own preparation purposes.

As a pioneer of importing and selective sourcing, DEAN & DELUCA has established a price point that reflects the product differentiation and considers its competitors. The customers will recognize the materials and products that have been carefully selected and prices at comparable quality.

DEAN & DELUCA has established a successful multi-location, multi-format retail footprint in the United States market, a diversified direct channel distribution strategy to consumers and corporate customers, and a successful license model that has allowed it to develop multi-channel operations over 61 store locations from the total of 79 stores worldwide. DEAN & DELUCA focuses on offering high quality food products, providing good service and impressive experiences, treating its customers, employees, and partners with integrity. As well as it develops good relationships within the organization; including operation and excellent brand management.

Due to the original uniqueness of the DEAN & DELUCA brand heritage, the business has historically required modest marketing and public relations support to successfully expand in both domestic U.S. and international markets. Marketing and public relations enhancement strategies that have been selectively used to launch segments, locations, products, and brand stories have been refined by the Company and will be used more aggressively to differentiate the DEAN & DELUCA brand experience from other high-end food retail offerings or gourmet-style grocers.

2.2.3 Marketing Research and Communications

Real Estate Development Business

The Company's pricing model for its developments is based on market research in a competitive range when compared to projects of similar nature. Super-luxury development pricing is highly customized, and the Company uses a strategy of constant review and adjustment to ensure that pricing achieves corporate objectives, while maintaining customer satisfaction levels and staying in line with changes in market conditions. Sales are created using both a direct sales force along with a network of leading agents, and marketing generates leads and visits for both sales channels.

Marketing communications and public relations aims to connect with affluent customers efficiently and effectively through various marketing channels. Marketing tools including direct marketing, partnerships with key 3rd parties and customer relations management enable marketing messages to reach targeted high-end customer audiences. Show units present high quality standards of materials and strengths of the project, enhancing guidance for buyer's decision making and confidence.

PACE also uses extensive digital marketing platforms including websites and social media applications - Facebook, Instagram, YouTube and e-newsletter - to share relevant information quickly at low cost to clients in Thailand and around the globe. The communication objective is to maintain strong relationships with existing clients, to create cross-sell and repeat purchase opportunities with each new development.

2.3 Supply of Products or Services

Hospitality Business

Apart from real estate business, the Company also provides hospitality services at MahaSamutr Country Club, with a wide-range of facilities, sports, dining, and accommodation for members in the township's first Country Club at Hua Hin, Prachuab Khiri Khan.

Gourmet Food and Beverages Business

DEAN & DELUCA has a diversified direct channel distribution models that includes the stores by its investment and by its licensees worldwide, e-commerce, and international business-to-business that the Company foresees great growth opportunities in the future.

1. Expanding store locations by the Company's investment in the United States and international markets as well as signing with new licensees.
2. Investment in brand could impact worldwide recognition of DEAN & DELUCA and help driving expansion in all channels.
3. The attention from a landlord with DEAN & DELUCA which could have a result in a power to negotiate for store expansion.
4. The performance of online sales from orders across the United States and some orders from worldwide stores indicates that DEAN & DELUCA has a strong brand and becomes the needs of the market. Besides, the Company recognizes the importance of the increasing internet users and smart phones help contribute the growth of business; therefore, the Company intends to use technology to boost sales performance more in the future.

2.4 Undelivered units as of December 31st, 2018

Project name	Project type	Land size	Total residences	% Completion	Undelivered sold or leased units		Sales period	Construction period	Transfer of ownership or lease starts from:
					number (unit)	Value (MB)			
MahaNakhon	Mixed-use project consisting of residential condominium, hotel, and lifestyle retail center	9 Rai 1 Ngan 51.1 sq.w	Residential condo 209 residences	100	14	1,174.1	2009 – 2019	2011 – 2018	From Q2 2016 onwards
MahaSamutr	Luxury villas and country club	129 Rai 3 Ngan 17.3 sq.w	80 villas and country club membership	- Villa 100 - Country Club 77 - Sport Club 91	8	403.6	2015 – 2019	2013 – 2018 (some parts to be finished in 2015)	From 2017 onwards
Nimit Langsuan	A super luxury residential freehold development	2 Rai 2 Ngan 40.2 sq.w	176 residences	89	166	6,914.1	2015 – 2019	2016 – 2019	From 2019 onwards
Windshell Naradhiwas	A super luxury residential freehold development	2 Rai 87.4 sq.w.	36 residences	64	10	792	2017 - 2019	2016 – 2019	From 2019 onwards

3. Risk Factors

Risk management is integrated in a role of supporting and enabling the Company's strategic objectives. The Executive Committee and the Risk Management Committee are responsible for assessing, controlling, and advising on enterprise risks in PACE's property and food & beverage businesses. The Risk Management Committee started to revise the internal risk assessment process by recategorizing risks in order to ensure a complete and long-term view of necessary mitigation measures to support strategic objectives and improve performance.

STRATEGIC

Property Business:

Market volatility, political instability, increased competition together with tighter regulations on mortgage lending in the property business may affect purchasing decisions of both local and international customers. As a luxury property developer, PACE caters to the top market segment of affluent clientele with sustained purchasing power by selecting prime locations, premium quality materials, products, and services. Our continuous development of design-driven luxury experience and strategic partnerships with reputable global operators differentiate our presence to competitors. With greater competition in the luxury property development sector and challenging economic situation witnessed as well as tighter regulation imposed by the Bank of Thailand in 2018. The property development business carries out at the highest level of effort with the most careful manner to mitigate all possible risks.

Food & Beverage Business:

The Company aims to expand DEAN & DELUCA in the US, Thailand and internationally with the build out of new stores, the launch of a new food concept, market consumer products, and signing international licensing in new territories. As expansion requires sufficient capital, the Company focused on proper recapitalization by combination of restructuring the Company's liabilities to stabilize its operations and obtain sufficient capital. Moreover, to continuously strengthen the strategy in a competitive environment, the Company has been identifying the right locations that will allow for successful opening of new stores, strengthening new consumer product offerings by continuing to reinforce its core value and find appropriate distribution channels, as well as improving the operations by simplifying its business structure to reduce unnecessary costs, increase margins and maximize operational efficiency through organizational restructuring, improvement in inventory and cash flow management, and closure of non-performing stores.

OPERATIONAL

Property Business:

Project Delay

The large-scale construction of our real estate projects features world-class design and global standard premium quality, using construction management and contractor teams that require a high degree of teamwork. The risk of project delay lies in the planning, communication, and review process of construction. In response to the delay, the Company has conducted

weekly meetings to address and solve issues immediately, strengthened relationships with customers by updating information and responding to inquiries and feedback, and managing financial costs associated.

Cost Increase

The majority of the cost of construction consists of the cost of labor and construction materials. The risk of cost increase would affect the overall construction cost and profitability. The Company mitigates this risk by selecting and maintaining long-term relationships with reputable contractors and suppliers. In 2018, the company has reduced the size of staffs by 66 positions or by 40% from the previous year after the disposition of the assets. The scale down in number of employee levels with the downsize in business activities of the Company. Moreover, the corporate restructuring in 2018 conducted for the changing business operations and activities.

Food & Beverage Business:

Human Resources to Support Business Expansion

The competitive food business environment could lead to the inability to fill required positions effectively to meet the expected growth and strategic objectives of DEAN & DELUCA operations and expansion plans. New federal labor requirements in the US may lead to higher human capital costs for US operations. To reduce risks, the Company is developing a new human resource strategy to be relevant among the labor pool. The Company is also implementing organizational restructuring and balancing the criteria for required skills with the labor cost.

FINANCIAL

Ability to Repay Debt

In 2018, investor confidence in the market for short and long-term debt instruments was affected by the risk of various companies' inability to meet covenants. In mitigating the risk and gaining back investor confidence PACE has undertaken the followings

- In the first quarter of 2018 PACE has allocated ordinary shares for rights offering (RO) to the existing shareholders as well as allocated ordinary shares for private placement (PP) proportionate to their respective shareholding (Rights Offering) in the amount of THB 3,894 million to repay the company short term bonds and corporate bond to financial institutions
- In the second quarter of 2018 PACE has disposed of the assets in Pace Project One Company Limited and Pace Project Three Company Limited of the total value of THB 14,000 million and repurchased shares in those two companies from Apollo Asia Sprint Company Limited and Goldman Sachs Investments Holdings (Asia) Limited. The total amount of the purchase is, not exceeding, USD 320 million or, not exceeding, THB 10,000 million. The excess amount have been used for debt repayment and working capital to the Company.
- In the second quarter of 2018 Pace Project Two Company Limited, a subsidiary of PACE, has disposed a total of 51 residences at The Ritz-Carlton Residences Bangkok to two buyers with total value of THB 3,972 million for debt repayment and for company working capital.

Though the debt repayments in 2018 the Company has managed to substantially reduce its debt position. PACE is also in the process of completing the construction of Nimit Langsuan, Windshell Naradhiwas, as well as MahaSamutr Country Club. The total value of PACE's projects exceeds the total debt and thus mitigates the Company's financial risks.

Ability to Pay Dividend

The Company is in the process of developing large real estate projects such as MahaSamutr, Nimit Langsuan, and Windshell Naradhiwas, with the total value of approximately THB 16,000 million. The revenue recognition for MahaSamutr Villas began in late 2016-2017 and expected to complete in 2019 so do the two other property development projects. This may result in showing a net loss and inability to pay dividend. The company is ambitious to turnaround the business and by doing so it has begun its financial and operation restructuring in 2018. The restructure plan continues in 2019 and is expected to be profitable and pay out dividend based on retained earnings.

COMPLIANCE

Building Permits

Property development requires relevant construction and building permits throughout the project process. The risk of not obtaining necessary permits would affect the project timeline, customer satisfaction, revenues, and stakeholder trust. The Company ensures compliance and timely processing of permit application and approval by studying and monitoring regulations and changes, engaging with related government agencies and consultants, and integrating necessary tasks and resources to project planning and progress review.

Corruption

In engaging with various government agencies as a property developer, bribery and corruption are a risk to non-compliance. The Company has signed a declaration to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and has been conducting self-evaluation to further improve its internal controls and processes to prevent illegal and unethical conduct. It provides anti-corruption training among employees annually to strengthen understanding and foster an anti-corruption corporate culture. The Company also has a whistleblowing mechanism in place for both internal and external stakeholders to anonymously report any suspicious activity.

Risk of Majority Shareholders

As a large portion of shares of a total of 42.70% and votes carried by them are held by the Techakraisri family, the majority shareholders could exercise rights for their own benefit through directing the Company's policies and business decisions. However, according to the Notification of the Capital Market Supervisory Board No. TorChor. 7/2552 Re: Acting in concert as a result of the nature of a relationship or behavior, the Company has put in place a preventive structural mechanism against related party transactions, consisting of the Board of Directors, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee, clearly defining the level of control of each director of the Board. The Audit Committee comprises three independent directors with skills and experience in budgeting and other

financial reporting, which are essential for the structure of the Board to be effective, transparent, and accountable. Moreover, the Board of Directors continuously support of the development of the Company's internal controls for good corporate governance.

ENVIRONMENTAL

Climate Change

Climate Change, observed as increasingly unpredictable and severe weather events, as well as more frequent natural disasters, could affect supply chain and operations of all our businesses. PACE's real estate projects have previously been affected by heavy rains, flooding, and landslides. The Company works closely with contractors and suppliers to ensure supply and project progress by maintaining preventive mechanisms.

Environment, Health, and Safety

Accidents and environmental impact at and around construction sites, including noise and dust, are a risk to workers, surrounding communities, and the natural habitat. To minimize our environmental impact, PACE and our reputable contractors not only comply with local laws and regulations, but also to international standards and best practices by closely monitoring work progress and its impact on stakeholders and natural surroundings. We have also strengthened our grievance mechanism and stakeholder engagement to provide relevant and timely information, using feedback to continuously improve our process and maintain stakeholder relationships.

4. Operating Assets

As of December 31st, 2018, the Company has the following operating assets:

4.1 Characteristics of Main Operating Assets

4.1.1 MahaNakhon Project – net

Company	Project	Location	Size	Book Value as of 31 Dec 2018 (MB)	Appraisal Value (MB)	Contingent Liability as of 31 Dec 2018 (MB)
PACE Two	MahaNakhon	Next to Chongnonsri BTS station, on Naradhiwas Rajanagarindra Rd.	9 Rai 1 Ngan 51.1 sq.w.	961.5**	4,486.6*	Mortgaged with The Siam Commercial Bank PCL.

Note: *Value of assets were appraised by Sims Property Consultants Co., Ltd. based on Market Comparison Approach and Income Approach/Discounted Cash Flow Approach (DCF) report dated February 24th, 2016. According to the appraiser, the appraisal value of the land was 4,026.1 Million Baht (7 land plots with the total area of 7-3-37.1 rai or 3,137.1 square wah) and 460.5 Million Baht (4 land plots with the total area of 1-2-14.0 rai or 614 square wah) respectively for the purpose of consideration of impairment of assets per TAS 36. As MahaNakhon is a mixed-used project, this appraisal value includes all land of Pace Project One Co., Ltd. (PP1), Pace Project Two Co., Ltd. (PP2), and Pace Project Three Co., Ltd. (PP3).

** Book Value only Pace Project Two Co., Ltd. (PP2), due to the Company sell Pace Project One Co., Ltd. (PP1), and Pace Project Three Co., Ltd. (PP3) since Q2 2018.

4.1.2 MahaSamutr Project - net

Project	Company	Location	Size	Book Value as of 31 Dec 2018 (MB)	Appraisal Value (MB)	Contingent Liability as of 31 Dec 2018 (MB)
MahaSamutr		Soi 112 Hua Hin, Prachuabkhirikhan	129 Rai 3 Ngan 17.3 sq.w.		547.0*	Mortgaged with The Siam Commercial Bank PCL.
• Villa	PACE		22,050.5 sq.w.	204.4		
• Country Club	PACE		29,678.5 sq.w.	547.0		
• Country Club	PACE Country Club		526 sq.w.			
Total				751.4		

Note: *Value of assets were appraised by Sims Property Consultants Co., Ltd. based on Market Comparison Approach report dated August 7th, 2017. According to the appraiser, the appraisal value of the land was 547.0 Million Baht for financial statements purpose per TAS 16.

4.1.3 Nimit Langsuan Project – net

Project	Company	Location	Size	Book Value as of 31 Dec 2018 (MB)	Appraisal Value (MB)	Contingent Liability as of 31 Dec 2018 (MB)
Nimit Langsuan Project	PACE	Langsuan Road, Lumpini, Pathumwan	2 Rai 2 Ngan 40.2 sq.w.	1,672.5**	1,979.3*	Mortgaged with The Siam Commercial Bank PCL.

Note: *Value of assets were appraised by Sims Property Consultants Co., Ltd. based on Market Comparison Approach report dated February 23th, 2016. According to the appraiser, the appraisal value of the land was 1,979.3 Million Baht for the purpose of consideration of impairment of assets per TAS 36.

** Book Value of Land and related expense as of 31 December 2018

*** Book Value of Land, Construction in progress, and related expense as of 31 December 2018 is 3,735.8 MB (as of 31 December 2017 is 2,845.9 MB)

4.1.4 Windshell Naradhiwas Project – net

Project	Company	Location	Size	Book Value as of 31 Dec 2018 (MB)	Appraisal Value (MB)	Contingent Liability as of 31 Dec 2018 (MB)
Windshell Naradhiwas Project	YLP Co., Ltd.	Naradhiwas-Rajanakarin Road	2 Rai 87.4 sq.w.	385.1**	470.3*	Mortgaged with KASIKORNBANK Public Company Limited

Note: *Value of assets were appraised by General Valuation and Consultant Co., Ltd. based on Market Comparison Approach report dated September 3rd, 2015. According to the appraiser, the appraisal value of the land was 470.3 Million Baht for the purpose of the present value.

** Book Value of Land and related expense as of 31 December 2018

*** Book Value of Land, Construction in progress, and related expense as of 31 December 2018 is 1,127.7 MB (as of 31 December 2017 is 695.8 MB)

4.1.5 Niseko Project – net

Project	Company	Location	Size	Book Value as of 31 Dec 2018 (MB)	Appraisal Value (MB)	Contingent Liability as of 31 Dec 2018 (MB)
Niseko Project	PACE	Niseko Town, Abuta-Gun District, Hokkaido Province, Japan	87 Rai 3 Ngan 33.3 sq.w.	481.7	552*	Mortgaged with The Siam Commercial Bank PCL.

Note: *Value of assets were appraised by Sallmanns (Far East) Limited. based on Market Comparison Approach report dated May 9th, 2016. According to the appraiser, the appraisal value of the land was 552 Million Baht for the public purposes

4.2 Policy of investment in subsidiaries and affiliates

The Company has a policy to invest in high-potential, stable-profit businesses that prove to be feasible and able to create proper returns with acceptable risk level. PACE always sends its representatives to sit in the Board of Director of the target companies and reports their performance in the meeting of PACE's Board of Directors every quarter.

PACE also has a policy to reduce investment risk for projects with investment amount of more than 3,000 million Baht. by co-investing with well-known, highly-experienced, high-capital partners. The form of co-investment ranges from subsidiaries, affiliates, and other forms, depending on the results of negotiation and mutual agreement between the Company and interested investors. Nevertheless, to make a decision to co-invest, the Company will study for the needs, potential benefits, positive and negative consequences, and will present the results of the study to the Board of Directors before co-investing with any partners.

5. Legal Disputes

As of 31 December 2018, there is an unsettled dispute to the Company which may materially affect to the business operation of the Company and the Company's subsidiaries. That is,

Residents around public road nearby MahaNakhon Project brought the lawsuit against Bangkok Metro Metropolitan Administration and Governor of Bangkok and the Defendants requested the Court to summon the Developers to be the interpleaders

In the past, the public road nearby MahaNakhon Project was narrow and the former land owner had a residential business around the located land of MahaNakhon Project. The former land owner had reserved some area of its land in order for a bus could take customers to reside in the rooms of its business as well as posted signboards and made a private road to reserve the rights of the private road. Thereafter, Pace Project One Company Limited ("PP1"), Pace Project Two Company Limited ("PP2") and Pace Project Three Company Limited ("PP3") (collectively, the "Developers") purchased the land from such former land owner and fenced for construction in the land area (the Developers also requested the land office for proceeding the survey for measurement of the land area prior to fencing and starting the project), which caused the public road was returned to be narrow condition same as the fact in the past. On 31 January 2017, 8 residents around public road nearby MahaNakhon Project (the "Plaintiffs") brought the claim against Bangkok Metro Metropolitan Administration and Governor of Bangkok (the "Defendants") to the Central Administrative Court. The grounds of the case are those the Defendants consented or omitted the Developers to invade and construct the project over the public road. This causes the public road became narrower which resulting that the Plaintiffs cannot travel by a car from Silom Soi 9 Road through Naradhiwas Road. In addition, the Defendants also consented or omitted the Developers to drain the waste into the public waterway which causes the flood to the public road and the Plaintiffs' houses.

Therefore, the Plaintiffs submitted the motion to the Administrative Court to render the following orders:

1. To order the Defendants to order the Developers to demolish the wall constructed over the public road;
2. If the Developers do not demolish the wall, to order the 2nd Defendant to lawfully reinforce its power for the Developers to perform such action;
3. If the Developers do not perform it actions according to No.1 and No.2, to order the Defendants to bring the criminal case against the Developers for the offense of the invasion of public area;
4. To order the Defendants to order the Developers to destroy the drainage system which is linked to the public road and make the new drainage system in the area of the project;
5. To order the Defendants to order the Developers to close the door which is linked between the public road and car park building;
6. To order the Defendants to prohibit the Developers to increase the public road into the higher level; and

7. To order the Defendants to revoke any unlawful juristic acts in order to return the road to the public interest.

After the commencement of the court hearing, the Defendants made the request to the court to order PP1, PP2 and PP3 to be the interpleaders because the court judgment may influence to the Developers. At present, the Company has appointed an attorney who has the expertise in the administrative case and has filed an answer to the complaint with the Central Administrative Court.

6. General Information and Important Information

Company Name	PACE Development Corporation Public Company Limited (Formerly name: Cinkara Company Limited)
Nature of Business	High-end sector of Thailand's real estate development business and gourmet food and beverage lifestyle retail
Head Office Location	87/2 CRC Tower, All Seasons Place, 45 th Floor Unit 4, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand
Registration Number	0107554000232
Website	http://www.pacedev.com
Telephone	02 118 9599
Fax	02 118 9598

Other Reference Information

Ordinary share Registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. 02 009 9000 Fax. 02 009 9991
Auditor	Ms. Siraporn Ouannunkun Certified Public Accountant, Registration No. 3844 EY Office Company Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel. 02 264 9090 Fax. 02 264 0790
Debenture Registrar	TMB Bank Public Company Limited 3000 Phahonyothin Road, Chom Phon Sub-district, Chatuchak District, Bangkok 10900
Debentures	Debentures represented unsubordinated and unsecured debentures No. 1/2015 Maturity Year 2018 No. 2/2015 Maturity Year 2018 No. 1/2016 Maturity Year 2018 No. 2/2016 Maturity Year 2018 No. 1/2017 Maturity Year 2020