

Part 3

Financial position and results of operations.

13. Important financial information

13.1 Summary of financial status and operating results

13.1.1 Audit report

Period	Auditor	Summary of the audit report
Year 2016	Miss Kannika Wipanurat Certified Public Accountant No. 7305 Karin Audit Company Limited	The auditor expressed his opinion in the audit report. Unqualified that the statements of financial position and results of operations and cash flows are correct in accordance with generally accepted accounting principles. Other matters Financial statements of the Company as at 31 December 2016 Statement of comprehensive income For the year ended 31 December 2016 and the statement of changes in shareholders' equity And cash flow statements for the year ended 31 December 2016, which are shown as comparative data, examined by other auditors Which expressed unqualified opinions as reported on 28 February 2017
Year 2017	Mr. Jesada Hungsapruet Certified Public Accountant No. 3759 Karin Audit Company Limited	The auditor expressed his opinion in the audit report. Unqualified that the statements of financial position and results of operations and cash flows are correct in accordance with generally accepted accounting principles. Other matters Statement of financial position of the company as at 31 December 2017 Statement of comprehensive income For the year ended 31 December 2017 and the statement of changes in shareholders' equity And cash flow statements for the year ended 31 December 2017, which are shown as comparative data, examined by other auditors Which expressed unqualified opinions according to the report dated 27 February 2018
Year 2018	Miss Wanwisa Ngam Buathong Certified Public Accountant No. 6838 Dharmniti Auditing Company Limited	The auditor expressed his opinion in the audit report. Unqualified that the statements of financial position and results of operations and cash flows are correct in accordance with generally accepted accounting principles. Other matters Statement of financial position of the Company as at December 31, 2018 Statement of comprehensive income For the year ended 31 December 2018 and the statement of changes in shareholders' equity And cash flow statements for the year ended December 31, 2018, which are presented as comparative information, examined by other auditors Which expressed unqualified opinions according to the report dated 26 February 2019

13.1.2 Summary of financial statements of the company

Richy Place 2002 Public Company Limited

Statements of financial position

As of the year ended 31 December 2016 - 2018

(หน่วย: ล้านบาท)

	31 December 2016 (investigate)		31 December 2017 (investigate)		31 December 2018 (investigate)	
	amount	percent	amount	percent	amount	percent
asset						
current assets						
Cash and cash equivalents	18.04	0.32	84.86	1.40	23.98	0.47
Short-term loans to related parties	-	-	-	-	64.98	1.27
Temporary investments – net	-	-	-	-	-	-
Other receivables - subsidiaries Trade accounts and notes receivable	- 0.53	- 0.01	- 53.59	- 0.88	- 47.28	- 0.92
Deposit receivables waiting to be recalled	145.00	2.60	145.00	2.39	145.00	2.83
Project development costs Property - net	4,865.67	87.35	5,613.95	92.60	4,543.88	88.76
Advance payment for construction	125.53	2.25	25.83	0.43	48.23	0.94
Advance payment for materials	5.43	0.11	6.79	0.11	2.12	0.04
Deposit for land	35.64	0.64	40.00	0.66	188.87	3.69
Other current assets	18.31	0.33	3.15	0.05	0.90	0.02
Total current assets	5,214.15	93.61	5,973.19	98.53	5,065.28	98.94
Non-current assets						
Land awaiting development	5.17	0.09	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-
Investment property	6.66	0.12	8.76	0.14	-	-
Land, building, equipment-net	40.89	0.73	37.16	0.61	21.61	0.42
Intangible assets - net	1.42	0.03	0.71	0.01	0.35	0.01
Non-operating assets	283.66	5.09	-	-	-	-
	17.58	0.32	36.59	0.60	26.25	0.51
	0.77	0.01	6.10	0.10	5.94	0.12
Total non-current assets	356.15	6.39	89.34	1.47	54.18	1.06
Total assets	5,570.30	100.00	6,062.54	100.00	5,119.46	100.00
Liabilities and shareholders' equity						
Total current liabilities						
Bank overdraft	1.40	0.03	6.78	0.11	12.41	0.24
Bills payable	620.00	11.13	-	-	-	-
Current portion of finance lease liabilities	219.14	3.93	243.42	4.01	175.93	3.44
Short-term loans from related parties	-	-	-	-	0.49	0.01
	10.00	0.18	-	-	-	-
	540.00	9.69	500.00	8.25	862.30	16.84

	31 December 2016 (investigate)		31 December 2017 (investigate)		31 December 2018 (investigate)	
	amount	percent	amount	percent	amount	percent
Long-term debentures due within one year	1,719.93	30.88	1,932.48	31.88	1,106.44	21.61
Loans from financial institutions	234.43	4.20	480.00	7.91	444.33	8.67
Advance received from customers	20.85	0.37	-	-	-	-
Accrued expenses	1.53	0.03	25.13	0.41	29.37	0.57
Accrued income tax	69.16	1.24				
Retention payable	9.97	0.18	49.11	0.81	72.44	1.41
Other current liabilities	3,446.41	61.87	3,236.94	53.39	2,703.73	52.81
Non-current liabilities						
Finance lease liabilities	-	-	-	-	1.78	0.03
debenture	600.00	10.77	955.14	15.75	99.64	1.95
Employee benefit obligations	3.53	0.06	2.96	0.05	3.13	0.06
Provision for utilities	-	-	-	-	1.15	0.02
Total non-current liabilities	603.53	10.83	958.10	15.80	105.71	2.06
Total liabilities	4,049.94	72.70	4,195.05	69.20	2,809.44	54.88
Shareholders' equity						
Share capital						
Registered capital	785.40	14.11	1,289.36	21.27	1,381.46	26.98
Issued and paid-up capital	785.40	14.11	975.20	16.09	1,044.85	20.41
Share premium	476.30	8.55	538.40	8.88	538.40	10.52
retained earning						
Allocated for legal reserve	39.57	0.71	46.60	0.77	69.44	1.36
Not yet allocated	218.37	3.92	307.26	5.07	657.31	12.84
	0.73	0.01	-	-	-	
Other components of shareholders' equity	1,520.37	27.30	1,867.48	30.80	2,310.01	45.12
Total shareholders' equity	5,570.31	100.00	6,062.54	100.00	5,119.46	100.00

Richy Place 2002 Public Company Limited
Profit and Loss Statement
For the year ended 31 December 2016 - 2018

(Million Baht)

	For the year ended		For the year ended		For the year ended	
	31 December 2016		31 December 2017		31 December 2018	
	(investigate)		(investigate)		(investigate)	
	amount	percent	amount	percent	amount	percent
sale income	553.18	97.35	1,314.41	99.04	2,680.99	98.98
Cost of real estate sales	(359.04)	(63.19)	(871.00)	(65.63)	(1,765)	(65.17)
gross profit	194.14	34.16	443.40	33.41	915.87	33.81
interest	0.08	0.01	-	-	-	-
Other income	14.99	2.64	12.72	0.96	27.65	1.02
Total income	568.25	100.00	1,327.13	100.00	2,708.64	100.00
Profit before expenses	209.20	36.81	456.13	34.37	943.53	34.83
Cost of sales	(129.04)	(22.71)	(200.41)	(15.10)	(277.41)	(10.24)
Administrative expenses	(40.34)	(7.10)	(51.79)	(3.90)	(88.77)	(3.28)
Total cost	(169.38)	(29.81)	(252.20)	(19.00)	366.18	(13.52)
Profit before financial costs and income tax	39.82	7.01	203.93	15.37	577.34	21.31
Financial cost	(24.06)	(4.23)	(39.09)	(2.95)	13.40	(0.49)
Profit before income tax	15.75	2.77	164.84	12.42	563.94	20.82
income tax	(6.50)	(1.14)	(31.92)	(2.41)	(112.92)	(4.17)
Net profit (loss)	9.26	1.63	132.92	10.02	451.02	16.65
Actuarial gains	0.73	0.13	-	-	-	-
Total gross profit for the year	9.99	1.76	132.92	10.02	451.02	16.65

Richy Place 2002 Public Company Limited
Cash Flow Statement
For the year ended 31 December 2016 - 2018

	At the end of the year		
	At the end of the year	At the end of the year	At the end of the year
	31 December 2016	31 December 2016	31 December 2016
Cash flow from operating activities			
Profit before income tax	15.75	164.83	563.94
Adjustment items affecting profit before income tax as net cash acquired (used in) operating activities			
Depreciation	5.56	14.52	12.91
Employee benefit expenses	0.33	0.31	0.17
Profit arising from the sale of temporary investments	(0.23)		(0.16)
Loss from write-off of assets	-	-	0.32
(Profit) loss from write-off of assets and net liabilities	-	-	0.10
Provision for utilities	-	-	1.15
interest	(0.08)	(0.52)	(1.43)
Interest	24.06	39.09	13.40
Operating profit before changes in operating assets and liabilities	45.41	218.24	590.41
Operating assets (increased) decreased			
Real estate project development costs	(985.78)	(291.49)	1,234.91
Trade receivables and other current receivables (increase) decreased	(71.13)	55.59	(161.55)
Other non-current assets	(0.40)	(0.07)	(0.10)
Trade accounts payable and other current creditors	117.47	(1.60)	(54.05)
Advance received from customers	171.17	214.93	(35.67)
Other current liabilities increased (decreased)	25.07	(20.04)	23.33
	-	(0.88)	
Cash received (paid), employee benefits	(698.20)	174.67	1,597.28
Cash derived from (used in) operations	(17.84)	(27.33)	(98.34)
Pay income tax	(716.05)	147.33	1,498.93

Richy Place 2002 Public Company Limited
Cash Flow Statement (Continued)
For the year ended 31 December 2016 – 2018
(Million Baht)

	At the end of the year		
	31 December 2016	31 December 2016	31 December 2016
	amount	amount	amount
Cash flow from investing activities			
Deposits with increased usage restrictions	(0.08)	(0.09)	0.26
Cash received and paid from the payment of shares in subsidiaries	-	-	0.00
Purchase of land, buildings and equipment	(36.01)	(9.82)	(2.91)
Buy intangible assets	(0.28)	(0.22)	(0.12)
Buy investment properties	(2.25)	(2.14)	-
Sell temporary investments	234.45	-	193.36
Buy temporary investments	(233.30)	-	(193.20)
Cash paid for short-term loans to related parties	-	-	(69.55)
Proceeds from short-term loans to related parties	-	-	5.94
Cash received from interest	0.10	0.48	0.09
Net cash received (used in) from investment activities	(37.39)	(11.80)	(66.11)
Cash flow from financing activities			
Cash paid interest	(103.11)	(195.10)	(163.86)
Bank overdrafts and short-term loans from financial institutions	(518.31)	(614.61)	5.62
Short-term loans from related parties	10.00	(10.00)	-
Cash received from the issuance of debentures	200.00	862.30	-
Cash payment for debentures	-	(540.00)	(500.00)
Finance lease liabilities (decreased)	-	-	(0.52)
Proceeds from loans from financial institutions	1,938.68	1,232.07	668.23
Cash payment from loans from financial institutions	(730.16)	(1,018.07)	(1,494.70)
Accept cash, increase capital	-	219.18	-
Pay dividend	(43.20)	(4.98)	(8.48)
Net cash received (used in) from financing activities	753.91	(69.22)	(1,493.71)
Net increase (decrease) in cash and cash equivalents	0.47	66.30	(60.88)
Cash and cash equivalents at the beginning of the year	18.10	18.56	84.86
Cash and cash equivalents at the end of the year	18.56	84.86	23.98

Important financial ratios

list	unit	At the end of the year		
		31 December 2016	31 December 2017	31 December 2018
Liquidity Ratio				
Liquidity ratio	เท่า	1.51	1.85	1.87
Quick ratio	เท่า	0.01	0.03	0.17
Cash flow ratio	เท่า	(0.27)	0.05	0.55
Accounts Receivable Turnover Ratio	เท่า	N/A	N/A	N/A
Average collection period	วัน	N/A	N/A	N/A
Inventory turnover rate	เท่า	0.08	0.17	0.35
Average selling time	วัน	4549	2196	1050
Payable turnover ratio	เท่า	2.24	1.85	3.93
Repayment period	วัน	163	197	93
Cash cycle	วัน	4386	1998	957
Profitability Ratio				
Gross profit margin	%	35.10	33.41	34.16
Operating profit margin	%	4.48	14.55	20.50
Net profit margin	%	1.63	10.02	16.65
Return on shareholders	%	0.60	7.85	21.93
Efficiency Ratio				
Return on assets	%	0.8	3.51	10.33
Return on fixed assets	%	20.55	91.55	804.50
Asset rotation rate	เท่า	0.11	0.23	0.48
Financial Policy Ratio				
Debt to equity ratio	เท่า	2.66	2.25	1.22
Interest payment ratio	เท่า	1.65	5.22	43.08
Commitment ability payment ratio	เท่า	0.02	0.09	0.30
Dividend payout ratio	%	466.02	3.58	1.86
Information per share				
Book value per share	บาท	1.94	1.91	2.21
Earnings per share	บาท	0.01	0.14	0.43
Fully Diluted				
Book value per share	บาท	-	1.45	1.70
Earnings per share	บาท	-	0.10	0.33

14. Analysis and explanation of management

Overview of past performance

Richy Place 2002 Public Company Limited (the Company) operates a residential property development business. By focusing on project development in areas with potential and location near the community Especially condominiums along the BTS line and the community area All of the company's main income is revenue from sales. Land and house Residential condominium Both horizontal and vertical (Condominium) In the past, the Company has completed 5 development projects, consisting of 1) Le Rich-Satupradit Project.2) Rich Park Project - Bang Hid 3) Rich Park - Tao Poon Project 4) Rich Park - Chaophraya Project 5) The Rich Sathorn-Taksin Project In addition, there are 7 projects under construction which are 1) Rich Park - Triple Station 2) The Rich-Nana Project. 3) The Rich Project Beach Home - Sukhumvit 4) The Rich Ville - Ratchaphruek Project 5) The Eight Collection Project 6) The Rich Avenue Project 7) Rich Park-Terminal Project

Since 2011, the Company recognizes revenue from sales of properties when the ownership has been transferred to the buyer after receiving full payment from the buyer and will record the cost of real estate sales when the ownership has been transferred to the buyer. For real estate projects that are under construction Construction costs, including other related expenses The company will record in assets in the list of real estate development costs for sale. Until when the construction project is completed and ownership has been transferred the company will therefore recognize revenue as mentioned above.

Analysis of company performance - revenue

The Company's income consists of revenue from sales of real estate, interest income and other income. With income from real estate sales as the main income Different types of income can be classified as follows:

Table 14.1 Revenue structure

	Financial statements reviewed ended 31 December					
	2016 (investigate)		2017 (investigate)		2018 (investigate)	
	(Million baht)	Percentage	(Million baht)	Percentage	(Million baht)	Percentage
Revenue from real estate sales	553.18	97.35	1,314.41	99.04	2,680.99	98.98
Other income	15.06	2.65	12.72	0.96	27.66	1.02
Total income	568.24	100.00	1,327.13	100.00	2,708.65	100.00

Revenue from real estate sales

Revenue from the sale of real estate of the Company in the year 2016 - 2018 is equal to 553.18 million baht, 1,314.41 million baht and 2,680.99 million baht or 97.35 percent, 99.04 percent and 98.98 percent of total revenue respectively.

In 2017, the Company had revenue from real estate sales of 1,314.41 million baht, an increase of 761.23% or 137.61% from 2016, resulting from the Rich Sathorn-Taksin project being completed, transferring ownership and being able to be recognized in 2017.

Year 2018, the company has revenue from sales of real estate equal to 2,680.99 million baht, increased from 2017, equal to 1,366.58 or 103.97 percent increase, which is the result of the Rich Park @ Triple Station project. Completed, transferred ownership and can be recognized in 2018

Table 14.2 Revenue from real estate sales classified by project

	Financial Statements					
	Year 2016		Year 2017		Year 2018	
	value (Million baht)	proportion (percent)	value (Million baht)	proportion (percent)	value (Million baht)	proportion (percent)
Revenue from real estate sales						
<u>Residential condominium</u>						
- Le Rich Rama 3	6.20	1.09	125.74	9.47	30.10	1.11
- The Rich Sathorn-Taksin	-	-	751.27	56.61	230.31	8.51
- Rich Park @ Bang Son Station	72.24	12.71	33.42	2.52	-	-
- Rich Park @Taopoon Interchange	90.53	15.93	45.84	3.45	150.93	5.57
- Rich Park @ Chaophraya	293.17	51.60	300.29	22.63	348.01	12.85
- Rich Park @ Triple Station	-	-	-	-	1,904.45	70.31
<u>Townhome</u>						
	35.85	6.31	22.70	1.71	11.19	0.41
- The Rich Ville Ratchaphruek	55.19	9.71	35.15	2.65	6.00	0.22
- The Rich Biz Home Sukhumvit 105	553.18	97.35	1,314.41	99.04	2,680.99	98.98
Total revenue from real estate sales	15.06	2.65	12.72	0.96	27.66	1.02
Other income	568.24	100.00	1,327.13	100.00	2,708.65	100.00

Note: Other income is revenue from breach of contract, change of transfer agreement. Rental income and others

Other income

Other income consists of income from water-fire meter installation. Income from breach of contract Changing the transfer agreement Rental income and others, which the income from the breach of contract is the booking of money, contract and down payment that the customer has already paid and recognized as income due to the breach of contract later or the customer does not comply with the contract until the cause. Contract termination Or when the customer does not accept the transfer of ownership within the specified period and there is no dispute from the customer in 2016 - 2018, the company has other income equal to 15.06 million baht, 12.72 million baht and 27.66 million baht or 2.65 percent, 0.96 and 1.02 percent of total revenue respectively

Year 2018, the company had other income of 27.66 million baht, increased from 2017, equal to 14.94 million baht, or 117.45 percent, as a result of increased revenue from booking

Table 14.3 Other income

No.	Detail	2016		2017		2018	
		MB.	Percentage	MB.	Percentage	MB.	Percentage
1	Revenue from installation of water-fire meter	0.26	1.72	0.58	4.56	1.26	4.55
2	Income from contract change	0.64	4.25	0.66	5.19	1.70	6.15
3	Income from breach of contract	8.07	53.58	6.25	49.13	9.61	34.74
4	The difference between the suite (rental room)	0.00	0.00	0.00	0.00	0.00	0.00
5	interest	0.08	0.50	0.53	4.17	1.43	5.17
6	other	6.01	39.95	4.70	36.95	13.66	49.39
total		15.06	100.00	12.72	100.00	27.66	100.00

Total income

The company had total revenue in 2016 - 2018, equal to 568.24 million baht, 1,327.13 million baht and 2,708.65 million baht respectively.

In 2016, the company had total revenue increased from 2015 at 54.32 million baht or 10.57% increase as a result of an increase in revenue from real estate sales of 45.70 million baht or increased to 9.01% compared to the previous year

In 2017, the company has total revenue increased from year 2016 equal to 758.89 million baht or representing an increase rate of 133.55% as a result of the increase in revenue from real estate sales of 761.23 million baht or increased to be 137.61% compared to the previous year

In 2018, the total revenue increased from 2017, equal to 1,381.52 million baht or 104.10 percent increase, resulting from the increase in revenue from real estate sales of 1,366.58 million baht or increased to 103.97% compared to the previous year

Cost of real estate sales

Cost of real estate sales is Real estate development costs during project development, which are recognized as costs in the income statement when income from real estate sales are recognized, comprising costs of sales, salaries and welfare, construction costs, utilities and others.

In 2016 - 2018, the company had cost of real estate sales of 359.04 million baht, 871.00 million baht and 1,765.11 million baht respectively. Accounted for 64.91%, 66.27% and 65.84% of the cost of real estate sales, respectively, due to the cost of Rich Park @ Triple Station project. Which transferred the ownership in the year 2018, as well as the cost of construction materials and the artisans' labor costs also increased

In 2016, the company has increased the cost of real estate sales from 2015, equal to 21.57 million baht or 6.39 percent, which is the result of the cost of Rich Park-Chaopraya project. Which transferred the ownership in the year 2016, as well as the cost of construction materials and artisan labor costs also increased

Year 2017, the company has increased the cost of real estate sales from 2016, equal to 511.96 million baht, or 142.59 percent, which is a result of the cost of The Rich Sathorn-Taksin project, which transferred ownership in 2017, as well as construction material costs. And the artisans' labor costs also increased

Year 2018, the company has increased the cost of real estate sales from 2017, equal to 894.11 million baht or 102.65 percent, which is the result of the cost of Rich Park @ Triple Station project. Which transferred the ownership in the year 2018, as well as the cost of construction materials and the artisans' labor costs also increased

Table 14.4 Cost of real estate sales

Cost of real estate sales selling cost	2016		2017		2018	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Salary and welfare of the construction department	354.95	98.86	864.91	99.30	1,746.71	98.96
Utility Bills	2.15	0.60	2.64	0.30	15.22	0.86
other	0.45	0.13	0.50	0.06	0.34	0.02
Total cost of real estate sales	1.49	0.41	2.95	0.34	2.84	0.16
Percentage ratio of cost of real estate sales to sales revenue	359.04	100.00	871.00	100.00	1,765.11	100.00
Cost of real estate sales		64.91		66.27		65.84

Cost of sales

Selling expenses of the company consist of salaries, salesmen, commission, project management fees. Promotion expenses Specific business tax the cost of ownership transfer Common area expenses And other operating expenses Which commission Is the commission paid by the company to the sales staff and other employees in the company according to the sales of the company The commission will be paid on a quarterly basis. Project management fee is Wages for selling various projects Of the company paid to the company that sells the project And sales promotion expenses, consisting of advertising fees and activity fees for exhibiting products For common area expenses is the expenses that the company has to pay for common areas for the remaining areas that are not sold to the juristic person of the said condominium. While other operating expenses such as taxes, billboards and office expenses Supplies etc.

The selling expenses for the year 2016 - 2018 amounted to 129.04 million baht, 200.41 million baht and 277.42 million baht, equivalent to 23.33 percent of sales expenses to income from real estate sales, 15.25 percent and hundred percent. 10.35 per each, respectively

Year 2016, the company has increased selling expenses from the year 2015 in the amount of 56.34 million baht or equivalent to a percentage increase. 77.50 The main factor comes from the company opening more new projects. Therefore there are various expenses incurred with advertising and branding fees increased by 14 million baht, sales management fees increased by 16 million baht

Year 2017, the company has increased selling expenses from the year 2016 in the amount of 71.37 million baht or equivalent to an increase in percentage 55.31 the main factor comes from the company having more ownership transfer. Therefore there are various expenses incurred with specific business tax increases of 28.07 million baht, tax and trade fees increased by 9.01 million baht

Year 2018, the company has increased selling expenses from the year 2017 in the amount of 77.01 million baht or equivalent to an increase of 38.43 percent. The main factor is from the company having more ownership transfer. Therefore there are various expenses incurred with specific business tax increases of 44.47 million baht, advertising costs and event organizing fees increased by 36.33 million baht

Table 14.5 Selling expenses

Cost of sales Salary and welfare for sales staff	2016		2017		2018	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Utilities, sales	10.41	8.06	17.49	8.73	10.34	3.74
Tax and trade fees (sales)	1.47	1.14	1.75	0.87	1.37	0.49
Specific business tax	3.08	2.39	12.09	6.03	24.83	8.95
Commission fee	17.93	13.90	46.00	22.96	90.47	32.61
Promotion and Sale Promotion	3.33	2.58	5.56	2.77	4.75	1.71
Sales management fee	3.27	2.54	6.84	3.41	8.68	3.13
Cost of sales	16.15	12.52	55.30	27.59	44.78	16.14
Advertising fees and show organizing fees	51.09	39.59	23.68	11.82	60.01	21.63
Central expenses and offices	1.14	0.88	1.15	0.57	1.43	0.51
Other expenses	21.17	16.40	30.55	15.25	30.76	11.09
Including selling expenses	129.04	100.00	200.41	100.00	277.42	100.00
Percentage ratio of selling expenses per sales revenue		23.33		15.25		10.35

Administrative expenses

Administrative expenses of the company include employee salaries Welfare and other employee benefits Utilities, service fees and other administrative expenses

Table 14.6 Administrative expenses

Administrative expenses salary, welfare and employee benefits	2016		2017		2018	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Utility Bills	27.60	68.41	35.96	69.43	65.41	73.69
Service fees such as audit fees	0.75	1.86	0.76	1.47	0.89	1.00
Meeting allowance	2.76	6.84	2.20	4.25	2.25	2.53
Other administrative expenses	0.83	2.06	0.84	1.62	0.81	0.91
Including administrative expenses	8.40	20.83	12.03	23.23	19.41	21.87
Percentage of administrative expenses per sales revenue	40.34	100.00	51.79	100.00	88.77	100.00
Administrative expenses		7.29		3.94		3.31

In 2016 - 2018, the company had administrative expenses of 40.34 million baht, 51.79 million baht and 88.77 million baht, equivalent to administrative expenses ratio of 7.29 percent, 3.94 percent and 4.0 percent respectively. 3.31 respectively

In 2016, the company had administrative expenses decreased from the year 2015 equal to 11.00 million baht, equal to 21.43 percent due to the bonus and employee compensation decreased proportionally.

In 2017, the company had administrative expenses increased from 2016 at 11.45 million baht, equivalent to 28.38 percent due to salary. Employee benefits and benefits increased proportionately.

In 2018, the Company's administrative expenses increased from the year 2017, equal to 36.98 million baht, equivalent to 71.40 percent due to salary. Employee benefits and benefits increased proportionately.

Gross profit and gross profit margin

The gross profit in the year 2016 - 2561 was 194.14 million baht, 443.41 million baht and 915.88 million baht respectively, or equivalent to the gross profit margin of 35.10, 33.73 and 34.16 respectively. Due to increased project development costs per unit the increased project development costs are mainly variable costs that increase from construction, such as skilled labor costs. Construction materials, together with the increasing competition of the real estate business causing competition in selling prices to attract consumers

Net profit and net profit margin

The company had a net profit in 2016 - 2018, equal to 9.26 million baht, 132.92 million baht and 451.03 million baht respectively. Or as a net profit margin equal to 1.63 percent, 10.02 percent and 16.65 percent, compared from total revenue respectively

In 2016, the net profit was 9.25 million baht, equivalent to 1.63 percent of total revenue, with net profit decreased from 2015 because the selling expenses increased 77.50 percent from the previous year. The main factor came from the company opening new projects. Up Therefore there are various expenses incurred with advertising and branding fees increased by 14 million baht, sales management fees increased by 16 million baht.

Year 2017, net profit is 132.92 million baht, equivalent to 10.02 percent of total revenue, with net profit increasing from 2016, which is the result of revenue recognition from The Rich Sathorn-Taksin and Rich Park projects. - Chao Phraya Is a project with a high percentage of revenue recognition within 2017, or 57.16 percent, 22.85 percent, respectively, of revenue from all real estate sales And better management of financial costs from reducing financial costs.

Year 2018, net profit is 451.03 million baht, representing 16.65 percent of total revenue, with net profit increasing from 2017, which is the result of revenue recognition from Rich Park @ Triple St Project Length is a project with a high percentage of revenue recognition within 2018, or 71.04 percent of the total revenue from real estate sales

Return on equity ratio

Year 2016 - 2018 The company has a return on equity of 0.61%, 7.12% and 19.52%, respectively. For the year 2016, the return on equity of the shareholders has decreased because the company has lower profits for the year 2017, the result rate Return on equity increased as the company has increased profits for the year 2018. The return on equity increased because the company has increased profits.

Analysis of the financial position of the company**Asset**

Most of the company's assets are current assets. Especially the cost of real estate development projects with an average rate of 90 percent of all assets Development costs of real estate projects comprise: 1. Land 2. Project development, both of which are high value assets or approximately 90 percent of real estate project development costs.

As of December 31, 2016 - 2018, the company has total assets of 5,570.31 million baht, 6,062.54 million baht and 5,119.47 million baht, representing an increase of 26.84%, 8.84% and 15.56% respectively. The company has increased total assets. As always, following the launch of new projects

As of December 31, 2016, the company has total assets of 5,570.31 million baht, an increase of 1,178.78 million baht from the year 2015, or an increase of 26.84% as a result of higher real estate development costs for sales in line with the business expansion.

As of 31 December 2017, the company has total assets of 6,062.54 million baht, an increase of 492.23 million baht from the year 2016, or an increase of 8.84%, as a result of the increase in real estate development costs for sales in line with the business expansion.

As of December 31, 2018, the company had total assets of 5,119.47 million baht, a decrease from the year 2017 in the amount of 943.07 million baht or a decrease of 15.56 percent as a result of the cost of real estate development for sale decreased.

The company does not have assets, accounts receivable because the company will recognize revenue when ownership transfer of condominium units

Real estate development costs

Cost of real estate sales that occurred before the transfer of ownership will be recorded in the real estate development costs in the statement of position of the company. And will be recognized as cost of real estate sales in the income statement when ownership is transferred to the buyer The cost of real estate development consists of land costs, construction costs, direct expenses for project development, including interest on related loans. Which will be written off as cost of sales according to the revenue ratio of each project

As of December 31, 2016 - 2018, the Company had real estate development costs equal to 4,865.67 million baht, 5,613.96 million baht and 4,543.88 million baht, equivalent to 87.35 percent, 92.60 percent and 88.76 percent of the company's total assets, respectively.

As of December 31, 2016, the company had real estate development cost of 4,865.67 million baht, an increase of 782.21 million baht in the year 2015 or an increase of 19.16% as a result of the transfer of land ownership from the seller to develop a new project, namely Rich Park @ Triple Station And The Rich Nana Project

As of December 31, 2017, the company had real estate development costs of 5,613.96 million baht, an increase of 748.29 million baht from the year 2016 or an increase of 15.38% as a result of the transfer of land ownership from the seller to develop new projects, namely Rich Park @ Triple Station and The Rich Nana Project

As of December 31, 2018, the company had real estate development costs 4,543.88 million baht, a decrease of 1,070.08 million baht from the year 2017 or a decrease of 19.06 percent as a result of the table 14.7

Table 14.7 Real estate development costs separated by project

Project	As of December 31, 2016		As of December 31, 2017		As of December 31, 2018	
	MB.	Percentage	MB.	Percentage	MB.	Percentage
Le Rich Rama 3	122.83	2.52	21.30	0.38	2.08	0.04
Rich Park @ Bang Son Station	21.68	0.45	-	-	-	-
Rich Park @Taopoon Interchange	257.74	5.30	231.50	4.12	154.76	3.41
Rich Park @ Chaophraya	667.87	13.73	433.03	7.71	172.90	3.80
Rich Park @ Triple Station	732.00	15.04	1,954.86	34.82	652.41	14.36
The Rich Sathorn Taksin	1,111.14	22.84	777.89	13.86	649.56	14.30
The Rich Nana	1,082.40	22.25	1,132.13	20.17	1,316.50	28.97
The Rich Avenue	-	-	226.96	4.04	196.61	4.33
The Eight Collection	91.62	1.88	95.77	1.71	161.24	3.55
Rich Ville Ratchaphruek	197.45	4.06	184.78	3.29	177.43	3.90
The Rich Biz Home Sukhumvit 105	245.58	5.05	188.61	3.36	239.67	5.27
Rich Park Terminal	335.36	6.88	366.48	6.53	483.77	10.65
The Rich Rama 9-Srinakarin Triple Station	-	-	0.65	0.01	331.53	7.30
The Rich Ekamai	-	-	-	-	5.42	0.12
Total real estate development costs	4,865.67	100.00	5,613.96	100.00	4,543.88	100.00

Advance payment for construction

The company has advance payment for construction to the contractor for construction. Which will pay to the constructors in each project before the construction process. As of December 31, 2016, 2017, 2018, the company paid advance payment for construction equal to 125.53 million baht, 25.83 million baht, 48.23 million baht, equivalent to 2.25 percent, 0.43 percent And 0.94% of total assets respectively

As of December 31, 2016, the Company had advance payment for construction of 125.53 million baht, an increase of 31.25 million baht or 33.16 percent due to the Rich Park @ Triple Station project. Construction increased in 2016

As of December 31, 2017, the company had advance payment for construction of 25.83 million baht, decreased from the year 2016 amount 99.70 million baht or equivalent to 79.42 percent due to the deduction of prepaid construction payment from the drawdown of the project contract. The Rich Sathorn-Taksin And Rich Park @ Triple Station Project

As at December 31, 2018, the Company had advance payment for construction of 48.23 million baht, an increase from the year 2017, amounting to 22.40 million baht or 86.72 percent due to the Rich Rama 9 - Srinakarin @ Triple St project. First, The Rich @ Nana, Rich Park Terminal @ Laksi And The Eight @ Sutthi Sutthi Construction increased in 2018

Deposit for land

The company paid the deposit for the land to buy the land for the land owner to use as the land for the project's operation. As of December 31, 2018, the company paid the deposit for land amounting to 188.88 million baht or 3.69 percent of Total assets

As of December 31, 2016, the company paid deposit for land for new project operation of the company which is in the process of studying the project that will continue to develop in the amount of 35.64 million baht.

As at December 31, 2017, the Company paid deposit for land for new project operation of the Company which is in the process of studying the project that will continue to develop in the amount of 40.00 million baht.

As of December 31, 2018, the company paid deposit for land for new project operation of the company which is in the process of studying the project that will continue to develop in the amount of 188.88 million baht

Equipment

Equipment including office equipment Office Furnishings Computer equipment, vehicles, etc. are shown at cost less accumulated depreciation. As at December 31, 2016, 2017 and 2018, the Company has net equipment of 40.89 million baht, 37.16 million baht and 21.62 million baht respectively.

As of December 31, 2016, the Company had net equipment of 40.89 million baht, an increase of 31.42 million baht or 331.68 percent from the year 2015 because the sales office was completed in 2016.

As of December 31, 2017, the Company had net equipment equal to 37.16 million baht, decreased from the year 2016 in the amount of 3.73 million baht or equivalent to 9.12 percent due to the amortization of depreciation according to the normal method

As of December 31, 2018, the Company had net equipment equal to 21.62 million baht, a decrease from the year 2017 in the amount of 15.54 million baht or 41.82 percent due to the amortization of depreciation as normal

Debt

Most of the company's liabilities are 1) loans from financial institutions (Both current and non-renewable) and 2) loans from other persons in some years, the company will have a ratio of current liabilities to total liabilities. Will change significantly But it does not affect the debt management of the company in any way. However, the company will manage the debt in accordance with the loan agreement. For efficiency in managing the cash flow of the business

As of December 31, 2016, 2017 and 2018, the Company had total liabilities of 4,049.95 million baht, 4,195.06 million baht and 2,809.45 million baht, representing an increase rate from the year as the rate increased from 2016 by 3.58 percent and decreased from 2017 33.03 per each

As of December 31, 2016, the company had total liabilities of 4,049.95 million baht, increased from 2015 by 1,211.99 million baht or 42.71 percent, because the company has increased loans from financial institutions 1,208.53 million baht, advance received from customers increased. 167.11 Retention payable increased by 25.80 million baht

As of December 31, 2017, the company had total liabilities of 4,195.06 million baht, increased from the year 2016 in the amount of 145.11 million baht or equivalent to 3.58 percent because the company has more construction payable.

As of December 31, 2018, the company had total liabilities of 2,809.45 million baht, decreased from the year 2017 in the amount of 1,385.61 million baht or 33.03 percent due to the reduction of loans from financial institutions.

Trade payables

The main trade creditor of the company is Creditors, contractors as of December 31, 2016, 2017 and 2018, trade accounts payable of the Company were 219.13 million baht, 173.80 million baht and 163.82 million baht, representing 3.93 percent, 2.87 percent and 3.20 percent of total liabilities and shareholders' equity respectively.

As of December 31, 2016, the company has increased trade accounts payable from 2015 amount of 117.42 million baht or 115.45 percent. The increased creditors are the construction creditors of Rich Park @ Triple Station project. Am And The Rich @ Sathorn-Taksin

As of December 31, 2017, the company had trade payables decreased from the year 2016 in the amount of 45.33 million baht or equivalent to 20.69 percent which decreased due to The Rich Sathorn-Taksin project completed in 2017.

As of December 31, 2018, the company had trade payables decreased from the year 2017, amount of 9.98 million baht or 5.74 percent, which is decreased due to the Rich Park @ Triple Station project. Completed in 2018.

Long-term loans

Long-term loans of the company are loans from financial institutions for development of the Company's projects. And debentures over the age of 1 year

Table 14.8 Long-term loans

	As of December 31, 2016		As of December 31, 2017		As of December 31, 2018	
	MB.	Percentage	MB.	MB.	Percentage	MB.
Long-term loans due within 1 year	-	-	-	-	-	-
Loans from financial institutions - net	1,719.93	100.00	1,753.93	100.00	897.46	100.00
Total	1,719.93	100.00	1,753.93	100.00	897.46	100.00

As of December 31, 2016, the Company had long-term loans of 1,719.93 million baht, an increase of 1,208.52 million baht or 236.31% from the year 2015, which was an increase in loans from financial institutions used for development. New projects added

As of December 31, 2017, the Company had long-term loans of Baht 1,753.93 million, increased from 2016 by Baht 34.00 million or increased by 1.98%, which was an increase in loans from financial institutions used for development. New projects added

As of December 31, 2018, the Company had long-term loans of 897.46 million baht, a decrease of 856.47 million baht from the year 2017 or 48.83 percent increase.

Loans from related parties

Loans that the company borrowed from related parties The company is a debtor and the company has different interest payments.

As of December 31, 2016, the Company has loans from related parties amounting to Baht 10.00 million at the interest rate of 4.30% per annum. It is a loan for normal operation. Due on 10 February 2017

As at 31 December 2017, the Company has no loans from related parties.

As at December 31, 2018, the Company has no loans from related parties.

Advance received from customers – individuals

The money that the company received from the buyer before the transfer date, such as booking money and contract money will be recorded as advance payments from customers And is deducted as income when the ownership is transferred to the buyer. The reserve and contract amount is 5-10 percent of the selling price which depends on the policy in each project.

As of December 31, 2016, the Company had advance receipts from customers - general persons of Baht 229.40 million, an increase of Baht 167.11 million or 268.00% from the year 2015. The main reason was the receipt of the reservation. Contract and pay down payment Increased from projects that have not yet been transferred including projects The Rich-Sathorn Taksin, Rich Park @ Triple Station, The Rich @ Nana, which will begin the transfer of ownership in the year 2560, 2561, 2562 respectively

As of December 31, 2017, the company had advance received from customers - general persons equal to 473.26 million baht, increased from the year 2016 in the amount of 243.86 million baht, or increased by 106.30 percent. Contract and pay down payment Increased from projects that have not yet been transferred Including projects The Rich-Sathorn Taksin, Rich Park @ Triple Station, The Rich @ Nana, which will begin the transfer of ownership in the year 2560, 2561, 2563 respectively

As of December 31, 2018, the Company had advance receipts from customers - individuals equal to 444.34 million baht, a decrease of 28.92 million baht from the year 2017 or a decrease of 6.11 percent. The reason is due to the ownership transfer of Rich Park @ project. Triple Station in 2018

Advance received from customers - related persons

As of December 31, 2016, the Company had advance received from customers - related persons equal to 5.03 million baht, an increase from 2015 of 4.06 million baht or 418.30 percent increase from the Rich Sathorn-Taksin project and The Rich @ Nana, Rich Park @ Triple Station

As of 31 December 2017, there is no advance payment from customers - related persons.

As at December 31, 2018, there is no advance payment from customers - related persons.

Table 14.9 Payment details of projects that are currently implemented as of December 31, 2018

Project	Sold value (1)	Number of rooms transferred	Value transferred (2)		Sold value remaining (3)=(1)-(2)		Accumulated payment (4)=(5)+(6)		Accumulated payment (5)		Accumulated money accumulated (6)		Remaining amount not yet due (6) = (3)-(4)	
	Million baht	Unit	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold	Million baht	Percentage of value sold
Le Rich Sathupradit	992.03	421.00	992.03	100.00	-	-	-	-	-	-	-	-	-	-
The Eight Collection	79.04	-	-	-	79.04	100.00	56.34	71.28	5.59	7.07	50.75	64.21	22.70	28.72
Rich Park Taopoon	1,607.50	634.00	1,574.16	97.93	33.34	2.07	6.88	20.64	1.24	3.72	5.64	16.92	26.46	79.36
Rich Park Chao Phraya	1,455.16	522.00	1,179.88	81.08	275.28	18.92	2.69	0.98	0.13	0.05	2.56	0.93	272.59	99.02
Rich Park @ Triple Station	2,898.38	720.00	1,887.80	172.21	1,010.58	34.87	390.23	38.61	77.79	7.70	312.44	30.92	620.35	61.39
Rich Park Terminal	292.97	-	-	-	292.97	100.00	23.31	7.96	18.03	6.15	5.28	1.80	269.66	92.04
The Rich Sathorn Taksin	1,096.19	250.00	978.33	89.25	117.86	10.75	13.32	11.30	2.89	2.45	10.43	8.85	104.54	88.70
The Rich @ Nana	1,254.75	-	-	-	1,254.75	100.00	284.21	22.65	222.09	17.70	62.12	4.95	970.54	77.35
The Rich Avenue	89.76	-	-	-	89.76	100.00	14.67	16.34	13.00	14.48	1.67	1.86	75.09	83.66
The Rich Rama 9-Srinakarin	608.57	-	-	-	608.57	100.00	18.86	3.10	15.86	2.61	3.00	0.49	589.71	96.90
The Rich Biz Home Ratchapruk	109.39	32.00	96.40	8.79	12.99	11.87	0.07	0.54	0.07	0.54	-	-	12.92	99.46
The Rich Biz Home Sukhumvit	296.80	55.00	273.97	24.99	22.83	7.69	0.02	0.09	0.02	0.09	-	-	22.81	99.91
Total	10,780.54	2,634.00	6,982.57		3,797.97		810.60		356.71		453.89		2,987.37	

Note: LR4, RK5, R2, R4, R5 are not transferring rooms

Shareholders' Equity and Return on Equity

As of December 31, 2016, 2017 and 2018, the shareholders' equity of the Company amounted to 1,520.37 million baht, 1,867.48 million baht and 2,310.02 million baht respectively, representing 27.29% and 30.80%, 45.12% of liabilities and Total shareholders' equity, in accordance with the increase in the shareholders' equity As a result of the increase in net profit of the year and the capital increase of the company

As of December 31, 2016, shareholders' equity decreased from year 2015 in the amount of 33.21 million baht or decreased by 2.14 percent as a result of the company paying cash dividend of 0.055 baht per share to shareholders on the date 25 May 2016

As of December 31, 2017, the shareholders' equity increased from the year 2016 in the amount of 347.11 million baht or increased by 22.83 percent as a result of the company paying cash dividend of 0.0063 baht to shareholders on the date 25 May 2017

As of December 31, 2018, the shareholders' equity increased from the year 2017 in the amount of 442.54 million baht or increased by 23.70 percent as a result of the company paying a cash dividend of 0.0087 baht per share to the shareholders on 24 May 2018

Liquidity analysis

(Million Baht)

	2016	2017	2018
Cash flow from operating activities	(716.59)	147.33	1,498.94
Cash flow from investing activities	(37.39)	(11.81)	(66.11)
Cash flow from financing activities	753.91	(69.22)	(1,493.71)
Net cash flow increased (decreased)	(0.07)	66.30	(60.88)

Cash flow from operating activities

The company had cash flow in operating activities in 2016, 2017 and 2018, equal to (716.59) million baht, 147.33 million baht and 1,498.94 respectively.

In 2016, the Company had cash flow from operating activities (716.59) million baht, due to the company has invested money in the development of new real estate projects, namely The Rich @ Sathorn-Taksin, Rich Park @ Tri Apple Station And deposit of land in the amount of 35.64 million baht, other than that, used in normal business operations

In 2017, the company had cash flow from operating activities of 147.33 million baht which increased As a result of the company having sold projects without debt causing the company to receive a high amount of cash flow when compared to 2016 and 2015

In 2018, the company had a cash flow from operating activities of 1,498.94 million baht which increased As a result of the company having sold projects without debt causing the company to receive high cash flow when compared to 2017 and 2016

Cash flow used in investment activities

In 2016, the company has cash flow used in investing activities in the amount of (37.39) million baht because the company has sold temporary investments to be used to purchase equipment and invest in subsidiaries.

Year 2017, the company has cash flow used in investing activities in the amount of (11.81) million baht because the company has sold temporary investments to be used to purchase equipment and invest in subsidiaries.

Year 2018, the company has cash flow used in investing activities in the amount of (66.11) million baht because the company has sold temporary investments to be used to purchase equipment and invest in subsidiaries.

Cash flow from financing activities

In 2016, the company had cash flow from financing activities in the amount of 753.91 million baht due to the issuance of promissory notes of 620 million baht and the issuance of 1,140.00 million baht to develop various existing projects and add new projects in the year. 2016

In 2017, the company had cash flow from financing activities of Baht (69.22) million due to the issuance of 862.3 million baht debentures to develop existing projects and add new projects in 2017 and to pay off debt. Debentures due in 2017

In the year 2018, the company had cash flow from financing activities of Baht (1,493.71) million due to the long-term loan payment (1,494.70)

Total debt to equity ratio

In 2016, the debt to equity ratio was 2.66 times and the Company has interest-bearing debt to equity ratio of 1.88 times due to the issuance of promissory notes in the amount of 620 million baht and the debentures of 1,140 million baht. With increased debt and interest burden

In 2017, the debt to equity ratio was 2.25 times, and the company has an interest-bearing debt to equity ratio of 1.82 times due to the issuance of additional debentures in the year 2017, amounting to 862.3 million baht. Debt repayment from projects that recognize revenue in the year causing the company to have lower debt and interest burden than 2016

In the year 2018, the debt to equity ratio was 1.30 times and the interest bearing debt to equity ratio was 0.90 times due to the payment of income from the project that was recognized in the year. Causing the company to have lower debt and interest burden than 2017

The remuneration of the auditor

In fiscal year 2016, the company paid the audit fee to the auditor of the company, Karin Audit Company Limited, in the amount of 950,000 baht. In 2017, the company entered into an agreement with Karin Audit Company Limited. Limited service charge of 950,000 baht and in 2018, the company entered into an agreement with Dharmniti Auditing Company Limited. The service fee is 1,320,000 baht.

Critical factors that could affect the financial position and results of operations in future.

Risk factors for operations affecting the financial position continue to affect both economic conditions. Interest rate Measures to supervise housing loans or LTV (Loan to Value) which the Bank of Thailand (BOT) issued to announce the effective date from 1 April 2019 onwards, resulting in a reduction in demand for residential homes down causing the business to slow down According to the direction of the monetary policy of the Bank of Thailand

Procurement of land projects, trends, risk factors, procurement of projects, more difficult projects, such as the BTS line, government projects, or near convenient transportation to urban people Which has a higher impact on the real estate development cost Causing a slowdown in purchasing decisions of consumers, especially the market in Greater Bangkok

As well as other factors Related, such as the rising cost of business operations such as wages Construction materials Fuel price, transportation cost may affect the delivery of the contractor's work. All affect the development of all real estate.