



2017 ANNUAL REPORT

Country Group Development PCL.

COUNTRY GROUP DEVELOPMENT PCL.
ANNUAL REPORT 2017

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MESSAGE FROM CHAIRMAN & CEO

To My Fellow Shareholders,

In recent years, our esteemed shareholders will have heard about our company's unique approach -- that is, the development and investment business platforms. We are glad to report that Country Group Development has continued to achieve significant progress and growth in 2017.

One of our key goals this year is to secure a pipeline of future projects following our successful foray into the highly important sector of global education, with the acquisition of the 20.24 acre asset in 2016: 'Ovingdean Hall'; a school located in Brighton, UK. Furthermore, we were able to acquire two plots of land: the first being an acquisition of a sizable land with an area of 79-3-63 Rai in June of 2017 located in the strategic location of the Chachoengsao Province in the vicinity of Thailand's emerging Eastern Economic Corridor (EEC) and also another 22-3-93 Rai plot in Bangkok's Industrial Ring Road (Rama III). Both pieces of land are earmarked for large mixed-use projects scheduled to launch later this year.

We continue to have steady progress for our flagship project, Chao Phraya Estate, both in terms of sales and construction progress where we recently celebrated the top-off ceremony of Capella Bangkok in March 2017. Only 11 months later, in February 2018 another important event was proudly recorded when the Company, along with our partners; Four Seasons Hotels & Resorts, Beijing Construction Engineering Group and Ping-An Bank together commemorated the top-off ceremony of the 73-storey Four Seasons Private Residences Bangkok at Chao Phraya River; a representation of our firm commitment to ensuring a timely and successful completion of the project.

To cope with this speed of growth, we have continued to expand the CGD family to almost triple the number of employees but remain nimble in size and continue to take care in maintaining and cultivating the unique company culture and entrepreneurial spirit.

Moving forward, 2018 will be a pivotal year for CGD with the scheduled completion of Capella Bangkok and Four Seasons Private Residences in the last quarter of 2018, closely followed by the completion of Four Seasons Hotel in Q1 2019. Simultaneously, the beginning of ownership transfers of our sizable backlog of sales will mark the strategic turnaround of the Company's performance'. Equally anticipated, are the launch of our two hotels which are aimed to be the top most tier of this competitive market. In this respect, our team is heavily engaged with our operating partners; Capella Hotel Group and Four Seasons Hotels & Resorts for the pre-opening preparation to ensure that all the best of facilities and services will be well in place prior to the official opening of these wonderful hotels.

On behalf of the Board of Directors, we would like to express our sincere gratitude to everyone who has made the Company's achievement possible. 2018 will be a monumental year for us, as we not only plan to deliver on Chao Phraya Estate, but also bring to market our ever-expanding pipeline and portfolio of assets. We are extremely energised by the tremendous new opportunities that were secured late last year and look forward to crafting these exciting developments, in line with our strategic objectives.

Yours faithfully,



Vikrom Koompirochana

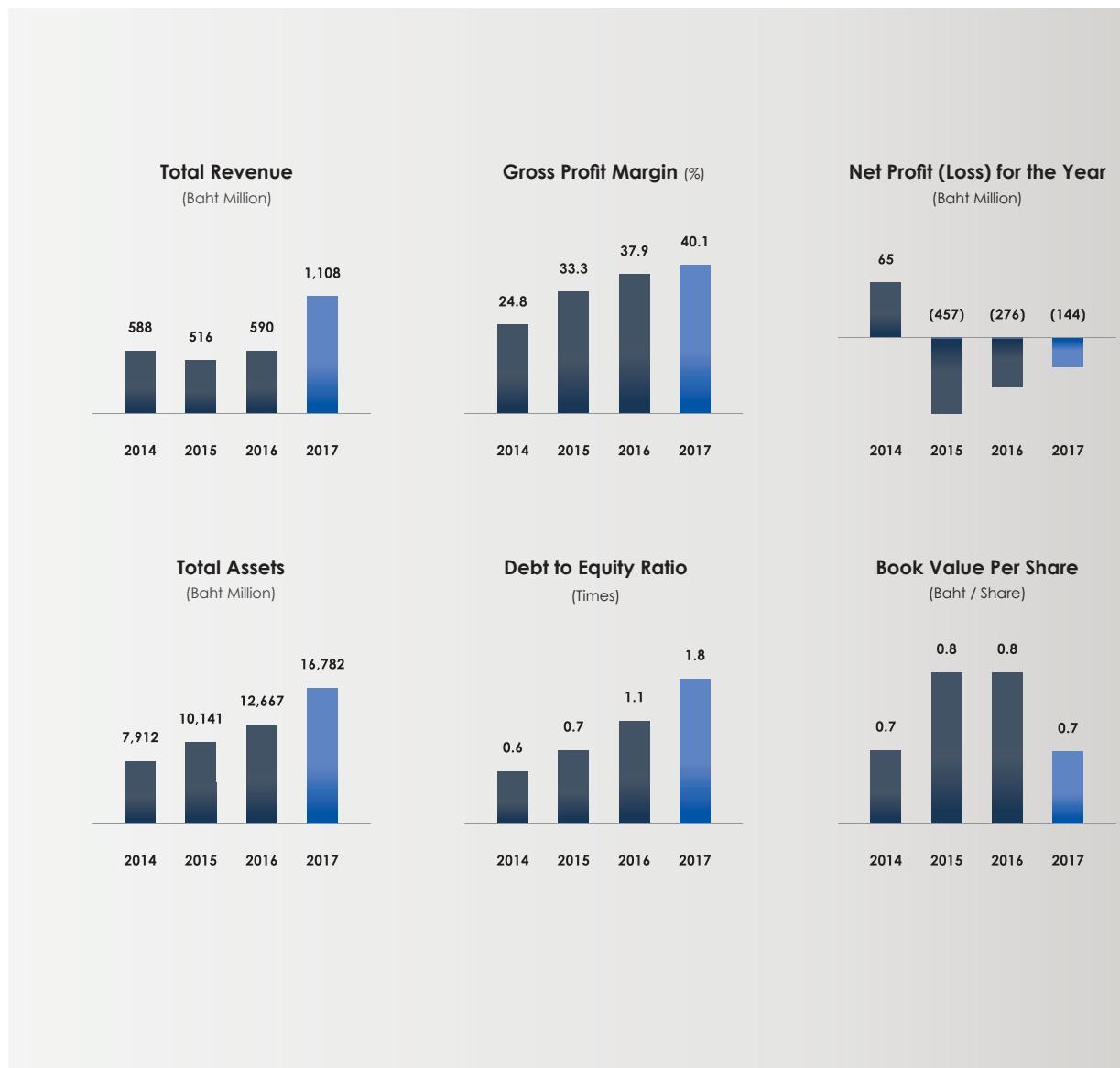
Vikrom Koompirochana
Chairman

Ben Taechaubol

Ben Taechaubol
Chief Executive Officer

FINANCIAL HIGHLIGHTS

SIGNIFICANT FINANCIAL INFORMATION COMPARISON FOR THE YEAR 2014-2017



Unit: Baht Million

	2014	2015	2016	2017
Financial Position				
Total Assets	7,912	10,141	12,667	16,782
Total Liabilities	2,907	4,225	6,694	10,868
Total Shareholders' Equity	5,005	5,916	5,973	5,914
Operating Results				
Total Revenue	588	516	590	1,108
Revenue from Condominium Sales	546	479	352	909
Cost of Condominium Sales	411	320	219	544
Gross Profit	135	159	133	365
Profit from Discontinued Operations	205	36	-	-
Net Profit (Loss) for the Year	65	(457)	(276)	(144)
Ratios				
Gross Profit Margin (%)	24.8	33.3	37.9	40.1
Book Value Per Share (Baht / Share)	0.7	0.8	0.8	0.7
Debt to Equity Ratio (Times)	0.6	0.7	1.1	1.8
Interest - Bearing Debt to Equity Ratio (Times)	0.2	0.5	0.8	1.4
Return on Equity Ratio (%)	1.4	(8.8)	(6.0)	(3.3)

2017 AT A GLANCE

JANUARY 2017

CGD LAUNCHES PHASE 4 OF ELEMENTS SRINAKARIN

Elements Srinakarin launches Phase 4 of the project, comprising 338 best-in-class fully-furnished units ready for sale and transfer.



JUNE 2017

CGD TO BEGIN MIXED-USE PROJECT IN EMERGING EASTERN ECONOMIC CORRIDOR - CHACHOENGSAO

CGD successfully completes transaction for a new mixed-use community mall development encompassing over a 79-3-63 Rai asset of land valued at THB 1 billion located in the strategic Chachoengsao province in Thailand's emerging Eastern Economic Corridor (EEC).



SEPTEMBER 2017

CGD HITS BIG IN HONG KONG, ACHIEVES OVER USD 21 MILLION IN SALES DURING HONG KONG SHOWCASE

Four Seasons Private Residences Bangkok achieves an astounding USD 21 million in luxury units sold at 2-day exhibition hosted at Four Seasons Hotel Hong Kong.

MARCH 2017

CGD COMMEMORATES THE OFFICIAL TOP-OFF CEREMONY OF CAPELLA BANGKOK

CGD commemorates the topping-off ceremony to mark the super-luxury, Capella Hotel Group's expansion to Chao Phraya Estate in Bangkok.

FEBRUARY 2018**CAPELLA BANGKOK GEARS UP TO OPEN WITH APPOINTMENT OF NEW GENERAL MANAGER, JOHN BLANCO**

Luxury hotel management company, Capella Hotel Group appoints John Blanco to take the helm as General Manager at Capella Bangkok, which is scheduled to open in the last quarter of 2018.

DECEMBER 2017**CGD SECURES LAND ON BANGKOK'S RAMA III ROAD VALUED AT THB 1.98 BILLION IN PREPARATION FOR FUTURE DEVELOPMENT**

CGD has secured 22-3-93.6 Rai of additional land located on Bangkok's Industrial Ring Road (Rama III) for future development. Land asset is located fifteen minutes from Bangkok's CBD, providing convenient accessibility to (and from) expressways and existing mass transit networks.

MARCH 2018**COUNTRY GROUP DEVELOPMENT MARKS SUCCESSFUL PROJECT SELL-OUT FOR ELEMENTS SRINAKARIN**

CGD marks the successful sales completion of Elements Srinakarin, the firm's first development project comprising of 1,054 best-in-class units located on Srinakarin road.

**DECEMBER 2017****CAPELLA BANGKOK REVEALS HIGHLY-ANTICIPATED COLLABORATION WITH 2-STAR MICHELIN CHEF MAURO COLAGRECO**

CGD announces partnership with celebrated 2-Michelin starred Chef, Mauro Colagreco, where the culinary icon will helm the kitchen at his signature restaurant at the super-luxury hotel, Capella Bangkok.

FEBRUARY 2018**CGD CELEBRATES THE TOP-OFF CEREMONY FOR 73-STORY SUPERTOWER FOUR SEASONS PRIVATE RESIDENCES BANGKOK**

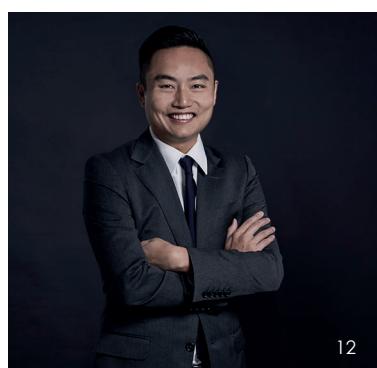
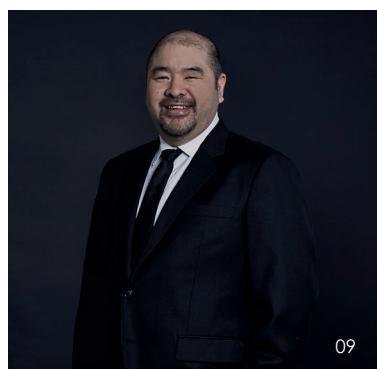
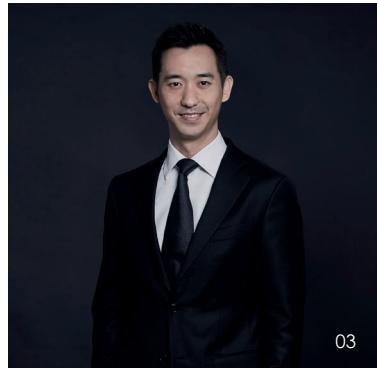
Thailand-based developer and key international partners mark a milestone with the top-off completion of landmark 73-storey branded luxury waterfront residential tower in the heart of the Thai capital.





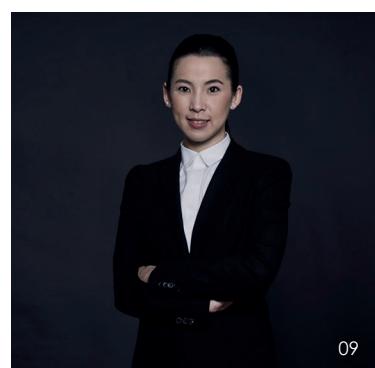
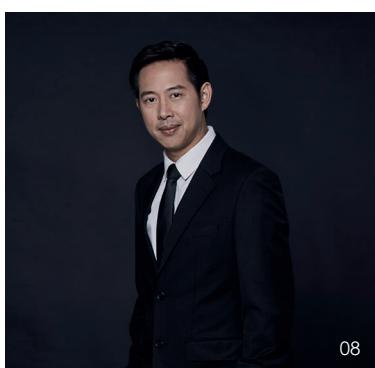
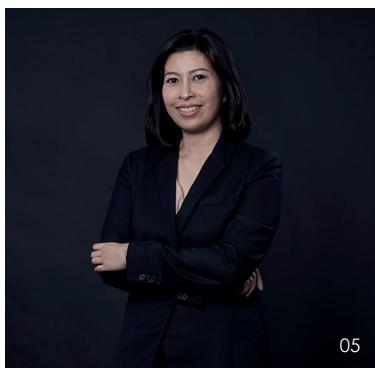
COUNTRY GROUP DEVELOPMENT

BOARD OF DIRECTORS



01	02	03
Mr. Vikrom Koompirochana <ul style="list-style-type: none"> • Chairman of the Board of Directors • Independent Director 	Pol. Gen. Phatcharavat Wongsuwan <ul style="list-style-type: none"> • Vice Chairman 	Mr. Ben Taechaubol <ul style="list-style-type: none"> • Director • Member of the Nomination and Compensation Committee • Chairman of the Investment Committee • Chief Executive Officer
04	05	06
Mr. Subhakorn Bhalakula <ul style="list-style-type: none"> • Chairman of the Audit Committee • Independent Director • Chairman of the Nomination and Compensation Committee 	Pol. Gen. Werapong Chuenpagdee <ul style="list-style-type: none"> • Member of the Audit Committee • Independent Director • Member of the Nomination and Compensation Committee 	Mr. Hsu-Feng Shueh <ul style="list-style-type: none"> • Independent Director • Member of the Audit Committee
07	08	09
Air Chief Marshal Permkiat Lavanamal <ul style="list-style-type: none"> • Independent Director 	Pol. Maj. Gen. Ittipol Ittisarnronnachai <ul style="list-style-type: none"> • Independent Director 	Mr. Gavintorn Atthakor <ul style="list-style-type: none"> • Independent Director
10	11	12
Mr. Jirasak Ponghathaikul <ul style="list-style-type: none"> • Director 	Ms. Jaelle Ang Ker Tja <ul style="list-style-type: none"> • Director 	Mr. Yiu Sing Tse <ul style="list-style-type: none"> • Director

EXECUTIVE MANAGEMENT



01	02	03
Mr. Ben Taechaubol Chief Executive Officer	Mr. Chatchai Chordokrak Executive Director • Accounts & Finance Division	Mr. Suttinath Jitticharunglap Executive Director • Operations Division
04	05	06
Mr. Varakorn Techamontrikul Executive Director • Development Division	Ms. Kitima Kritiyachotipakorn Executive Director • Sales Division	Mr. Jon Ashley Nielsen Executive Director • Portfolio Management Division
07	08	09
Ms. Patra Kantasiribitaks Executive Director • Investment Division	Mr. Bundit Kanlayanarat Director • Projects Division	Mrs. Vatinee Chaturongkul Director • Projects Division
10	11	
Mr. Kobchai Chitcuresakulchon Director • Accounts & Finance Division	Mr. Narongsak Sonpuak Director • Accounts & Finance Division	

Developments

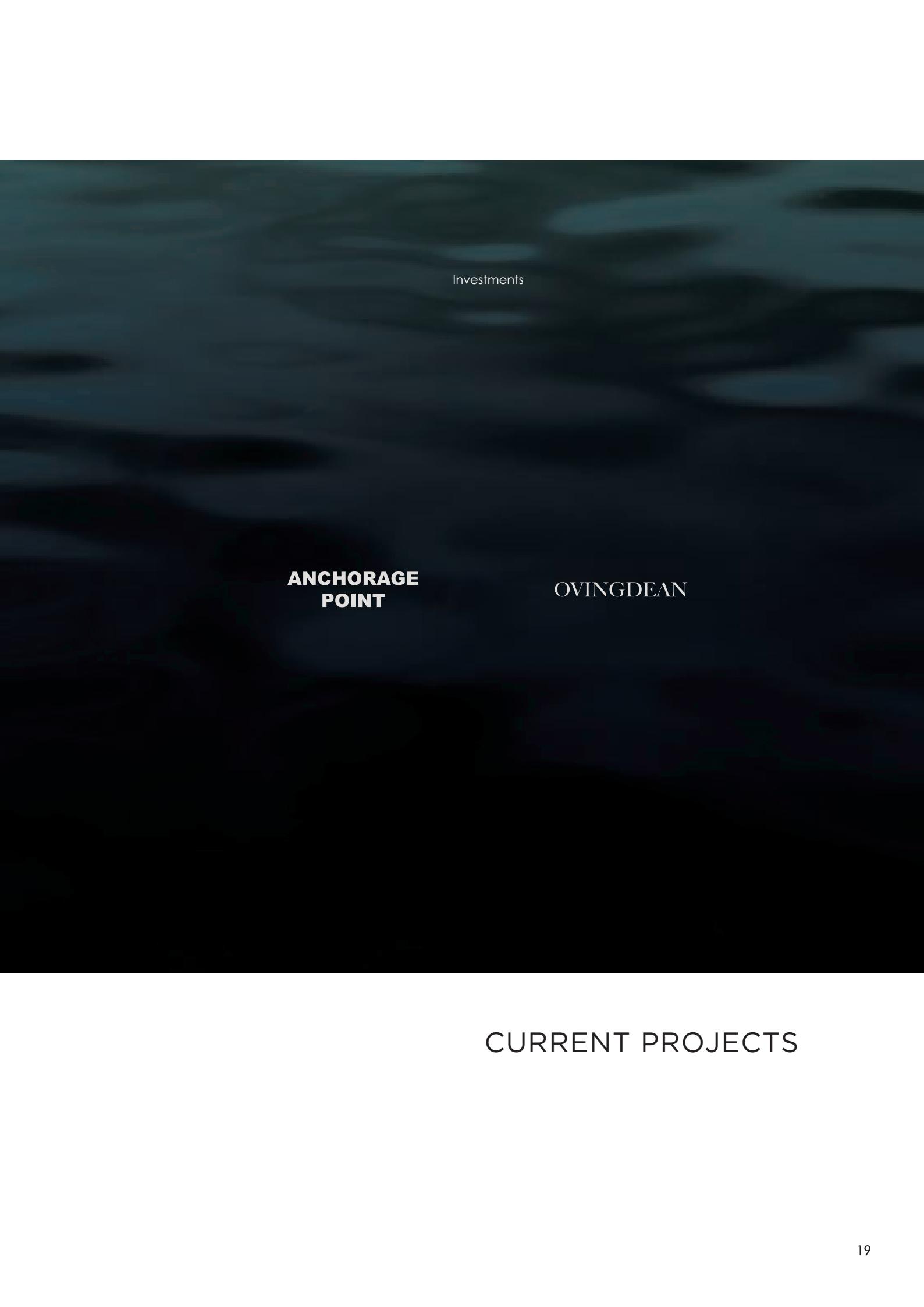
CHAO PHRAYA
ESTATE



E L E M E N T S
SRINAKARIN

CHACHOENGSAO
(Under Development)

R A M A III
(Under Development)



Investments

ANCHORAGE POINT

OVINGDEAN

CURRENT PROJECTS



Development

CHAO PHRAYA ESTATE

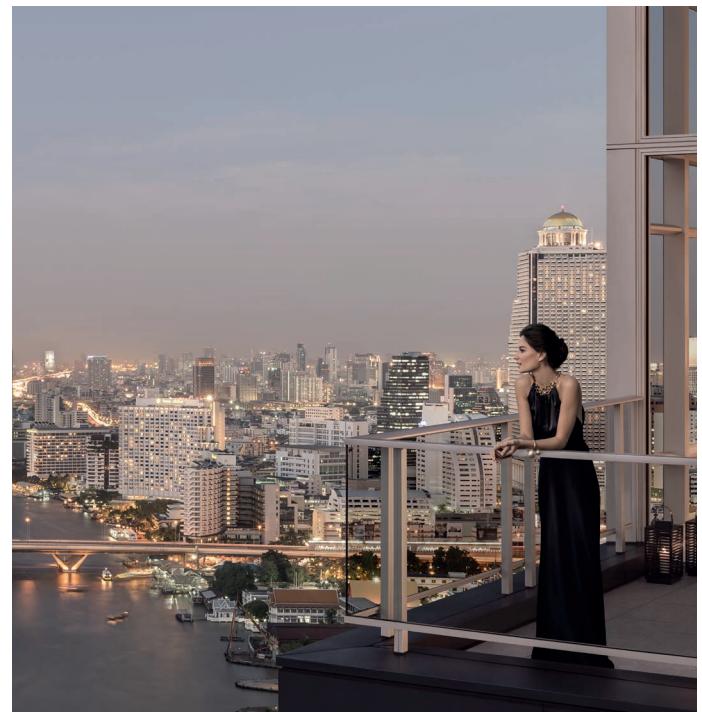
Sector: Mixed-use Development
(Residential, Hospitality)
Location: Bangkok, Thailand

Considered as Bangkok's last remaining waterfront golden site, the estate encompasses over 14 acres (35-2-68 Rai) of prime land along the majestic Chao Phraya River, with an unprecedented accessibility as well as 350 metres of waterfront real estate.

**Development****FOUR SEASONS PRIVATE RESIDENCES
BANGKOK AT CHAO PHRAYA RIVER**

Sector: Residential (Super-luxury)
Location: Bangkok, Thailand

Strategically positioned at the heart of Chao Phraya Estate, this premier 73-storey residential tower is designed to elevate waterfront living to new heights; drawing inspiration from its spectacular waterfront location, it features unobstructed panoramic river and city views across all 355 residences, as well as enhanced services from its two neighbouring world-class hotels.





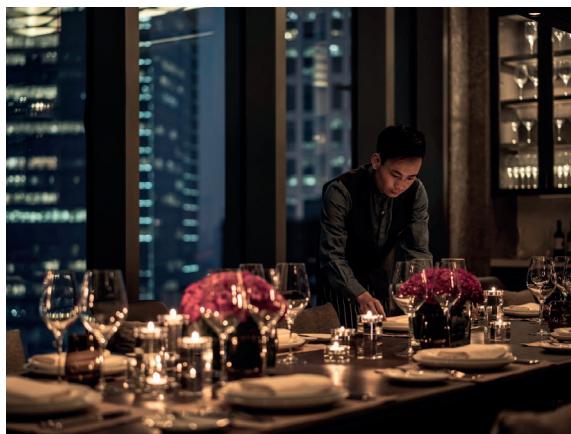
Development

FOUR SEASONS HOTEL BANGKOK AT CHAO PHRAYA RIVER

Sector: Hospitality
Location: Bangkok, Thailand

This architecturally notable, cascade-structured luxury hotel redefines the urban resort experience with unexpected serenities and multisensory pleasures. Sprawling over 9 acres, with 300-keys and facilities of unmatched scale and seamless design integration into the natural waterfront landscape, Four Seasons Hotel Bangkok at Chao Phraya River provides a unique environment for an exceptional waterfront experience.

The entirety of the hotel ground is uniquely arranged around a series of calming green courtyards, each different, with serenity and water features prominent in every design. From the exceptionally large rooms to the restaurants and magnificent Grand Ballroom, a panoramic river view takes centre stage.





Development

CAPELLA BANGKOK

Sector: Hospitality
Location: Bangkok, Thailand

Founded by legendary hotelier Horst Schulze, Capella Bangkok is a super-luxury, low-rise hotel facing the river with 101 exclusive suites that unify top luxury with a sense of intimacy. Capella Bangkok is not only Bangkok's first waterfront suites hotel, but a total rethinking of the luxury experience through a definitive showcase of bespoke service and exceptional luxury design.

The property will feature an iconic ballroom catering to the city's most prestigious events, and an expansive waterfront landscape that occupies nearly a quarter of Chao Phraya Estate. Capella Bangkok will offer a rarified kind of space and atmosphere that seems almost impossible to discover within a city CBD.



Development

ELEMENTS SRINAKARIN

Sector: Residential (Mid-Tier)
Location: Bangkok, Thailand

Elements Srinakarin has been conceptualised as a refreshingly uncompromising offering for middle-income buyers. The project is located within walking distance to three department stores, as well as a short distance away from major universities, hospitals, and Suvarnabhumi International new airport train line, which is essentially connected to two other mass transit routes.

Through innovative design and layout, Country Group Development focused on increasing build density while increasing green space to levels normally reserved for larger estates.

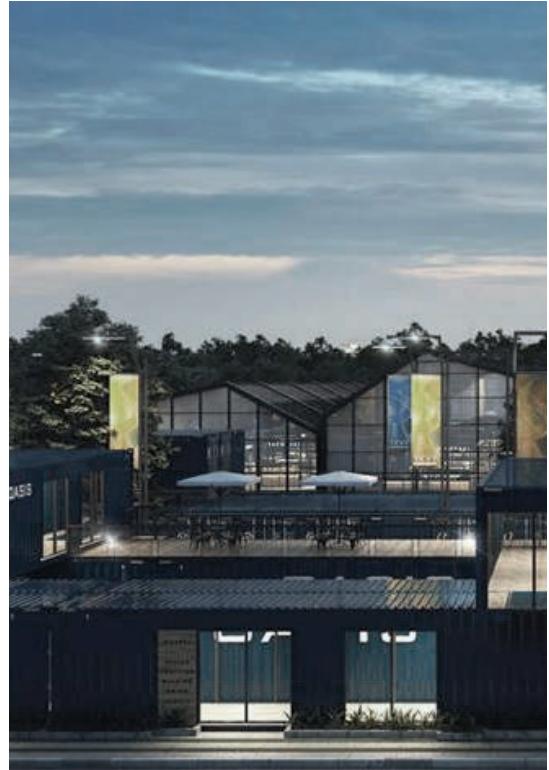


Development**CHACHOENGSAO**

Sector: Mixed-use Development
Location: Chachoengsao, Thailand
 (Under development)

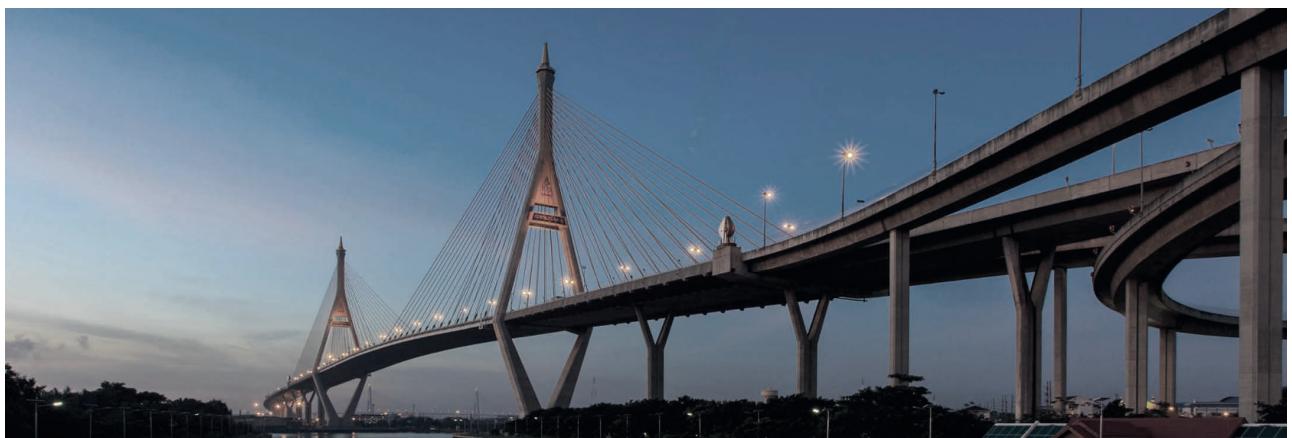
A mixed-used development situated on a generous 79-3-63 Rai plot of land (31.2 acres) in Chachoengsao Province. The project was conceived to support the emerging economic region of the Eastern Economic Seaboard (EES); Thailand's centre for manufactured goods and export-orientated industries.

The development has been strategically designed in conjunction with the government's announcement of Thailand's new Bangkok-Rayong high-speed railway link and the expected fluctuation of local and international tourism within the region.





Under development



Development

RAMA III

Sector: Mixed-use Development
Location: Bangkok, Thailand
(Under development)

Country Group Development PCL., has secured 22-3-93.6 Rai of additional land located on Bangkok's Industrial Ring Road (Rama III) for future development. Land asset is located fifteen minutes from Bangkok's CBD, providing convenient accessibility to (and from) expressways and existing mass transit networks.



Investment

ANCHORAGE POINT

Sector: Industrial Data Centre
 Location: London, United Kingdom

The historical value of data centres and the projected future trends of data-storage needs for multiple industries, measured against the constraints that limit effective data-storage creation, suggest that prime-located data storage centres may be one of the fastest value growth segments of real estate in the medium and long-term development.

Country Group Development PCL., took the opportunity to secure Anchorage Point, a 2,300 square metre data centre with a 33-year freehold lease and an existing tenant in an off-market transaction for its key location in London; one of the top five areas in the Greater EU for both demand and connectivity to the most centralised part of the regional communications infrastructure.

As of December 2015, Country Group Development PCL., has exited and sold the investment to MFC Industrial Real Estate Investment Trust (MIT), Thailand's first international Real Estate Investment Trust (REIT).



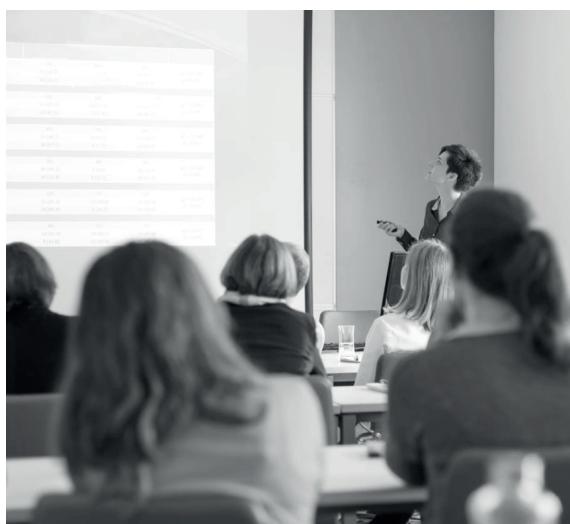


Investment

OVINGDEAN HALL

Sector: Education
Location: Brighton, United Kingdom

With fundamentally attractive characteristics, the global education sector portrays trends with strong demand and lucrative returns. In 2016, Country Group Development expanded into the education sector for the first time by acquiring a school located in Brighton, United Kingdom. The freehold asset comprises 20.24-acre campus of buildings, providing offices, accommodation, educational and recreational facilities for up to 450 students.







ECONOMIC ANALYSIS

ECONOMIC ANALYSIS

THAILAND MACRO-ECONOMY

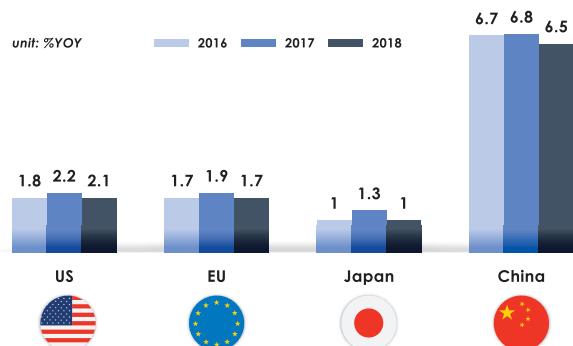
Prospects for the world economy improved slightly in 2017 led by U.S. economic expansion attributed to three main underlying growth engines; private consumption improved in many regions as well as a continued global trade recovery which supported export's contribution to GDP growth in exporting countries. In addition, the global economy saw the synchronised recovery of major economies for the first time in many years, including the U.S., Euro, and Japan, putting both advanced and emerging economies on a mild growth trajectory. Key risks imposing world economy include fragile conditions and an unstable financial sector in Europe and China, the uncertainty of Brexit, a heightened concern regarding potential geopolitical conflicts rippled by the U.S., and trade protectionism which could potentially affect international trade and investment with strong implications on Thailand's export and manufacturing industry.¹

Although uncertainty in the global economy posed some risk to Thailand's growth momentum, 2017 saw stellar economic achievements for the country, growing faster than economists estimated; driven by an expanding export industry, a continually booming tourism sector, government investments and stimulus policies as well as signs of a recovery of domestic household spending. According to the Economic Intelligence Centre (EIC), GDP growth grew at approximately 3.9% and is predicted to reach a growth of 4.6% next year.¹

Thailand's growth model is trade-orientated; therefore the country's external position is highly subject to price volatility. Exports of goods and services contribute to approximately 74% of Thailand's GDP, making it one of the biggest GDP shares in the region. According to Economic Intelligence Centre (EIC), export growth was eminent in both price and volume in all categories including; agricultural products, food & beverages and manufactured goods, thanks to improving oil prices and a recovery of the global manufacturing sector, representing the highest rise seen in the past four years. In addition, the increase in demand for industrial goods

Economic growth in 2016, and projections for 2017 and 2018

Global growth follows a robust expansion path in 2017 and will continue its momentum into next year



Source: Projections by EIC and foreign economic research houses (Goldman Sachs, J.P. Morgan, Deutsche Bank and Bank of America).

Thailand's economy in 2017-2018

Thai GDP continues to expand, though household spending may weaken

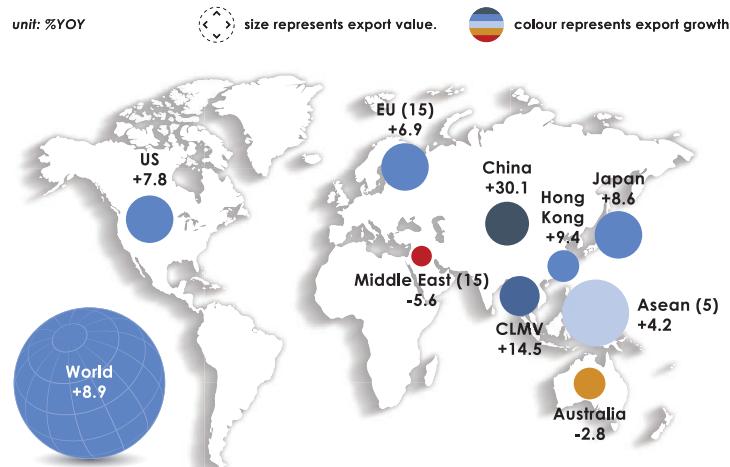
EIC expects

that Thailand's economy will grow at a solid rate of **3.6%** in 2017, with recovery continuing at **3.5%** in 2018

Supporting factors	Risk factors
Global economic recovery boosts Thai exports.	Declining crop prices drive down farm income.
Tourism sector expands continuously.	Households shun new borrowing.
Domestic spending power improves as installment loans under "first car" policy are finally paid off.	Baht strengthens against currencies of major trading partners.
Government measures for low-income earners.	Monetary policy tightens in U.S. and Europe
Infrastructure investment doubles.	Some Thai exports vulnerable to trade protection threatened by Donald Trump.
Foreign direct investments targets E.E.C. projects and e-commerce businesses.	E.U. faces political uncertainty from Brexit and Italy's general elections.
	Risk of war in Korean Peninsula

The value of Thai exports during the first 8 months of 2017 by export market

Exports grew in most regions except the Middle East and Australia which contracted due to lower car exports



and commodities especially from CLMV (Cambodia, Laos, Malaysia, Vietnam) expanded the sector by 7.7%.² Thai exports worth approximately USD180 billion per annum consist primarily of agricultural products, including fish and rice; the latter of which Thailand is the largest exporter in the world, as well as textiles, rubber, automobiles, jewelry, computers and electronic appliances.³ The department of export predicts that by next year, Thai exports will rise by 5.7% compared to a global growth of 4.3%, alongside continued growth in global export volumes.⁵

Meanwhile, tourism continues to be one of the key driving forces of the Thai economy, representing 6-7% of Thailand's total GDP. Thailand's tourism sector relies mainly on three drivers; 1. Number of arrivals 2. Tourist spending 3. The nation's ability to accommodate its' visitors. According to the EIC, arrivals grew 7.9% reaching approximately 35.4 million visitors and 21.1 million to Bangkok, YTD November 2017. According to 2016's data from the Department of Tourism, a tourist in Thailand spends on average around THB 50,000 per person per trip, increasing approximately 3% per annum. Groups that represent the highest spend are from the Middle East, Australia and European countries, where they are spending on average of THB 77,000 to THB 80,000 per person per trip far above the average of THB 40,000 among Asian travellers. EIC expects that in 2018, the prospects for tourism will continue to expand with the extensions of major airports and government campaigns.⁴

High household debts remain one of the main factors hindering private consumption, representing 79.9% of GDP. Since the global financial crises in 2008, household debts have been on the rise, particularly for low-income individuals as they face

constraints primarily caused by the surge in mortgage loans during the condominium boom.⁵ In early 2017, Household consumption experienced a slight expansion of 3.2%, largely driven by government stimulus measures which involved the rise in income tax deductions, low-interest rates, and rising wages. Meanwhile, a recovery in farm-income, increased consumer confidence and the impacts of 2011's first-car scheme reached the end of its 5-year term.

High-income earners have increased their spending especially on durable goods, as seen in substantial growth of passenger cars and in over-time employment in service-related businesses. Households will likely slowdown in taking out new debt due to existing debt burden along with tight bank policies on credit cards and personal loans. Meanwhile, banks keep policy rate steady at 1.5% to accommodate economic recovery. The Monetary Policy Committee may increase the policy rate in the coming years, once the economy sees stronger signs of growth.⁴

Private investments in Thailand has been experiencing a decline since 2013, contracting by 1.1% in early 2017. Overall credit issuance remained subdued as lending standards tighten, where loans turned positive in Q1 2017 for the first time since 2015.⁵ Government incentives have been factored out: including the discount of property transfer fees, without such measures private investments showed little growth in constructions of new factories; stores and other facilities.⁴ However, EIC portrays that large companies listed on the Stock Exchange of Thailand (SET) have been investing steadily, led by the telecommunications, alternative energy, logistics and warehouse followed by retail and hotel sectors.

The service sector will continue its investment push on the back of three supporting factors which include: domestic consumer purchasing power, tourism and government investment in infrastructures; these factors will offer business opportunities, especially for the transportation sector and real estate developers.

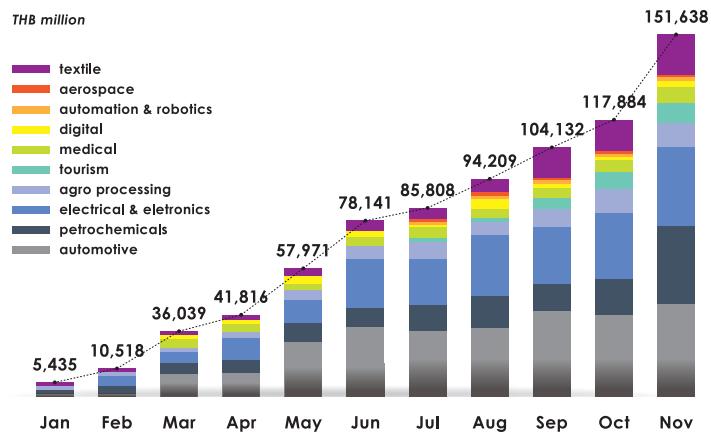
The broadening export upturn and government stimulus measures are contributing to an improvement to the Thai economy, where disbursements for the 2017 fiscal year was expected to almost double in size from the previous year with funds injected in public and state-enterprise investments on infrastructures of mega-project expansions. Prime Minister Prayuth Chan-Ocha has adopted measures to boost growth, including a 1.5 trillion baht (USD 4 billion) infrastructure spending plan, and tax breaks for year-end shopping.

Despite low business confidence from locals, foreign businesses continue to be attracted by Thailand's strategic location between China and India, and the attractive incentives offered by the Board of Investment (BOI). 2017 has been touted as a pivotal year for the Thai economy and the year of concrete national reform. Positive signals for more private investments have been evident: rising capacity in utilisation in the manufacturing sector and high interest shown from foreign investors to take part in the Eastern Economic Corridor (EEC) will accelerate the areas' readiness to support all aspects of investment and economic growth. The Eastern Economic Seaboard (EES) will become an important centre in Asia for trade, investment, regional transportation, equipped with modern and

efficient infrastructure including deep sea ports, airports, rail systems, highways and industrial estates, soon to become a skilled labour pool and a prime destination for tourism.

In line with the global digital era, Thailand 4.0 demonstrates the government's determination to move the country forward to a digital economy by reforming the country's economic structure and enhancing competitiveness promoting successive economic development schemes. Under Thailand 4.0, the nation is focusing on becoming a value-based and innovation-driven economy by moving from producing commodities to innovative products with emphasis on technology, creativity, and innovation in focused industries with the efforts to transform Thailand to become one of the most preferred investment destinations in Asia.⁷

FDI in Thailand for 10 targeted industries in 2016



Thailand Investment Review

BOI Net Application



Foreign Investment by Major Economies



Moving forward, robust overseas demand for Thai exports and sizable public investments are expected to support the economy next year, but downside risks remain with growth likely to moderate with the slowdown in external demand. Experts expect Teflon Thailand's economy to continue smoothly, with investment to pick up, leading to a more broad-based recovery. The election will be a deciding factor; however with the economy proving its resiliency, the economy can still grow. Economic Experts expect the economy to grow 3.6% in 2018, up 0.1 percentage points.⁷

SOURCE:

1. Amornvivat, Sutapa. "Outlook Quarter 4/2017." Economic Intelligence Centre (EIC), Jan. 2018, pp. 4–66..
2. Staff, Reuters. "Thai finance ministry raises 2017 GDP growth outlook to 3.8 pct." REUTERS, Discover Thomson Reuters, 31 Oct. 2017, www.reuters.com/article/thailand-economy-forecasts/thai-finance-ministry-raises-2017-gdp-growth-outlook-to-3-8-pct-idUSBN1L700Y
3. "Economic Forecasts from the World's Leading Economists." Focus Economics, 23 Jan. 2018, www.focus-economics.com/countries/thailand.
4. Banchuen, Wachirawat, et al. "Outlook Quarter 4/2017." SCB Economic Intelligence Center, 22 Oct. 2017, pp. 4–66. Economic Intelligence Center.
5. W. (2017). Thailand Economic Monitor 2017 (pp. 1-27, Rep.). Bangkok : World Bank Office
6. "Economic Forecasts from the World's Leading Economists." Focus Economics, Thailand Economic Outlook, 23 Jan. 2018, www.focus-economics.com/countries/thailand
7. "Thailand Investment Review ." BOI, Jan. 2017, pp. 2–12., www.boi.go.th/upload/content/TIR_Jan_32824.pdf

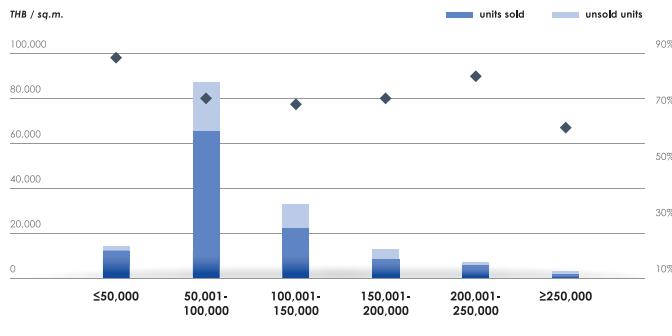
BANGKOK CONDOMINIUM MARKET

The country's rapid development and growth in real estate have been supported by Bangkok's attractive business opportunities. The property segment in 2017 continued on an upward trend, performing well in most areas supported by greater inbound capital from foreign and local investments. This year the condominium market witnessed a mixed sales performance with continued demand and values rising for newly launched luxury projects in the downtown area, whereas projects in midtown and suburban areas faced slower sales as a result of slow economic recovery. This year, condominium prices continued to break records in downtown as land prices of prime locations continued to increase yearly. Underlying trends that have influenced the performance of Bangkok property market are primarily driven by continued demand for high-end projects in prime locations, the construction of government megaprojects, and continued interest and investments in properties from foreign organizations.¹

According to the Bank of Thailand (BOT), Bangkok's economy in 2017 performed better than expected, expanding at an economic growth of approximately 3.9% up from 2.8% last year, the highest quarterly growth rate documented in four years.² The New Residence Buyer's Index, compiled from a survey by the University of the Thai Chamber of Commerce, portrayed an increase of 55.6 from January to August 2017; this reflects lukewarm confidence in Thailand's long-term economic situation as the low-end segment continues to face economic uncertainties with rising household debts constraining the mass market. Bangkok's residential sector continues to be a tale of two markets, with continued demand exclusively focused in the high-end segment pushed by strong local and foreign HNWIs, who remain unaffected by external economic factors.³

Overall, the market continued to be dominated by large listed developers, obstacles regarding land scarcity and rising land prices resulted in 73% of all condominium units launched from listed developers with strong financial status. The number of newly launched downtown condominium units in early 2017 increased by 69% Q-o-Q as a result of the massive drop in Q4 2016 due to the effect of the passing of His Majesty, King Bhumibol Adulyadej.

Average Take-up Rate of All Condominium Units by Price Range



Source: Colliers International Thailand Research

The number of newly launched condominium units in the Midtown/Suburban area decreased by 26% Y-o-Y¹ a majority of these units are selling for THB 55,000 - THB 100,000 per sq. m. The Midtown/Suburban market still faces a peak supply situation with 60,450 condominium units completed in 2016 and over 57,000 condominium units expected to be completed within 2017.¹ Sales rate for off-plan projects in this area remained slow at 66.5% with 76,545 future units sold as of Q1 2017. Developers of this market segment have been posed with challenges to convert off-plan sales, with down payments as low as 10%, due to buyer's inability to secure mortgages.

As a result, developers focused on clearing existing stocks before the market sees significant recovery in new sales and focused more on locations closer to the downtown area in order to achieve higher prices per sq. m. but decreased unit sizes which did not affect lump sum prices. Others have increased the proportion of single detached housing projects in 2017 and focused on effective marketing campaigns for ready-to-move-in units.⁸

¹In contrast, sales in the Downtown area are at record levels with 17 projects achieving prices of THB 300,000 per sq. m and take-up rates of around 60-75% or 18,665 units sold from the total of 26,637 future units.¹ This year saw developers in the luxury residential segment compete strategically with other existing products, while also coping with the changing resale market. The demand for high-end and above condominium projects remain strong, with roughly 85% of luxury and super-luxury segments driven by Thai buyers, while 15% is driven by foreign buyers with the most popular area being Sukhumvit and recently Lumpini Park due to its convenient access to public transport, shops, and restaurants.⁵

As of 1H 2017, approximately 500,000 condominium units were completed and registered in Bangkok, increasing 14% from 1H 2016, with the highest influx of units with nearly 18,810 new units launched during the third quarter, which marks the highest number over the past few years.⁴ New supply was mainly located in the CBD, City Fringe, and Peripheral areas, where they accounted for 6%, 29%, and 65% respectively in line of urban sprawl along mass transit routes, primarily the Blue, Green, and Orange lines.⁴

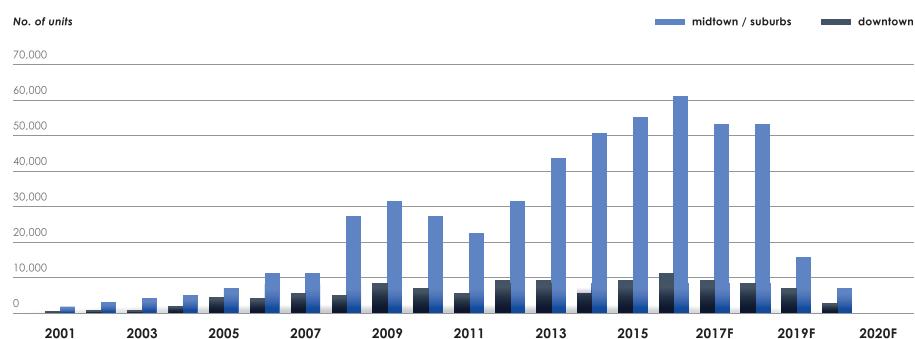
Luxury and super luxury units accounted for 89% of new total units launched in CBD in 1H 2017, including the launch of five luxury and super-luxury projects including; 98 Wireless with a total of 77 units, the project is located in the CBD area with a reported maximum achieved price of THB 720,000 per sq. m; Vittorio, a project launched by AP Thailand with 88 units located on Sukhumvit 39 with an average asking price of THB 350,000 per sq. m. The third quarter saw the launch of three super-luxury developments, two of which were leasehold projects developed by Sindhorn, Sindhorn Tonson (59 units), Sindorn Langusan (20 units) with an average asking price of THB 300,000 per sq. m respectively for a 30-year lease. One free-hold luxury project launched was Banyan Tree Residences Riverside Bangkok with 133 units developed by Nirvana Daii PCL. with an average asking price of THB 330,000 per sq. m Overall, units priced above THB 200,000 per sq. m enjoyed a sales rate of 70.1% up by 0.8% from 1H 2016 or 18,655 units sold from the total of 26,637 for off-plan projects.

With a limited supply and a defined trend of wealthy Thai buyers who are seeking high quality, lifestyle-orientated developments located in central areas, the demand

of luxury and super-luxury will continue to strengthen, pushed by a shift in investor confidence and their particular interest in Bangkok's "trophy" properties. According to Jones Lang LaSalle Thailand, the number of completed units at the top end of the market is expected to rise more than five times over the course of the next four years. The majority of these premium assets are concentrated in Sukhumvit and Thong Lor with 39%, followed by Sathorn - 25%, Downtown CBD - 22%, and the Riverside - 14%.⁹

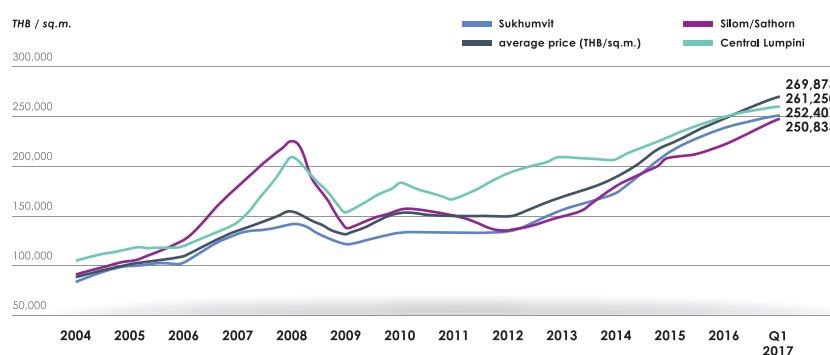
On demand front, the luxury condo market has been driven by both domestic and overseas investors, where the latter have been active in the market since 2014.³ Mainland China, Hong Kong, Taiwan, Singapore, and Japan, have shown strong interest for projects launched within the CBD, particularly for units priced below THB 10 million along Sukhumvit BTS line, where they continue to achieve as much as 30% capital gain due to land values increasing in Bangkok CBD areas.⁷

Newly Completed Bangkok Condominiums



Source: CBRE Research Q1 2017

Average Asking Prices of Future Units in Downtown (High-end and Above)



Source: CBRE Research, Q1 2017

Top 10 Most Expensive Locations as of 2016

Ranking	Zone	Price (Bath/sq.w)	% (yoy)
1	Siam Square	2,000,000	5
2	Sukhumvit, Time Square	1,950,000	5
3	Silom	1,700,000	6
4	Wireless Road	1,600,000	7
5	Sathorn	1,500,000	7
6	Sukhumvit 21, Asoke	1,400,000	27
7	Yaowarat	1,250,000	4
8	Sukhumvit, Ekamai	1,000,000	5
9	Phaya Thai	900,000	6
10	Phahon Yothin (beginning)	850,000	6

source: Agency for Real Estate Affairs

According to Financial Times, Chinese investors are primarily interested in mid-low sectors at properties priced under THB 3 million, while the high-end segment is still focused in Hong Kong, and further afield in Europe, Australia, New Zealand and Canada. Still, the survey indicated that the fastest growth in foreign demand is likely to be in higher end properties priced over THB 7 million where according to Bangkok Post, foreign buyers have reached 20-30% of the new condo unit supply and the pace is expected to continue in line with regional economic growth.⁴

With the fundamental economic factor contributing to Bangkok's rising land prices being the 'supply of land'- or lack thereof. The average land price rose 6.4% last year, where According to Surachet Kongcheep, Property consultant at Colliers International Thailand, land plots in locations along Skytrain routes from Siam to Asoke are scarce, driving offering prices to over THB 2 million per sq. w. However, the highest sold price was recorded at THB 1.91 million per sq. w in 2015 on Withayu Road (Wireless Road) in the transaction between Nai Lert Park and Bangkok Dusit Medical Services, Bangkok Hospital.⁶

Bangkok Central Business District and those located near BTS stations are becoming extremely scarce, and the remaining available land-plots are being sold at steep prices, pushing up the average prices of newly launched projects each quarter. Average prices of Bangkok condominiums has increased at an average of around 3-5% per year in relation to location, project concept and positioning. Today, developments located near mass transit stations are

already commanding prices above THB 250,000 per sq. m¹ Meanwhile, the market-wide built-up sales price in the super-luxury segment rose by an impressive 7% last year, achieving an average of THB 354,705 per sq. m, which has instilled a sense of urgency for property buyers and investors. On the other hand, condominiums in the City Fringe registered at THB 131,136 per sq. m, increased 5% from 2016. Units located in the Peripheral areas rose slightly to THB 76,118 per sq. m up from THB 74,998 per sq. m in 2016.

Maintaining a strong momentum from last year in light of positive sentiment among developers, investors and buyers; market growth will likely mirror the country's positive economic trajectory. In the coming years, the market will continue to be outperformed by the luxury and super luxury market, dominated by key listed developers, and will likely see an increase in joint-venture partnerships. Developers will continue to focus on areas accessible by the train network and enhance facilities in order to differentiate as buyers become more selective, while land price will remain the key challenge that developers will face.

Real estate experts anticipate Bangkok's residential property market will be among those that experience the highest growth in the range of 5-7% in terms of number of units and project value. This corresponds with the views of major project developers who, on the whole, continue to view the market as one with growth opportunities, where their plans to propel their businesses forward reflect the residential market's potential.

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BANGKOK HOTEL MARKET

Bangkok; a tourist metropolis filled with cultural treasures, shining magnanimous palaces, and shopping spree sources has been considered one of the most compelling and alluring cosmopolitan cities and among the world's top tourist destinations, proved by a record-breaking 35.4 million foreign arrivals in 2017.¹ Over time, Thailand has consistently continued to attract visitors and investors across the globe and has since earned a reputation as the tourism hub of the ASEAN region. In 2017, 21.1 million tourists visited Bangkok alone where the number is expected to grow 8.7% in 2018. As one of Thailand's largest economic sectors, tourism and travel represents 6-7% of Thailand's total GDP, where in-bound travel will continue to be the key driver for Thailand's long-term economic growth; creating jobs, pushing exports and boosting the hospitality industry and generating prosperity for Thailand as a whole. Together with an increasingly stable political situation, government expansions of airports, stimulus campaigns, and the recently announced aviation reform plan puts Bangkok's hospitality sector on a steep growth trajectory.

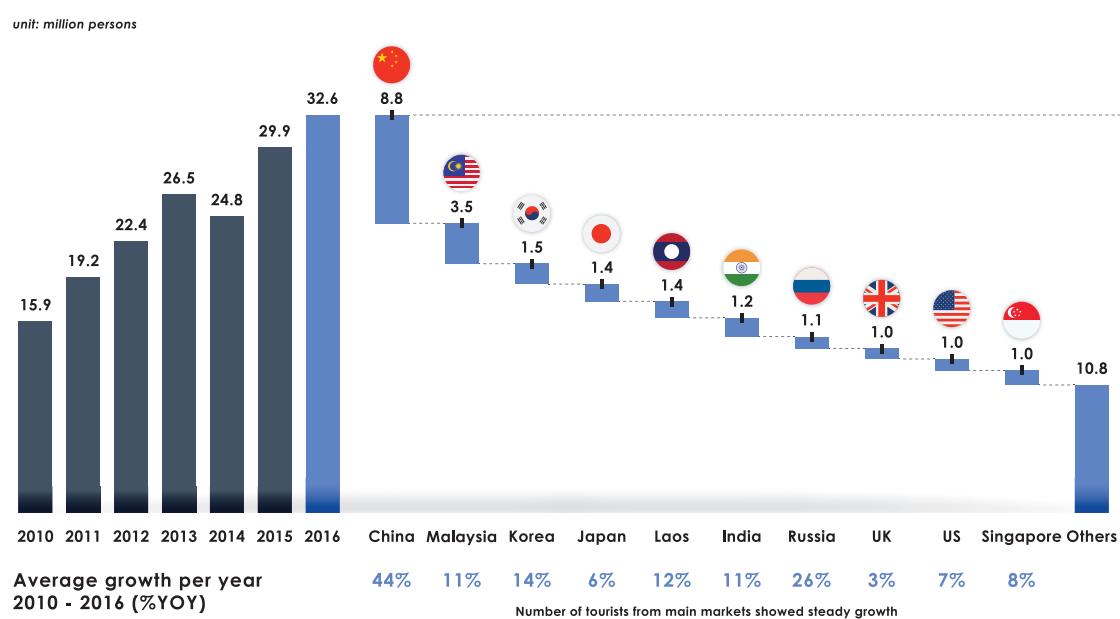
According to the latest figures from the influential Mastercard Global Destination Cities Index 2017, Bangkok has confirmed its position in the top spot for the world's favourite holiday destination, beating out London, Paris and Dubai for the second consecutive year. In 2017, Bangkok achieved 19.41

million overnight visitors and a visitor-spend of approximately USD 14.1 billion.² In addition, Mastercard Asia-Pacific index 2017 revealed that Bangkok topped the list of total nights stayed with 87.6 million nights, indicating that visitors to the Asia-Pacific region are travelling for longer periods, where visitors stayed for 1,787.7 million nights, compared to 1,023.1 million nights back in 2009, an 8.1% Compound Annual Growth (CAGR).³

Bangkok has the highest number of international visitor arrivals, followed by Chiang Mai, Hua Hin/Cha Um, and Khao Lak. 2016 saw international arrivals increase 7.5% Y-o-Y to 20.8 million, a moderate increase in comparison to the 24% increase experienced in 2015, as a result of slowed growth from Mainland China in response to Thailand's crackdown on zero-dollar tours; a policy implemented by the government in a bid to boost quality tourism and increase the amount of spending from Chinese visitors.

As of December 2017, Chinese tourists continued to dominate Thailand's inbound tourism arrivals⁴ accounting for 30% of foreign tourists in Thailand. Tourists from other countries such as Malaysia, South Korea, India, Russia, Japan and the UK are growing steadily, as well as a rising number in other emerging markets such as Brazil and Argentina rose by 67% and 60% Y-o-Y respectively.⁵

Number of Tourists from Top 10 Countries
Number of tourists from main markets continued to grow steadily



Source: EIC analysis based on data from CEIC.

QUICK FACTS



Source: JLL Hotel Destinations Thailand, January 2018

The continued rise in arrivals provides significant opportunities for the hospitality and tourism sector, of which merchants can benefit from, including greater economic, cultural and infrastructural development. To ensure sustainable growth, both public and private sectors have been working hard to provide a seamless experience for tourists and create space to accommodate to increasing travellers. Thailand's burgeoning aviation sector will play a main role in the booming success for Bangkok tourism and hospitality industry, supported by government tourism campaigns in various destinations, reduction of visa fees along with the extensions of long-stay visas to 10 years and the further evolution of low-cost carriers (LCC).⁶ In addition, the Thai government's recent approval for an aviation reform plan will further boost the sector, the plan is aimed to enhance the country as a regional hub with over THB 400 billion to invest in airport infrastructure over the next decade that is expected to more than double the annual capacity to 277 million. Meanwhile, Suvarnabhumi International Airport is expected to double from its existing 45 million tourists, to over 100 million passengers over the next decade, Don Muang is expected to handle up to 50 million passengers up from its existing 30 million, while U-Tapao International Airport, which primarily serves Pattaya may record up to 30 million, an astounding increase from its mere 3 million passengers when its current expansion is complete by 2019.⁶

The impact of tourism on Bangkok's hotel market has been witnessing solid performance over the recent years with average occupancy rates at approximately 75.7% across all segments, and has been increasing annually at 1.62% Y-o-Y. In addition,

in 2017 Bangkok hotels achieved Average Daily Rate (ADR) of THB 6,084, where performance in 2017 broke 10-year record prices for 10 months throughout the year with RevPAR of THB 4,608. The outlook remains positive as the growth of demand is likely to continue in conjunction with the country's tourism boom. Nonetheless, fierce competition abound, as hotels' strive to generate revenue and boost operational efficiency, new supply could pose a challenge to push room rates. Hotels continue to focus on pricing and yield optimisation, while value creation, product differentiation and new revenue streams received significant attention.

Bangkok's new supply and additional rooms in 2017 was approximately just over 1,860. Since 2016, development of luxury hotels have been gaining traction, compared to 2013-2015 with very limited luxury supply added to the market, pushing the total of "upscale" hotel rooms in Bangkok to 17,300. According to CBRE Research, 45% of the existing hotel supply is operated by international brands with the majority being first-class or luxury hotels, while the remaining supplies are local brands with 37% and hotels with no brand at 18%.⁷

The Riverside area is often the location of choice for hotels; the area is dominated by renowned luxury hotels, historic landmarks and beautiful views. However with scarcity of available riverside land plots and the better increase in connectivity with the opening of the BTS line in 1999 saw hotels gradually opened in areas of Sukhumvit, and CBD making up approximately 45% of total supply.

In Q1 2017, 2 new hotels opened representing 78 keys; Anajak Bangkok and Raweekanlaya Bangkok; the latter developed by Asset World Corporation, an asset development company under TCC Group. In Q2, Bangkok witnessed the launch of 7 new luxury hotels with a combined total of 1,032 keys: Mercure Bangkok Makkasan, IR-ON Hotel, 137 Pillars Suites & Residences, Park Hyatt, Mercure Bangkok Sukhumvit 11, Ibis Style Bangkok Khaosan, The Salil Hotel (Thonglor 57). Mid-range hotels with estimated ADR of THB 1,500 – THB 2,500 comprise the biggest share with 41% of supply. CBRE predicts that an additional 1,046 luxury hotel rooms are under construction and expected to be completed in 2018-2019.

According to CBRE, the increase in supply continues to limit growth in room rates, an estimated 9,707 keys will be completed in Downtown Bangkok by 2021,¹² representing a future growth of 23% in total Downtown hotel supply, with majority of supply in the mid-range with an estimated ADR of THB 1,500 – THB 2,500 category. Upper-scale hotels with an estimated ADR of over THB 3,500 came second, comprising 30% of the supply, respectively.

Hotel investment in Bangkok is likely to continue to be driven by REITs and local HNWI. With the current market situation, developers look to build developments with a mixed-use concept to maximise profits. The trend is growing with the conception of Grade A mixed-use developments including; 'Chao Phraya Estate', a super-luxury development by Country Group Development featuring a residential tower and two luxury hotels; Four Seasons Hotel and Residence Bangkok at Chao Phraya River and Capella Bangkok, located on the waterfront of the Chao Phraya River; TCC Group's 'One Bangkok', a mixed-use on the intersection of Rama IV and Wireless roads with five hotels, office buildings and retail space. In addition, Dusit Thani Public Company Limited will demolish its existing hotel and partner with Central Pattana (CPN) to develop a mixed-use project consisting of a hotel, residences, shopping mall and office building at the intersection of Silom and Rama IV road leased from the Crown Property Bureau. Erawan Group has chosen to create a combo hotel mixed-use concept, developing two hotels of different grades within one building.

Direct investment in Thailand's hotel sector reached THB 14 billion 1H 2017 compared with 2016's full-year investment volume at THB 9.6 billion - a growth of 11.5%. Investors were both domestic and regional; including brands such as Carlton Hotel Brand Singapore as well as Bangkok Edition Boutique Hotel and Swissotel Nai Lert Park, which sold to Thailand's biggest hospital group for development into a health care centre - Bangkok Hospital, where the family behind Nai Lert Park Hotel has announced plans to develop an empty land plot to build an 18-storey hotel building within two years, under the brand Nai Lert Park Hotels. This robust investment activity recorded in the first half reflects investors' continued appetite for hospitality assets in Thailand and

confidence in the long-term outlook for the country's tourism industry.⁸

Meanwhile, TAT continues to maintain the destination's competitive edge in line with its Amazing Thailand Tourism Year 2018 marketing plan providing quality leisure and business offerings with the goal to transform the country into a sustainable tourist destination where quality is preferred over quantity and promoting new and niche markets relating to five core industries: health and wellness; energy; food and agri-business; infrastructure and logistics; and automotive and electronics. In addition MICE, (Meetings, Incentives, Conventions and Exhibitions) industry has become more important as one of the main economic drivers and part of prominent services industry cluster. In line with working towards Thailand's 4.0 Era, Thailand Convention and Exhibition Bureau (TCEB) announced a plan that will run from 2016-2020 includes several incentives to attract further investment to position Thailand as a Top MICE destination.¹¹ Thailand Convention & Exhibition Bureau (TCEB) reports that inbound business events sector grew to approximately 1,270,000 MICE travellers in 2016, generating approximately THB 102.9 billion in revenue, up 7.36% from the previous year, accounting for around 23.4% of the travel industry contribution (2015) and 0.84% of Thailand's GDP.¹⁰

Another target industry is the medical tourism market; Thailand's strategic location, affordable prices and increasingly, high quality medical care treatment of reputable hospitals has made it an ideal medical tourism hub. Its well-equipped hospitals offer a wide variety of services and attract over 1.5 million foreigners for medical treatment. Medical tourism makes up 0.4% of Thailand's GDP and generates over THB 107 billion in revenues. Source feeders of the market are foreign patients from Southeast Asian countries such as Myanmar and the Middle East. Medical and health tourism are key components of the market strategy plan for 2017 to increase the number of tourism spend in the country. To boost the sector, the government has extended the duration of medical treatment for patients from China, Laos, Cambodia, Myanmar and Vietnam to 90 days.

In the ever-evolving digital world, the rise in online trends has transformed traditional travelling as we know it. People travel in smaller groups, alone and prefer to manage trips through online bookings. Online travel agencies (OTA) such as Expedia, Booking.com, TripAdvisor, and Airbnb has forever disrupted the way people search, evaluate and share travel information. The rise of the online platform has led to end-users searching for new unique experiences as opposed to a traditional hotel accommodation. Although the number has not significantly affected hotels in the high-end market, hoteliers should take note of the rapid rise in sales and occupancy rates of these disruptors, where these listings is expected to increase by 15% and occupied room nights by 5%.¹³

The future of Thailand's hospitality, travel and tourism sector continues to remain bright in correlation to the increasing numbers in tourist arrivals. In the near future, experts anticipate a trend in operator consolidation, and the return of value for loyalty programs which may come in the form of Free Wi-Fi, room upgrades, F&B discounts and access to exclusive prices. Tourism

Authority of Thailand (TAT) forecasts that in 2018 tourism revenue will reach 3.1 trillion (USD 9.1 billion). The economic activity generated by the hospitality and leisure industry and services is expected to rise by 9.3% to THB 1,412.2 billion, and predicted that by 2027 this number will increase by 6.7% per annum reaching THB 2,708.0 billion or 14.3% of GDP.

SOURCE :

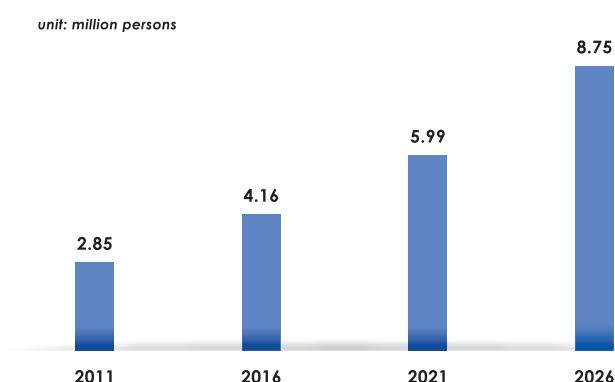
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UK EDUCATION SECTOR

The insatiable appetite for English-medium, Western-style education continues to expand around the world, powered by increasing demand from both expat and local families and remains resilient to macroeconomic trends. As the total population of mobile students has increased, so has global education in academic, commercial and government spheres. Over the recent years, the world has seen a steep upward trajectory in the number of schools in well-established locations, as well as a rapid expansion in new emerging markets of the British brand of learning. With the economy improving, rising wages and a large increase in expatriates, opportunities for global education are at its prime, and the pace of change is only likely to increase over the next few years as globalisation and an increasingly mobile student-body and workforce put a premium on what UK education have to offer. For many leading or aspiring countries, education is not only a major export, but an important pillar in trade policy, cross-cultural links, and diplomacy.

There are a few sectors of the UK Economy with the capacity to grow and generate export earnings as impressive as education, UK Universities, colleges, awarding organizations and schools are recognised globally for their excellence. Across the world and in emerging nations, the expansion of the UK education system has been well received and envied on numerous levels. In 2012-2013, there were nearly 26,000 international students studying at over 1,200 independent schools in the UK, where fee incomes were estimated to be £685 million up from £430 million in 2007-2008, with an estimated 3% increase per annum.

Growth and predicted growth of enrollment at K-12 international schools



*Figures from January 2016

Still, the sector is considered in its early stages of globalization, the rise of global education and the demand for international schools has stemmed from a general dissatisfaction with the mainstream education system of host countries and the increasing amount of local families who want their children to obtain globally recognised qualifications, predominantly A-levels, International Baccalaureate Diploma Programme

or America's SATs, ACT or Advanced Placement, to follow a Western-style of learning, where the education experience provides the most reliable pathway to gaining entrance to the most reputable Universities and multi-national companies.¹ The race for innovation and prosperity makes education an increasingly competitive area, countries are recognizing the benefits available from the internationalisation of education, and its implications on economies' competitiveness and productivity.



The UK Education sector is the second largest global market, growing at 7% per year, and is considered UK's fifth biggest service export sector worth over 17.5 billion to the economy.

According to ISC research, in the year 2000, there were fewer than 1 million students attending 2,500 international schools globally, most were from expatriate families. In March 2017 the figure has risen to more than 4.8 million students studying in 9,000 schools, and attracting approximately 80% of students enrolled from local families. ISC predicts that the market will continue to develop at a healthy pace, forecasting that by 2021, the number of students attending international schools will reach 6.3 million.

International school supplies are made up of a hugely diverse number of British and American schools which offers studying under the International Baccalaureate and other international curricula in non-native English-speaking countries, catering to children from grades Kindergarten to Grade 12. The rise of International education, in all of its forms, represents a huge opportunity for Britain where it was estimated that in 2011, education exports were worth £17.5 billion to the UK economy.⁵

The rise of international education can be attributed to the renowned status of the British Education system as a key contributor. The curricula and examinations offered at an international school are extremely crucial to decipher student enrollments; the British brand which includes the National Curriculum of England to IGCSEs and A-Level qualifications are considered the most popular offering. Over the past 5 years, its global recognition continues to strengthen and is the curriculum of choice of 4,183 international schools, increasing from 2,700 in 2013.⁴

The UK Education sector is the second largest global market, growing at 7% per year, and is considered UK's fifth biggest service export sector worth over 17.5 billion to the economy. Global education has proven to be a recession-proof product, and the demand for school supply is only likely to rise; according to ISC Research, despite falls in the price of oil and gas hitting the expatriate market the past academic year, the total number of students aged between 3 and 18 enrolled in English-medium international schools in the Middle East and Southeast Asia continued to increase by 8.7% Y-o-Y and 10.1% respectively. East Asia portrayed the greatest percentage growth at 13%, due to an influx of demand in China as a result of lifted policies on international education within the country.¹

With overseas students wanting to access good quality UK qualifications in their own countries, the British brand of learning is an important step forward to capitalising on this tremendous opportunity for the UK to play a valuable part in educating millions around the world and transforming lives for the better. The future continues to look extremely bright for the UK education sector and for future investments within the market. ISC Research forecasts that by 2026 the K-12 international schools market will reach 16,000 schools teaching 8.75 million students, generating a total fee income of \$89 billion.⁴

SOURCE:

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International Student Tuition Fees : Top 3 Countries



Source: NASFA / Australian Gov / Universities UK



WATERFRONT LIVING AT ITS FINEST

In the heart of Bangkok, overlooking the majestic Chao Phraya River, rises the first waterfront Four Seasons Private Residences in Asia.

An iconic 73-storey residential tower standing over more than 14 acres of prime land, Four Seasons Private Residences Bangkok at Chao Phraya River is designed to become the most exclusive residential address; where luxury and legendary Four Seasons service combine to create a lifestyle unlike any other.



DISCLAIMER: Chao Phraya Estate Project (the "Project") is a project of Landmark Holdings Company Limited (the "Company") which has its registered office at Level 20, Pibenchit Tower, 898 Pibenchit Rd, Bangkok 10330 Thailand with its registered capital of Thai Baht 147 million (fully paid up). Mr. Ben Techaubod is an architect and director of the Company. The Project on the site will consist of 2984 units of 35 Rai 0 Ngan 68 Square Wa site area. Landmark Holdings Company Limited has leased from The Crown Property Bureau for an initial term of 25 years with renewal options. The building expenses and taxes will be paid by unit owners. An Environmental Impact Assessment report for the Project has been approved by the Office of Natural Resources and Environmental Policy and Planning as per letter number ToSoe 10095/1/0759 dated 9 December 2011. The Project has been awarded a construction permit from the Bangkok Metropolitan Administration as per letter number Gov for 0907/Gov 844 dated 15 September 2014. Project construction has begun and is currently expected to be completed by the end of 2016, although this remains subject to change. Remarks: i) Information in the disclaimer is subject to further changes and/or amendments; and ii) The illustrations in the AD are simulated and to be used for advertisement purpose only.

Four Seasons Private Residences Bangkok at Chao Phraya River are not owned, developed or sold by Four Seasons Hotels Limited or its affiliates (Four Seasons). The developer uses the Four Seasons trademarks and tradenames under a license from Four Seasons Hotels and Resorts Asia Pacific Pte Ltd. The marks "FOUR SEASONS", "FOUR SEASONS HOTELS AND RESORTS", any combination thereof and the Tree Design are registered trademarks of Four Seasons Hotels Limited in Canada and USA, and of Four Seasons Hotels (Barbados) Ltd elsewhere.

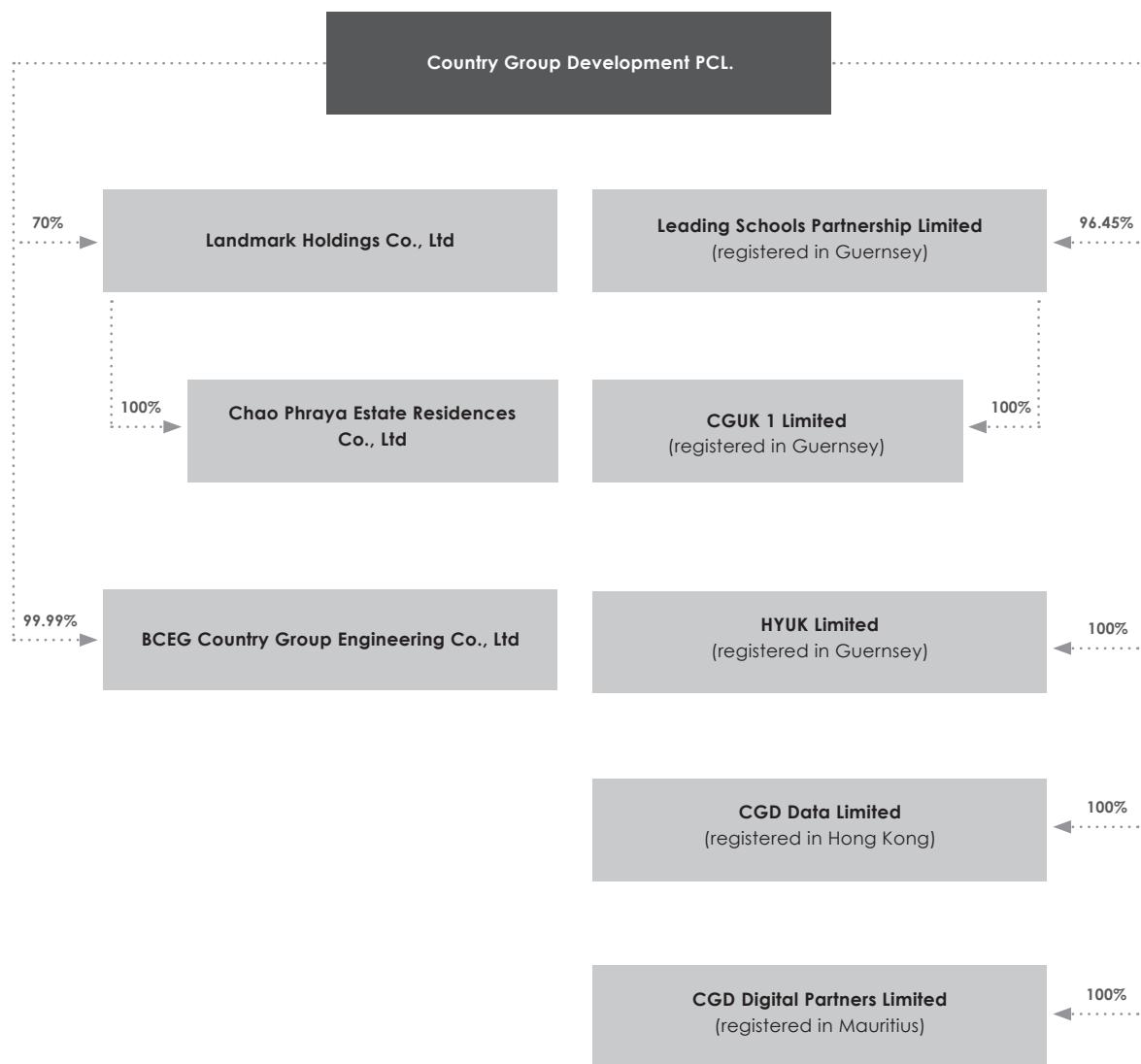


FOUR SEASONS
PRIVATE RESIDENCES
BANGKOK AT CHAO PHRAYA RIVER

A COUNTRY GROUP DEVELOPMENT

SHAREHOLDER STRUCTURE

The Shareholder Structure as of December 31, 2017 are as follows:



GENERAL INFORMATION

1. GENERAL INFORMATION OF THE COMPANY

Company name :	Country Group Development Public Company Limited
Symbol :	CGD
Address :	898 Ploenchit Tower, 20 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Registration No. :	0107538000177 (Bor Mor Jor 540)
Type of business :	Holding company and property development
Registered capital :	Baht 8,966,127,954 consisting of 8,966,127,954 ordinary shares with a par value of Baht 1 per share
Paid-up capital :	Baht 8,266,127,954 consisting of 8,266,127,954 ordinary shares with a par value of Baht 1 per share
Outstanding bond :	The Company has an outstanding of short-term bill of exchange not over 270 days total amount of Million Baht 2,500 and outstanding of long-term debt total amount of Million Baht 2,500 (as of December 31, 2017)
Website :	www.cgd.co.th
Branch :	- None -
Investor Relations Section :	Tel 0-2658-7888 ext. 146, Fax 0-2658-7880 and E-mail: info_ir@cgd.co.th
Contact :	Tel 0-2658-7888, Fax 0-2658-7880

2. GENERAL INFORMATION OF THE SUBSIDIARIES

Company name :	Landmark Holdings Company Limited
Type of business :	Trading, rent and real estate operations and holding company
Address :	898 Ploenchit Tower, 20 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Registered and paid-up capital :	Million Baht 210.00 consisting of 21,000,000 ordinary shares with a par value of Baht 10 per share (as of December 31, 2017)
Contact :	Tel 0-2658-7888, Fax 0-2658-7880
% of shareholding :	70.00% of paid-up capital

Company name :	Chao Phraya Estate Residences Company Limited
Type of business :	Real estate management of Chao Phraya Estate Project
Address :	898 Ploenchit Tower, 20 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Registered capital :	Baht 131,193,880 consisting of 6,690,900 preference share with a par value of Baht 10 per share and 6,428,488 ordinary shares with a par value of Baht 10 per share
Paid-up capital :	Baht 32,805,970 (paid up Baht 2.5 per share)
Contact :	Tel 0-2658-7888, Fax 0-2658-7880
% of shareholding :	70.00% of paid-up capital (The Company holds shares indirectly through Landmark Holdings Company Limited)

Company name : BCEG Country Group Engineering Company Limited
 Type of business : Construction and building maintenance
 Address : 898 Ploenchit Tower, 20th Floor, Ploenchit Road, Lumpini, Pathumwan,
 Bangkok 10330
 Registered and paid-up capita : Million Baht 1.00 consisting of 100,000 ordinary
 shares with a par value of Baht 10 per share
 Contact : Tel 0-2658-7888, Fax 0-2658-7880
 % of shareholding : 99.99% of paid-up capital

Company name : CGD Data Limited,
 registered in Hong Kong Special Administrative Region of the People's
 Republic of China
 Type of business : Holding company
 Address : Suite 3004 Universal Trade CTR, 3-5A Arbuthnot Road, Central, Hong Kong
 Registered and paid-up capital : HKD 139,009,673 consisting of 139,009,673 ordinary shares with a par value of
 HKD 1 per share
 % of shareholding : 100% of paid-up capital

Company name : CGD Digital Partners Limited,
 registered in Mauritius
 Type of business : Holding company
 Address : 8th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius
 Registered and paid-up capital : USD 17,912,281 consisting of 17,912,281 ordinary shares with a par value of USD 1
 per share
 % of shareholding : 100% of paid-up capital

Company name : CGUK 1 Limited,
 registered in Guernsey
 Type of business : Real estate
 Address : Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD
 Registered and paid-up capital : GBP 5,000,000 consisting of 5,000,000 ordinary shares with a par value of GBP 1
 per share
 % of shareholding : 96.45% of paid-up capital (The Company holds shares indirectly through
 Leading Schools Partnership Limited)

Company name : Leading Schools Partnership Limited,
 registered in Guernsey
 Type of business : Holding company
 Address : Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD
 Registered and paid-up capital : GBP 5,035,370 consisting of 5,035,370 ordinary shares with a par value of GBP 1
 per share
 % of shareholding : 96.45% of paid-up capital

Company name : HYUK Limited, registered in Guernsey
Type of business : Holding company
Address : Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD
Registered and paid-up capital : GBP 1 consisting of 1 ordinary shares with a par value of GBP 1 per share
% of shareholding : 100.00% of paid-up capital

3. OTHER REFERENCE PERSONS

Securities Registrar : Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok 10400
Tel 0-2009-9000, Fax 0-2009-9991

Auditor : Mrs. Nisakorn Songmanee
Certified Public Accountant Registration No. 5035
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower building, floor 23-27, 11/1
South Sathorn Road, Yannawa, Sathorn Bangkok 10120
Tel 0-2034-0000, Fax 0-234-0100

SHAREHOLDING AND MANAGEMENT STRUCTURES

1. BOARD OF DIRECTORS

The Company's Board of Directors consists of 12 members who possess qualifications in accordance with the Public Limited Company Act B.E. 2535(1992) section 68 and the related notifications issued by the Office of the Securities and Exchange Commission. Of the total board members, 7 are independent directors.

Name of directors	Position
1 Mr. Vikrom Koompirochana	Independent Director and Chairman of the Board of Directors
2 Pol. Gen. Patcharawat Wongsuwan	Vice Chairman of the Board of Directors
3 Mr. Subhakorn Bhalakula	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation Committee
4 Pol. Gen. Werapong Chuenpagdee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
5 Mr. Hsu-Feng Shueh	Independent Director and Member of the Audit Committee
6 Mr. Gavintorn Atthakor	Independent Director
7 Air Chief Marshal Permkiat Lavanamal	Independent Director
8 Pol. Maj. Gen Ittipol Ittisarnronnachai	Independent Director
9 Mr. Ben Taechaubol	Director, Member of the Nomination and Compensation Committee, Chairman of the Investment Committee and Chief Executive Officer
10 Mr. Jirasak Ponghathaikul	Director
11 Ms. Jaelle Ang Ker Tja	Director
12 Mr. Yiu Sing Tse	Director

Details of the attendance of the Board of Director Meeting and the Sub-Committee meeting year 2017 between January 1st, 2017 to December 31st, 2017 are as follows:

No.	Name of Director	No. of Board of Directors Meetings attended	No. of Audit Committee Meetings attended	No. of Compensation Committee Meetings attended
1	Mr. Vikrom Koompirochana	12/12	-	-
2	Mr. Sadawut Taechaubol*	8/8	-	-
3	Pol. Gen. Patcharawat Wongsuwan**	1/3	-	-
4	Mr. Subhakorn Bhalakula	10/12	11/11	3/3
5	Pol. Gen. Werapong Chuenpagdee	10/12	9/11	3/3
6	Mr. Hsu-Feng Shueh	12/12	11/11	-
7	Mr. Gavintorn Atthakor	9/12	-	-
8	Air Chief Marshal Permkiat Lavanamal	12/12	-	-
9	Pol. Maj. Gen Ittipol Ittisarnronnachai	4/12	-	-
10	Mr. Ben Taechaubol	12/12	-	3/3
11	Mr. Jirasak Ponghathaikul	6/12	-	-
12	Ms. Jaelle Ang Ker Tja	7/12	-	-
13	Mr. Yiu Sing Tse	6/12	-	-

* Mr. Sadawut Taechaubol resigned from Director and Vice Chairman of the Company, effective from 21 September 2017.

** Pol. Gen. Phatcharavat Wongsuwan is approved to be a Director and Vice Chairman from the Board of Directors Meeting, effective from 22 September 2017 onwards.

AUTHORIZED DIRECTORS

Authorized Signatures of Directors which can bind the Company are that Mr. Ben Taechaubol and affixing the Company's seal.

Authorities and Responsibilities of the Board of Directors

- Establish and enforce corporate governance guideline and business ethics, as well as being a good role model.
- Govern operations of CGD in accordance with laws and regulations, objectives, article of association, shareholders' meeting resolution, as well as corporate governance guideline and business ethics.
- Cooperate with the Management Team to formulate and develop the vision, mission, and value of the Company.
- Evaluate and discuss the Company's strategic plan proposed by the Management Team, and approve all key issues concerning the Company's direction and policy, annual operating budget, capital expenditure, debt creation, human resource management, and operating target.
- Assess conflict of interest issues with diligence, transparency, and objectivity.

6. Set up a clear and appropriate operating procedure, a transparent and effective internal control system, and a sufficient risk management system.
7. Oversee the auditing process from both internal and external auditors and make sure that they do their jobs effectively.
8. Oversee the appropriateness and accuracy of information disclosure to all stakeholders.
9. Empower the Company's Chief Executive Officer with authority to conduct the business under an approved budget and evaluate the performance according to the business plan.
10. Monitor the Company's operation and development and ensure that it meets its objectives, and abides by all laws, regulations, and policies.
11. Establish a policy on the Company-wide risk management and assign Management Team to implement and report to the Board of Directors regularly. In addition, review and assess the effectiveness of the policy at least annually.
12. Appraise the performance of the Company's Directors, Chief Executive Officer, as well as supervise the effectiveness of the performance appraisal process of high-level management.

2. MANAGEMENTS

As of 28 February 2018, there are 7 executives who are according to the definition of the office of Securities and Exchange Commission as follows:

Name	Position
1 Mr. Ben Taechaubol	Chief Executive Officer
2 Mr. Ben Taechaubol	Executive Director – Projects Division (Acting)
3 Mr. Chatchai Chordokrak	Executive Director – Accounts & Finance Division
4 Mr. Suttinath Jitticharunglap	Executive Director – Operation Division
5 Mr. Jon Ashley Nielsen	Executive Director – Portfolio Management Division
6 Ms. Kitima Kritiyachotipakorn	Executive Director – Sale Division
7 Mr. Varakorn Techamontrikul	Executive Director – Development Division
8 Ms. Patra Kantasiribitaks	Executive Director – Investment Division

Note:

1. Mr. Suttinath Jitticharunglap was appointed as executive director in charge of the Operation Division on 1 February 2017.
2. Mr. Jon Ashley Nielsen was appointed as executive director in charge of the Portfolio Management Division on 6 June 2017.

Authorities and Responsibilities of Chief Executive Office

1. Supervise the operation of the Management Team, and subsidiaries and affiliated companies in accordance with the Company's policies, business plan, and budget approved by the Board of Directors and/or other sub-committees, as well as the company's objectives, regulations, orders and resolutions of the shareholders and/or the Board of Directors and other subcommittees, and also in accordance to the SET's corporate governance guideline.
2. Delegate and/or designate representatives to work on Chief Executive Officer's behalf on specific tasks within the scope allowed by law, article association of the Company, and orders or resolutions of the Board of Directors.
3. Follow up and evaluate the performance of the Company on a regular basis in order to anticipate any risks, both internal and external that may arise, and improve the Company's efficiency.

4. Consider entering into business agreements and other contracts that benefit the Company and establish procedure and process for such agreements and contracts.
5. Evaluate the Company's performance and make recommendation on interim or annual dividend payments for the Board of Directors' approval.
6. Allocate pension payment, bonus, or other benefits, which have already been approved by the Board of Directors, to permanent or temporary employees, and staffs.
7. Authorize the Company's transaction in accordance with the approval authority:
 - a. Any transaction in relation to assets or personal services or any related party transaction whose value does not exceed one million baht or 0.03% of the net tangible assets (NTA), whichever is higher.
 - b. Any transaction in relation to financial assistance given to related individuals or businesses, whose value does not exceed 100 million baht or 3% of the net tangible assets (NTA), whichever is higher.
 - c. Request for approval in relation to purchases of computers, furniture or office equipment, among others, to be used for business operations, whose transaction value does not exceed 10 million baht each time.
 - d. Approval in relation to getting rid of assets or writing off bad debts or selling assets with no salvage value, whose size does not exceed 10 million baht.
8. Perform other acts as assigned by the Board of Directors.

3. COMPANY SECRETARY

The Board of Directors has appointed Mr. Chatchai Chordokrak as Company Secretary. He has suitable knowledge, experience and responsibility to perform this function with aim to make things done in line with rules & regulations and corporate governance.

Scope of Authority of Company Secretary

1. Organizing meetings of the Board of Directors and Shareholders in compliance with corporate governance, the Stock Exchange of Thailand Act and the Public Limited Company Act B.E. 2535 (1992).
2. Disclosing the Company's information in compliance with the requirements imposed by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and other related authorities.
3. Giving basic advice to the Board of Directors and the management on the compliance with requirements imposed by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission Also monitor introduction of new rules applicable to the Company.
4. Preparing and storing key documents and records including, among others, director register, notifications of the Board of Directors' meetings letters, minutes of the Board of Directors' meetings, the Company's annual reports, notifications of shareholders meetings, minutes of the shareholders' meeting, and reports issued by directors and executives in relation to conflicts of interest
5. Monitoring the implementation of the Board of Directors' activities, ensuring that they are implemented effectively, efficiently, and in the best interests of the Company.
6. Coordinating subsequent actions in accordance with the resolutions adopted at the meetings of the Board of Directors and the shareholders meetings.
7. Performing other duties as assigned by the Board of Directors.

4. REMUNERATION OF DIRECTORS AND MANAGEMENT

1) MONETARY REMUNERATION

(a) Remuneration of Directors

For the year end 31 December 2017, the monetary remuneration provided to the Board of Directors amounted to Baht 5,605,342 (Include the bonus for the year 2017 which paid in year 2018 amounted to Baht 540,000). This included monthly compensation and bonuses for the directors, the details are as follows:

Name	Position	Amount (Baht)
1 Mr. Vikrom Koompirochana	Independent Director and Chairman of the Board of Directors	750,000
2 Mr. Sadawut Taechabul	Vice Chairman of the Board of Directors	305,000
3 Pol. Gen. Patcharawat Wongsuwan	Vice Chairman of the Board of Directors	110,342
4 Mr. Subhakorn Bhalakula	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation Committee	600,000
5 Pol. Gen. Werapong Chuenpagdee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee	525,000
6 Mr. Hsu-Feng Shueh	Independent Director and Member of the Audit Committee	525,000
7 Mr. Gavintorn Atthakor	Independent Director	450,000
8 Air Chief Marshal Permkiat Lavanamal	Independent Director	450,000
9 Pol. Maj. Gen Ittipol Ittisarnronnachai	Independent Director	450,000
10 Mr. Ben Taechabul	Director, Member of the Nomination and Compensation Committee, Chairman of the Investment Committee and Chief Executive Officer	240,000
11 Mr. Jirasak Ponghathaikul	Director	450,000
12 Ms. Jaelle Ang Ker Tja	Director	300,000
13 Mr. Yiu Sing Tse	Director	450,000

Notes:

- Members of the Audit Committee received remuneration at a higher rate than that of other directors.
- No compensation was provided to members of the Nomination and Remuneration Committee.

(b) Remuneration of Management

For the year end 31 December 2017 and 2016, the Company paid remuneration to the management in salary, bonus and Incentive in the amount of Baht 42,058,569 Baht 36,612,604 respectively.

2) OTHER TYPES OF REMUNERATION**(a) Contributions to Provident Fund**

For the year end 31 December 2017 and 2016, the Company made contributions worth Baht 1,100,078 and Baht 1,009,675 respectively to the Provident Fund for directors who also served as employees and senior executives of the Company and its subsidiaries.

5. PERSONAL**1) NUMBER OF EMPLOYEES** (not including the management according to the definition of the office of Securities and Exchange Commission)

Employees classified by division as of 28 February 2018 are as follows:

No.	Division	Number of Employees
1	Chief Executive Officer	1
2	Compliance	1
3	Internal Audit	2
4	Development Division	6
5	Projects Division	13
6	Sale Division	14
7	Marketing Division	6
8	Operation Division	36
9	Investment Division	2
10	Accounts & Finance Division	9
11	Portfolio Management Division	1
Total Number of Employees		91

In this connection, the Company had never been in legal dispute with its employees.

2) REMUNERATION OF EMPLOYEES (not including the executive as define by SEC)

For the year end 31 December 2017 and 2016, the total compensation worth Baht 82,372,160 and Baht 69,224,728 respectively provided to employees included salaries, bonuses, overtime, allowances, welfare benefits, special compensation and contributions to the Provident Fund.

Remuneration (Unit :Baht)	Year 2017	Year 2016
Salaries and Bonuses	70,547,751	62,275,019
Overtime, allowances, and welfare benefits	1,120,458	1,180,342
Incentive	8,753,770	4,165,315
Contributions to Provident Fund	1,950,181	1,604,052
Total	82,372,160	69,224,728

3) HUMAN RESOURCE DEVELOPMENT POLICY

The Company recognizes the importance of its staff as they serve a very valuable resource and a key mechanism to make the Company successful. As a result, it has adopted a policy aiming at developing its staff so that they not only perform their duties in a professional manner and carry out their existing assignments most efficiently but also are in a state of preparedness and have potential for accommodating the Company's future business expansion. Emphasis is also placed on ensuring that the Company's staffs are capable of using information technology and modern knowledge in an appropriate manner. In this connection, the Company facilitates the learning of its staff and continuously transforms itself into a learning organization. In particular, it provides its staff with opportunities to develop their skills and broaden their knowledge on a regular basis through internal and external training programs.

Recently, it has organized an internal training activity for its staff to gain a good understanding of its business and expectations. Other objectives of the training are to build positive attitudes in the workplace and to motivate staff. Moreover, as part of its efforts to enhance the skills of its staff continuously, the Company has made arrangements for them to attend various training courses related to business operations.

MAJOR SHAREHOLDERS

Top ten major shareholders of the Company as of 26 December 2017 are as the follows;

No.	Division	Number of shares	% of Total shares
1	Mr. Sadawut Taechaubol	1,646,933,091	19.92
2	Mr. Ben Taechaubol	1,397,626,424	16.91
3	Country Group Holdings Public Company Limited	713,937,000	8.64
4	Mr. Tommy Taechaubol	639,833,545	7.74
5	Mr. Jirasak Ponghathaikul	268,548,385	3.25
6	Mr. Songchai Achariyahiranchai	182,740,400	2.21
7	RAFFLES NOMINEES (PTE) LIMITED	181,153,100	2.19
8	Thai NVDR Company Limited	166,899,621	2.02
9	Mr. Samrueng Manoonphol	152,670,600	1.85
10	CREDIT SUISSE AG, HONG KONG BRANCH	142,000,000	1.72

Source: Shareholder report dated 26 December 2017 prepared by Thailand Securities Depository Co., Ltd.

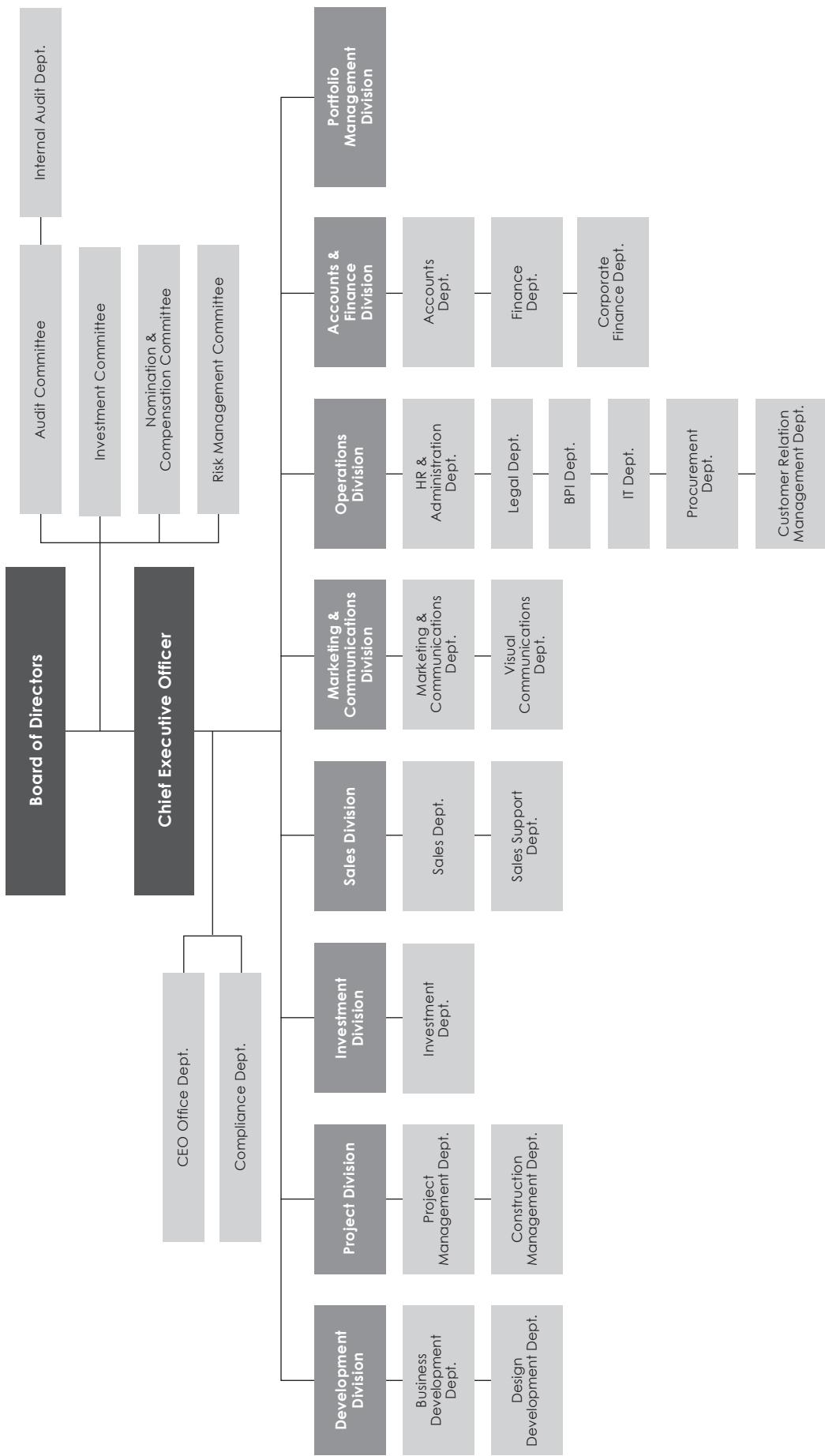
DIVIDEND POLICY

The Company has dividend payout ratio of at least 50% of net profit of the Company only (unconsolidated basis) in which net profit is after deducting corporate tax, legal reserve and other reserves. However, the Company may pay dividend less than mentioned above if necessity i.e. more working capital required, aggressive expansion plan, or others. The Board resolution on dividend payment is needed to propose to shareholders' meeting for approval, except interim dividend in which Board can go ahead and report to shareholders later.

The Company's subsidiaries also has dividend payout ratio of at least 50% of net profit after deducting corporate tax, legal reserve and other reserves. There are another four factors, cash flow analysis, financial status, liquidity and expansion plan, taking into account on how much dividend to pay.

ORGANIZATION STRUCTURE

The organization structure as of 31 December 2017 are as follows:



BOARD OF DIRECTOR BIOGRAPHY

MR. VIKROM KOOMPIROCHANA

Chairman of the Board of Directors

Independent Director

Age : 72

Education : • PH.D. and Master Degree in History of International Relations, Michigan State University, USA

• PH.D. (Honorary degree) Humanities Schiller International University, United Kingdom

• Bachelor of Arts, Chulalongkorn University

Training : • Director Accreditation Program (DAP) 63/2007, Thai Institute of Directors Association (IOD)

• Certificate of Hi-level Management Program 14/2012, Capital Market Academy

• Anti-Corruption for Executive Program 7/2013, Thai Institute of Directors Association (IOD)

• Successful Formulation & Execution of Strategy (SFE) 22/2014, Thai Institute of Directors Association (IOD)

• Role of the Chairman Program 36/2016, Thai Institute of Directors Association (IOD)

• Advanced Audit Committee Program 23/2016, Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Chairman of the Board of Director and Independent Director

2006 - Present

MFC Asset Management Public Company Limited

• Chairman of the Risk Management Committee

2015 – Present

• Independent Director, Member of the Audit Committee and
Member of the Nomination and Compensation Committee

2014 – Present

Oishi Group Public Company Limited

• Member of Corporate Governance Committee

2014 – Present

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

2007 – Present

Sport & Recreation Management Company Limited

• Chairman of the Board of Director

2010 – Present

Bangchak Petroleum Public Company Limited

• Director and Chairman of the Corporate Governance Committee
and Member of the Executive Committee

2013 – 2016

The Securities and Exchange Commission

• Director, Member of the Audit Committee and Member of the Nomination
and Compensation Committee

2012 – 2016

British Chamber of Commerce, Thailand

• Honorary Advisor

2007 – Present

Ministry of Foreign Affairs

• Ambassador of Thailand to the United Kingdom of Great Ireland
and Ambassador of Thailand to Ireland

2003 - 2006

POL. GEN. PHATCHARAVAT WONGSUWAN

Vice Chairman of the Board of Directors

Age : 68

- Education :**
- Diploma, National Defence College, The State , Private Sector and Political Sectors Course Class 2
 - Master of Arts (Social Development), Kasetsart University
 - Royal Police Cadet Academy Class 25

- Training :**
- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Vice Chairman of the Board of Director 2017 - Present

Charoen Pokphand Foods Public Company Limited

- Director and Chairman of the Remuneration and Nominating Committee 2016 - Present

Energy Absolute Public Company Limited

- Independent Director and Member of Risk Management Committee 2014 - Present

CP All Public Company Limited

- Independent Director, Member of Remuneration and Nomination Committee and Member of Corporate Governance Committee 2014 - Present

Consultant, National Broadcasting and Telecommunication Commission (NBTC)

- Advisor Present

The National Legislative Assembly

- Member of the National Legislative Assembly 2014 - Present

Royal Thai Police

- Commissioner-General 2008
- Deputy Commissioner-General 2005
- Assistant Commissioner-General 2002

MR. BEN TAECHAUBOL

Director

Member of the Nomination and Compensation Committee

Chairman of the Investment Committee

Chief Executive Officer

Age : 39

- Education :**
- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University
 - Bachelor of Law (LLB), University of New South Wales, Sydney, Australia
 - Bachelor of Commerce (BCOM), University of New South Wales, Sydney, Australia

Training :

- Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

% of shareholding :

16.91%

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Director 2009 - Present

Chao Phraya Estate Residences Company Limited

• Director 2014 - Present

Landmark Holdings Company Limited

• Director 2013 - Present

BCEG Country Group Engineering Company Limited

• Director 2013 - Present

CGD Data Company Limited

• Director 2013 - Present

CGD Digital Partner Company Limited

• Director 2013 - Present

Country State Company Limited

• Director 2018 - Present

MR. SUBHAKORN BHALAKULA

Chairman of the Audit Committee

Chairman of the Nomination and Compensation Committee

Independent Director

Age : 60

Education :

- Master Degree in Public Law, Ramkhamhaeng University
- Bachelor Degree in Law, Thammasat University

Training :

- Director Accreditation Program (DAP) 19/2004, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 69/2006, Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) 16/2007, Thai Institute of Directors Association (IOD)
- Role of The Compensation Committee (RCC) 13/2011, Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Chairman of the Audit Committee, Chairman of the Nomination and Compensation Committee and Independent Director 2006 - Present

Plam & Bird Farm Company Limited

• Managing Director 2018 - Present

Relating Business Company Limited

• Director 2018 - Present

Macaw Breeding and Research Center Company Limited

• Managing Director 2018 - Present

Assumption Association

• Director and Vice President 2000 - 2018

Krungthai Legal Services Company Limited

• Managing Director 2014 - 2018
• Independent Director 2001 - 2013

Live Incorporation Public Company Limited

• Chairman of the Board of Director, Chairman of the Audit Committee and Chairman of the Nomination Committee 2005 - 2015

A-Host Company Limited

• Independent Director and Chairman of the Audit Committee 2006 - 2013

Ban Koh Rim Nam Company Limited

• Director 1994 - 2013

Thainex Company Limited

• Managing Director 1989 - 2013

POL. GEN. WERAPONG CHUENPAGDEE

Member of the Audit Committee

Member of the Nomination and Compensation Committee

Independent Director

Age : 60

- Education :**
- Master Degree, National Institute of Development Administration
 - Master of Public Administration, Chulalongkorn University
 - Bachelor of Public Administration, Royal Police Cadet Academy

- Training :**
- Role of The Compensation Committee (RCC) 13/2011, Thai Institute of Directors Association (IOD)
 - Director Accreditation Program (DAP) 86/2010, Thai Institute of Directors Association (IOD)
 - Director Certification Program (DCP) 146/2011, Thai Institute of Directors Association (IOD)
 - Audit Committee Program (ACP) 34/2011, Thai Institute of Directors Association (IOD)
 - Financial Statement for Directors (FSD) 12/2011, Thai Institute of Directors Association (IOD)
 - Corporate Governance for Capital Market Intermediaries (CGI) 10/2015, Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Member of the Audit Committee, Independent Director and Member of the Nomination and Compensation Committee

2009 - Present

The National Municipal League of Thailand (NMITL)

- Advisor

2018 - Present

Arinsiri Land Company Limited

- Chairman of the Board of Director

2017 - Present

Strega Public Company Limited

- Chairman of the Board of Director

2017 - Present

Industrial and Commercial Bank of China (Thai) Public Company Limited

- Independent Director and Member of the Audit Committee

2014 - Present

Country Group Holdings Public Company Limited

- Independent Director, Member of the Audit Committee, Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee

2014 - Present

Thai Hua Rubber Public Company Limited

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

2011 - Present

Sin Sian Yer Pao Company Limited

- Independent Director and Chairman of the Audit Committee

2010 - Present

Foo Sin Mining Industry Company Limited

- Director

2012 - Present

Richland Property Development Company Limited

- Director

2015 - Present

Boonyajinda Foundation for Police Officers & Their Families

- Director and Secretary's Assistance

2002 - Present

Thai Industrial Association

- Director

2011 - 2016

The Royal Thai Police

- Special Advisor
- Assistant Commissioner-General
- Commissioner, Commissioner of provincial police region 9
- Commissioner, Commissioner of provincial police region 7
- Deputy Commissioner, Commissioner of provincial police region 4
- Deputy Commissioner, office of the Police Commission
- Deputy Commissioner, Commissioner of provincial police region 8

2018 - Present
2016 - 2018
2015 - 2016
2014 - 2015
2013 - 2014
2012 - 2013
2011 - 2012

MR. HSU-FENG SHUEH**Member of the Audit Committee****Independent Director****Age :** 50
Education :

- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor Degree in Science in Electrical Engineering, the Cooper Union, USA

Training :

- Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Member of the Audit Committee and Independent Director

2009 - Present

Marginal Company Limited

- Deputy Managing Director

2005 - Present

AIR CHIEF MARSHAL PERMKIAT LAVANAMAL

Independent Director

Age : 65

Education :

- Master Degree, National Institute of Development Administration
- Bachelor of Science Program, Royal Thai Air Force Academy

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Independent Director

2013 – Present

Country Group Securities Public Company Limited

- Independent Director and Chairman of the Audit Committee

2018 - Present

Royal Thai Air Force

- Deputy Commander-in-Chief
- Chief of Air Staff
- Deputy Chief of Air Staff
- Assistance Chief of Air Staff, Support Services Department

2012 - 2013

2011 - 2012

2009 - 2011

2008 - 2009

MR. GAVINTORN ATTHAKOR

Independent Director

Age : 43

Education :

- Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor Degree in Mechanical Engineering with Business Management (Hons),University of Sussex Brighton, United Kingdom

Training :

- Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Independent Director

2009 - Present

Artlink Company Limited

- Director

2002 - Present

Prof. Bunchana – Thanphuying Sae Atthakor Foundation for Education

- Vice-President

1999 - Present

Prudential Life Assurance (Thailand) Public Company Limited

- Director

2011 - Present

ECCO 360 Company Limited	
• Chairman of Board of Director	2010 - 2015
Ozone Technology Company Limited	
• Managing Director	2006 - 2010

POL. MAJ. GEN. ITTIPOL ITTISARNRONNACHAI

Independent Director

Age :	51	
Education :	• Master of Public Administration, Kentucky State University, USA • Bachelor of Public Administration, Royal Police Cadet Academy (Nor Lor Tor. 43)	
Training :	• Training Course on Administrative Justice for Executives (Bor Yor Por. 6), The Administrative Court • Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Por Por Ror. 13), King Prajadhipok's Institute • Supervisory Criminal Investigation Course, International Law Enforcement Academy, USA	
% of shareholding :		None
Relation :		None

Work Experience for the past 5 years :

Country Group Development Public Company Limited	
• Independent Director	2015 - Present
The Royal Thai Police	
• Deputy commander of Immigration Bureau police	2017 - Present
• Commander of Nakhon Pathom Procnicial Police	2016 - 2017
• Commander of Nakhon Nayok Procnicial Police	2014 - 2016
• Commander of General Staff Division, Office of Logistics	2013 - 2014
• Deputy Commander, Investigation Division, Immigration Bureau	2011 - 2013
• Deputy Commander, Immigration Division 5, Immigration Bureau	2009 - 2011

MR. JIRASAK PONGHATHAIKUL

Director

Age : 47

Education : • Bachelor Degree in Business Administration, Bangkok University

Training : • Director Accreditation Program (DAP) 89/2011, Thai Institute of Directors Association (IOD)

% of shareholding :

3.25%

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Director

2010 – Present

MS. JAELLE ANG KER TJIA

Director

Age : 37

Education : • Master Degree in Business Administration, Imperial College London

• Bachelor Degree in Architecture, University College London

% of shareholding :

0.32%

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Director

2013 - Present

• Executive Director – Development Division

2013 - 2016

• Director – Development Division

2010 - 2013

The Great Room

• Chief Executive Officer

2016 - Present

Capital H Private Ltd

• Director

2015 - Present

Credit Suisse

• Business development

2009

Citigroup

• Strategy, Merger & Acquisitions

2005 - 2008

MR. YIU SING TSE

Director

Age : 34

Education : • Bachelor of Business, Marketing and Advertising, University of Technology, Sydney, Australia

% of shareholding :

1.72%

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Director

2015 - Present

Epic Capital

- Founder and Director

2018 - Present

ED Ventures Ltd

- Founder and Director

2016 - Present

Campfire

- Founder and Director

2015 - Present

Nikuya 298

- Director

2012 - Present

Providore Global Australia

- Founder and Director

2011 - Present

Ancardi, Hong Kong

- Founder

2008 - Present

Ancardi, Capital

- Director

2006 - Present

MANAGEMENT BIOGRAPHY

MR. BEN TAECHAUBOL

Director

Member of the Nomination and Compensation Committee

Chairman of the Investment Committee

Chief Executive Officer

Age : 39

Education : • Master Degree in Business Administration, Sasin Graduate Institute of Business Administration,

Chulalongkorn University

• Bachelor of Law (LLB), University of New South Wales, Sydney, Australia

• Bachelor of Commerce (BCOM), University of New South Wales, Sydney, Australia

Training : • Director Certification Program (DCP) 123/2009, Thai Institute of Directors Association (IOD)

% of shareholding :

16.91%

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Director

2009 - Present

Chao Phraya Estate Residences Company Limited

• Director

2014 - Present

Landmark Holdings Company Limited

• Director

2013 - Present

BCEG Country Group Engineering Company Limited

• Director

2013 - Present

CGD Data Company Limited

• Director

2013 - Present

CGD Digital Partner Company Limited

• Director

2013 - Present

Country State Company Limited

• Director

2018 - Present

MR. CHATCHAI CHORDOKRAK

Company Secretary

Executive Director – Accounts & Finance Division

Member of the Investment Committee

Age : 34

Education : • Master Degree on Business Administration, Mahidol University

• Bachelor Degree on Business Administration, Assumption University

Training : • Company Secretary Program(CSP) 67/2015, Thai Institute of Directors Association (IOD)

• Company Reporting Program (CRP) 14/2016, Thai Institute of Directors Association (IOD)

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Executive Director – Accounts & Finance Division

2012 - Present

CGD Data limited

• Director

2014 - Present

CGD Digital Partner Limited

• Director

2014 - Present

Ausiris Company Limited

• Director of Account & Finance

2009 - 2012

MR. JON ASHLEY NIELSEN

Executive Director- Portfolio Management Division

Age : 52

Education : • Certified Hotel Administrator, American Hotels & Motels Association

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Executive Director – Portfolio Management Division

2017 - Present

TCC Land Co., Ltd.

• Executive Vice President Asset Management

2011 – 2016

Intercontinental Hotels Group

• General Manager

1988 - 2011

MS. KITIMA KRITIYACHOTIPAKORN

Executive Director – Sales Division

Age : 45

Education :

- Master of Science in Real Estate, Thammasart University
- Master of Business Administration, University Of Baltimore, USA

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Executive Director – Sales Division 2014 - Present

Minor International Public Company Limited

• Director of Sales and Marketing 2006 - 2014

Goldenland Property Development Public Company Limited

• Marketing and PR Manager, CBD Sales and Marketing 2002 - 2005

MR. SUTTINATH JITTICHRUNGLAP

Executive Director – Operation Division

Age : 42

Education :

- Master Degree in Management, Srinakharinwirot University

% of shareholding :

0.0087%

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

• Executive Director - Operations 2017 – Present
• Director - Accounts & Finance Division 2014 – 2017

TMB Bank Public Company Limited

• Director - Financial Planning and Analysis 2008 - 2014

MR. VARAKORN TEACHAMONTRIKUL

Executive Director – Development Division

Age : 39

Education :

- Master Degree of Architecture, Savannah College of Art and Design, USA
- Bachelor Degree in Architecture, Chulalongkorn University

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Executive Director – Development Division 2016 - Present
- Director – Development Division 2014 - 2016

AP (Thailand) Public Company Limited

- Head of Product Development 2012 - 2014

Smallwood, Reynolds, Stewart, Stewart, and Associates Atlanta, GA, USA

- Senior Architect 2006 - 2012

MS. PATRA KANTASIRIBITAKS

Executive Director – Investment Division

Age : 34

Education :

- Bachelor Degree of Commerce, University of Melbourne, Australia

% of shareholding :

None

Relation :

None

Work Experience for the past 5 years :

Country Group Development Public Company Limited

- Executive Director – Investment Division 2016 - Present

Winvestment Co., Ltd.

- Vice President – Investment and Project 2014 – 2016

Capital Advisory Co., Ltd.

- Executive- Investment and Project Management 2012 - 2014

Macquarie Securities (Thailand) Limited

- Executive – Investment Banking 2007 – 2011

SCB Securities Co., Ltd.

- Analyst – Equity Capital Market 2006 – 2007

BUSINESS OPERATION

1. POLICIES AND BUSINESS OPERATIONS OVERVIEW

COMPANY'S HISTORY

Country Group Development Public Company Limited ("the Company") was established on 8 June 1982 as a limited company whose name was Diana Department Store Company Limited, operating department stores and retail businesses. In July, 2006 the name was changed to Dragon One Public Company Limited where the nature of the business was also changed to a holding company. The company was listed on the Market for Alternative Investment (MAI) on 25 June 2007. Following that, changes were made to the shareholding and management structure of the Company, with Mr. Ben Teachaubol becoming a major shareholder and serving as a director. In addition, its business objectives were also changed to allow the Company to expand into the real estate sector. In this connection, the name of the Company was changed to Country Group Development Public Company Limited in May 2010.

In January 2011, the Company acquired all assets and liabilities of Landmark Development Group Company Limited (LDG), through a transaction known as an 'Entire Business Transfer (EBT)'. Due to the fact that the size of the transaction was larger than 100% of the size of the acquirer, the transaction was considered a backdoor listing. In May 2013, the acquisition and transfers of LDG's business was complete, with Mr. Vikrom Koompirochana appointed Chairman of the Board of Directors and Mr. Ben Teachaubol as Chief Executive Officer. In this connection, Mr. Ben Teachaubol's group became a major shareholder holding 4,153,680,028 shares or 67.13% of the Company's paid-up capital. Later, the Company was delisted from MAI and became listed on the Stock Exchange of Thailand (SET) with its shares being approved to begin trading on 30 September, 2014.

2. NATURE OF BUSINESS

The company and its subsidiaries operate as a Real estate company which can be divided into 2 parts:

1. Real Estate Development Business

- Real estate development projects are as follow: the Elements Srinakarin, and Four Seasons Private Residences Bangkok at Chao Phraya River operated by Country Group Development Public Company Limited and Landmark Holdings Co., Ltd. In addition, the company has plans to develop new projects on two land plots acquired in 2017, located in Chachoengsao province and on Rama III – Industrial Ring Road.
- Hotel property development projects are as follow: Capella Hotel Bangkok, and Four Seasons Hotel Bangkok at Chao Phraya River.

2. Real Estate Investment Business

- CGUK 1 Limited, a subsidiary of the company through its 96.45%-owned subsidiary Leading Schools Partnership Limited, acquired a property for investment purpose in 2016. The property which located in Brighton, the United Kingdom, consisted of land, buildings and other facilities thereon. It was leased to a lessee that used the property for providing educational services, under a long-term lease agreement with a remaining term of about 15 years.
- The Company established APUK Limited. The objective was to invest in a data center building, which was located in London, the United Kingdom. The investment was made through the Company's subsidiary CGD Digital Partners Co., Ltd. The data center building was fully occupied with the rental contract expiring in 2033. At the Extraordinary General Meeting of Shareholders No. 1/2015 held on 21 August 2015, the shareholders adopted a resolution selling all the Company's equity stake in APUK Limited to MFC Industrial Real Estate Investment Trust (REIT), which was Thailand's first REIT whose assets were located overseas. While the sale of the equity stake was completed on 15 December 2015, the units of the REIT had been publicly traded on the Stock Exchange of Thailand since 23 December 2015.

2.1 Revenue Structure

Revenue Structure of the Company and Subsidiaries

Revenue (Unit : Baht Million)	Operated by	2015		2016		2017	
		Amount	%	Amount	%	Amount	%
Continued Operation							
Revenues from condominium sales	CGD	479.37	92.89	351.56	59.58	908.59	82.03
Commission income	CGD	2.18	0.42	1.11	0.19	1.06	0.10
Rental income from property investment	CGUK1	-	-	27.00	4.58	52.51	4.74
Interest income	CGD	0.68	0.14	1.62	0.28	3.15	0.28
	LH	0.46	0.08	0.56	0.09	1.90	0.17
	LURH	0.18	0.04	0.18	0.03	0.18	0.02
	LWR	0.19	0.04	0.19	0.03	0.18	0.02
	LWH	0.17	0.04	0.17	0.03	0.17	0.02
	CER	0.12	0.02	0.12	0.02	0.12	0.01
	CGUK1	-	-	0.05	0.01	0.03	-
Dividend income	CGD	-	-	8.78	1.49	4.24	0.38
	CGDDP	-	-	80.81	13.69	-	-
Gain on remeasuring fair value of investment property	CGUK1	-	-	7.56	1.28	4.35	0.39
Gain from currency forward transaction	CGD	2.52	0.49	42.57	7.21	-	-
Gain (loss) on foreign exchange rate	CGD	(26.26)	(5.09)	63.39	10.74	(0.19)	(0.02)
	LH	35.49	6.88	(11.24)	(1.90)	125.03	11.29
	HK	0.04	0.01	(0.03)	(0.01)	0.02	-
Gain on sale of current investments	CGD	2.35	0.46	4.00	0.68	-	-
	LH	0.64	0.12	-	-	-	-
Gain on remeasuring current investments	CGD	2.70	0.52	0.01	-	-	-
	LH	1.37	0.27	-	-	-	-
Gain on sale of investments held as available for sale	CGD	4.34	0.84	-	-	-	-
Other income	CGD	7.60	1.47	10.31	1.75	1.98	0.18
	LH	1.90	0.36	1.13	0.19	4.32	0.39
	BCEG	-	-	0.22	0.04	-	-
Total Revenues		516.04	100.00	590.07	100.00	1,107.64	100.00
Discontinued Operations							
Rental income from property investment	APUK	91.59	99.89	-	-	-	-
Other income	APUK	0.10	0.11	-	-	-	-
Total Revenues		91.69	100.00	-	-	-	-

Revenue Structure of the Company

Revenue (Unit : Baht Million)	2015		2016		2017	
	Amount	%	Amount	%	Amount	%
Revenues from condominium sales	479.37	92.89	351.56	59.58	908.59	82.03
Commission income	2.18	0.42	1.11	0.19	1.06	0.10
Rental income from property investments	-	-	27.00	4.58	52.51	4.74
Interest income	1.80	0.36	2.89	0.49	5.73	0.52
Dividend income	-	-	89.59	15.18	4.24	0.38
Gain on remeasuring fair value of investment property	-	-	7.56	1.28	4.35	0.39
Gain from currency forward transaction	2.52	0.49	42.57	7.21	-	-
Gain on foreign exchange rate	9.27	1.80	52.12	8.83	124.86	11.27
Gain on sale of current investments	2.99	0.58	4.00	0.68	-	-
Gain on remeasuring current investments	4.07	0.79	0.01	-	-	-
Gain on sale of investments held as available for sale	4.34	0.84	-	-	-	-
Other income	9.50	1.83	11.66	1.98	6.30	0.57
Total Revenues	516.04	100.00	590.07	100.00	1,107.64	100.00

On 14 December 2015, the Company sold its equity stake in APUK Limited to MFC Industrial Real Estate Investment Trust (REIT). In compliance with the Thai Financial Reporting Standard No. 5 (Revised 2014) on "Non-current Assets Held for Sale and Discontinued Operations", the Company presented the item relating to the business operation of the subsidiary as profit from discontinued operations in the consolidated statement of profit or loss and other comprehensive income for the year end 31 December 2015.

2.2 Products and Services

Emphasis is placed on real estate business operated by the Company and its subsidiaries. Having adopted a two-pronged strategy, the Group approaches real estate business as both development and investment.

A. Development

The company has developed 2 projects with the following details.

1. Chao Phraya Estate Project

Chao Phraya Estate is a mixed-used development project which is located on Charoenkrung 64 Road, Yannawa District, Bangkok. After signing a long-term lease agreement with the Crown Property Bureau, the Company sublet the land to Landmark Holdings Co., Ltd. which is responsible for developing the project. In this connection, the lease agreement is already registered with the Land Department.

Project Description

Developer	Landmark Holdings Company Limited ("LH")
Type	Mixed-use development
Location	Charoen Krung 64 Road, Yannawa District, Bangkok
Land Area	35-2-68 rai (14.2 acres)
Land ownership	25-year lease agreement
Project components	1. Four Seasons Private Residences Bangkok at Chao Phraya River 2. Capella Hotel Bangkok 3. Four Seasons Hotel Bangkok at Chao Phraya River
Construction Period	The construction started in year 2014, expected to be completed on year 2018

1.1 Four Seasons Private Residences Bangkok at Chao Phraya River

Four Seasons Private Residences Bangkok at Chao Phraya River features a super-luxury 73-storey branded residence consisting of 355 units. The project itself is an integral part of Chao Phraya Estate offering quality specifications and services of international standards, catered towards high-net-worth individuals with discerning taste. The project is located on the waterfront of Charoen Krung Road, a prime location adjacent to the majestic Chao Phraya River. The location offers convenient access to the BTS skytrain Saphan Taksin and the expressway as well. Furthermore, the company has signed an agreement with well-known hotel operator, Four Seasons Hotels & Resorts, to manage the property.

Project details	A super-luxury 73-storey residential tower total 355 unit consists of <ul style="list-style-type: none"> • 2 Bedrooms total 251 units • 3 Bedrooms total 73 units • 4 Bedrooms and Penthouse total 31 units
Key Selling Points	<ul style="list-style-type: none"> • The super-luxury project with international standard that provides the residents with a sense of luxury. • The project is perfectly located at a prime location on Charoen Krung Road which is adjacent to the Chao Phraya River, this allows residents to enjoy spectacular views of the river. The location also offers an ease of access to public transport since the project is only 800 meters from BTS Skytrain Saphan Taksin Station and provides good connectivity to other areas via expressway which is located only 2 kilometers away from the project. • The project features outstanding, modern and beautiful architecture with strong emphasis being placed on luxury interior design which uses high quality materials. Noteworthy are also the project's unique area arrangements and efficient use of available space. • Residents can use services and facilities available at the hotels which are located in the same area of the project. • The project will be managed by Four Seasons Hotels & Resorts, a brand with extensive experience in operating world-class hotels.

Saleable area	Approximately 64,000 sq. m.
Price per sq. m.	Approximately Baht 330,000 per sq. m.
Project Value	Approximately Baht 21,000 million
Target Customers	Elite groups of Thai and foreign customers

1.2 Capella Hotel Bangkok

Capella Bangkok is a super luxury low-rise hotel offering 101 exclusive suites spread on 4,280 square wah of land. Emphasis will be placed on elegant designs and decorations for every interior component, which includes materials, furniture decorations as well as lighting with focus on warm colours to create a cozy atmosphere. The hotel places emphasis on luxury, intimacy and service quality. With only 101 rooms available, allows bespoke service for all guests. Also available are other services such as food and beverages services, banquet services, conference services. In addition, a fitness center, a swimming pool and a spa are made available to guests.

Type	Super Luxury Hotel
No. of Units	101 suites
Key Selling Point	<ul style="list-style-type: none"> • Super luxury, all-suite riverfront hotel • Bangkok's first private riverfront villas • The project features outstanding and beautiful architecture with strong emphasis being placed on luxury interior design which uses high quality materials.
Target Customer	Local and foreign business individuals and travellers

1.3 Four Seasons Hotel Bangkok at Chao Phraya River

Four Seasons Hotel Bangkok at Chao Phraya River is an luxury urban resort hotel with 300 guest rooms. It is constructed on a total land area of 22 rai (9 acres). The designs and decorations of the hotel make use of urban resort concepts with a seamless integration into the natural waterfront landscape. In addition, the hotel has several differently designed gardens, and offers several restaurants, meeting rooms, banquet hall, and riverfront grand ballroom.

Type	Luxury Urban Resort Hotel
No. of Units	300 rooms
Key Selling Point	<ul style="list-style-type: none"> • Urban resort design style with series of calming green courtyards • 22 rai (9 acres) have been allocated for Four Seasons Hotel, with over 200-meters of river frontage • Offering largest riverfront grand ballroom in Bangkok with the size of 1,400 square meters

- The project features outstanding, modern and beautiful architecture with strong emphasis being placed on luxury interior design which uses high quality materials. Noteworthy are also the project's unique area arrangements and efficient use of available space.

Target Customer	Local and foreign business individuals and tourists
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2. Elements Srinakarin Project

Project Description

Developer	Country Group Development Public Company Limited
Type	Residential
Location	Soi Supparphong 1, Yak 6 Nong Born, Pravate Bangkok, Thailand
Land Area	13-0-89 rai (5.23 acres)
Saleable Area	45,000 sq . m.
Project details	Eight-storey condominium, seven buildings offering each of 1-2 bedrooms type total 1,059 units
Key Selling Point	The project is located on Srinakarin Road and just opposite to Seacon Square Department Store. There are a lot of facilities provided to the clients including large size of swimming pool, fitness studio, large open space (garden) and convenience shops.
Target Customer	Middle income buyers. Average income higher than Baht 35,000 per month
Selling price	Approximately Baht 60,000 per sq. m.
Project value	Approximately Baht 2,700 million
Construction Period	Construction completed

B. Investment

The company has 2 investment property projects with the following details.

1. Ovingdean Hall

On July 1, 2016 the company acquired Ovingdean Hall through CGUK 1 Limited, a subsidiary company. The asset comprises of a group of buildings providing; offices, accommodation, educational and recreational facilities, which is located in Brighton, United Kingdom. It was leased to a tenant that used the property for providing educational services, under a long-term lease agreement with a remaining term of about 15 years.

Project Detail	Land and buildings leased to school operator
Location	Ovingdean Hall, Greenways, Ovingdean, Brighton, United Kingdom
Rental Area	881,654 square feet
Occupancy Rate	100 %
Remaining Lease Duration	The lease contract's term will end in year 2032.

2. Anchorage Point

The Company established APUK Limited. The objective was to invest in a data center building, which was located in London, United Kingdom. The investment was made through the Company's subsidiary CGD Digital Partners Co., Ltd. The data center building was fully occupied with the rental contract expiring in 2033. At the Extraordinary General Meeting of Shareholders No. 1/2015 held on 21 August 2015, the shareholders adopted a resolution selling all the Company's equity stake in APUK Limited, to MFC Industrial Real Estate Investment Trust (REIT), which was Thailand's first REIT whose assets were located overseas. While the sale of the equity stake was completed on 15 December 2015, the units of the REIT had been publicly traded on the Stock Exchange of Thailand since 23 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

1. FINANCIAL STATEMENTS

1) FINANCIAL STATEMENTS

Country Group Development Public Company Limited (the "Company") or ("CGD") has been operating businesses related to real estate development and real estate investment, both domestic and overseas, since 2010. In regards to the real estate development, in 2015 the Company has successfully launched Four Seasons Private Residences Bangkok at Chao Phraya River, which was a mixed-used development project located on the city side of Chao Phraya River. In this connection, the project has been very well received and widely recognized since its launch in January 2015. It breaks records on several fronts of Thailand's real estate development business, which include prices and record sales value via an overseas roadshow, among others. More importantly, Four Seasons Private Residences Bangkok at Chao Phraya River has now served as a new standard for super luxury residential projects in Asia. These achievements have a positive impact on the prices of the remaining units. As a result, the Company will be able to generate very high revenue in the future. Since the launch of Four Seasons Private Residences Bangkok at Chao Phraya River in January 2015, the Company has continued receiving presales reservation for the project. In relation to Elements Srinakarin, the Company successfully completed the project construction during the latter part of 2015 and has been serving as main sources of the Company's revenue. The project has been sold and transferred continuously especially in 2017 the Company has successfully launched phase 4 which is the last phase of the project, it generated 908.6 million baht in revenue which was the largest amount since the project began transfers. With regard to the investment in 2016, CGUK 1 Limited, a subsidiary of the Company through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited, acquired a property value 842 million baht located in Brighton, United Kingdom, consisted 20.24 acres (881,654 square feet) of land, buildings and other facilities thereon. It was leased to a lessee that used the property for providing educational services, under a long-term lease agreement with a remaining term of about 15 years. This generated rental income to the group in 2017 of 52.5 million baht.

On 28 February 2014, the Company purchased, through its subsidiary APUK Limited, the assets of Anchorage Point, a data center with a net area of 14,446 square feet and full occupancy, which was located in London, United Kingdom. The Company considered that the investment in the assets with good potential could generate consistent and steady returns for investors. Later on 14 December 2015, the Company divested all stakes in APUK Limited (registered in Guernsey) which was a subsidiary in which the Company

invested through its wholly-owned subsidiary CGD Digital Partners Limited, to MFC Industrial Real Estate Investment Trust (REIT). Therefore, in compliance with the Thai Financial Reporting Standard No. 5 (Revised 2014) on "Non-current Assets Held for Sale and Discontinued Operations", the Company presented the item relating to the business operation of the subsidiary as profit from discontinued operations in the consolidated statement of profit or loss and other comprehensive income for the year end 31 December 2015.

2. OPERATING RESULTS

1) CONTINUED OPERATIONS

Revenue

Total revenue of the Company and its subsidiaries in 2015 and 2016 amounted to 516.0 million baht and 590.1 million baht, respectively, representing an increase of 14.4 percent. Furthermore, total revenue in 2016 and 2017 amounted to 590.1 million baht and 1,107.6 million baht, respectively, representing an increase of 87.7 percent. Majority of the Company's revenues derived from sale of condominium. In particular, revenue from sale of condominium in 2015 and 2016 accounted for 92.9 percent and 59.6 percent of total revenues, respectively. Also, the revenue from sale of condominium in 2016 and 2017 accounted for 59.6 percent and 82.0 percent of total revenues, respectively. Other revenues included dividend income, gain on foreign exchange rate, rental income from investment property and gain from currency forward transactions, among others.

• Revenue from Condominium Sales

The Company started recognizing revenue from condominium sales of Elements Srinakarin since the 4th quarter of 2013. For the year end December 31, 2017, revenue from condominium sales of Elements Srinakarin reached the highest amount at 908.6 million baht increased by 158.4 percent when compared to the same period of 2016.

• Other Revenue

Other revenues of the Company and its subsidiaries in 2016 and 2017 amounted to 238.6 million baht and 199.0 million baht, respectively, representing decrease of 39.6 million baht or 16.6 percent when compared to 2016. Although, other income of the Company and its subsidiaries has increased from increasing in gain on foreign exchange rate of 72.7 million baht and increasing in rental income from investment property of 25.5 million baht. However, dividend income decreased by 85.4 million baht and gain from currency forward transaction decreased by 42.6 million baht this is because those 2 transactions were related to sale of Data Center which has

no such transaction in 2017. The main reason of increasing in gain on foreign exchange rate of 72.7 million baht was due to the strengthening of the Thai Baht currency together with increased in USD loan of local subsidiary according to construction progress of Chao Phraya Estate Project which has a lot of progress during 2017. The main reason of increasing in rental income from investment property of 25.5 million baht was CGUK 1 Limited, 96.45 percent-owned subsidiary, has recognized rental income from investment property on investment property located in Brighton, United Kingdom which acquired in July 2016 while the subsidiary recognized income throughout the year in 2017.

Expenses

Total expenses of the Company and its subsidiaries in 2015 and 2016 amounted to 867.5 million baht and 738.8 million baht, respectively, representing 14.8 percent decrease. In addition, total expenses for the year end 31 December 2016 and 2017 amounted to 738.8 million baht and 1,092.6 million baht, respectively, representing 47.9 percent increase. Majority of expenses were attributable to cost of condominium sales which accounted for 61.9 percent of total revenue in 2015 and 37.0 percent in 2016. Furthermore, cost of condominium sales for the year end 31 December 2016 and 2017 accounted for 37.0 percent and 49.1 percent of total revenues, respectively. The remaining expenses were distribution costs and administrative expenses as well as directors and managements' remuneration.

• Cost of Condominium Sales

For the year end 31 December 2015 and 2016, the Company's cost of condominium sale amounted to 319.7 million baht and 218.5 million baht, respectively. The cost of condominium sale accounted for 61.9 percent and 37.0 percent of revenue from sale of condominium, respectively. These represented a gross profit margin of 33.3 percent and 37.9 percent of the revenue from sale of condominium.

For the year end 31 December 2016 and 2017, the Company's cost of condominium sales amounted to 218.5 million baht and 544.4 million baht, respectively. The cost of condominium sales accounted for 37.0 percent and 49.1 percent of revenue from sales of condominium, respectively. These represented a gross profit margin of 37.9 percent and 40.1 percent of the revenue from sales of condominium.

• Distribution Costs (Selling Expenses)

Distribution costs comprised of sales commissions, marketing expenses, promotion expenses, expenses related to ownership transfers and other expenses. For the year end 31 December 2015 and 2016, distribution costs of the Company and its subsidiaries amounted to 329.4 million baht and 273.9 million baht, respectively. Distribution costs decreased by 55.5 million baht or decreased by 16.8 percent. Most of the decrease were expenses attributable to the distribution costs of Four Seasons Private Residences Bangkok

at Chao Phraya River which has been opened for presale reservations since 2015 and continued organizing its marketing activities in 2016. The main reason for the decrease in expenses is that the project launched in 2015, therefore, the marketing expenses during launch period was higher than those in 2016.

For the year end 31 December 2016 and 2017, distribution costs of the Company and its subsidiaries amounted to 273.9 million baht and 286.5 million baht, respectively, representing an increase of 12.6 million baht or 4.6 percent. Most of the increase was attributable to promotion expenses of Elements Srinakarin.

• Administrative Expenses

Administrative expenses were composed of salaries, utility bills, specific business taxes, depreciation, miscellaneous expenses and other expenses. For the year end 31 December 2015 and 2016, administrative expenses of the Company and its subsidiaries amounted to 158.4 million baht and 203.9 million baht, respectively, representing an increase of 45.5 million baht or 28.7 percent. The increase was mainly due to the Group's advisory fees which increased by about 61.7 million baht, of which 43.8 million baht were advisory fees in relation to divestment of all stakes in its wholly-owned CGD Digital Partners Limited. Other expenses worth 24.7 million baht were expenditure incurred prior to execution of the transaction related to acquisition of overseas assets by the Company's subsidiary CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited. However, the administrative expenses of the Company decreased by 13.4 million baht, mainly due to the decrease in the fees for establishing the REIT as a result of the disposal of APUK Limited in 2015. There was no such transaction in 2016.

For the year end 31 December 2016 and 2017, administrative expenses of the Company and its subsidiaries amounted to 203.9 million baht and 207.4 million baht, respectively, representing an increase of 3.5 million baht or increased by 1.7 percent. Most of the additional administrative expenses attributed from incremental in employees and directors compensation in accordance with company's performance and incremental in advisory fee in relation to investment in new project of the Company. In addition, during 2017 Landmark Holdings Co., Ltd. (70 percent-owned subsidiary of the Company) recorded loss on disposal of fixed asset amount of 30.73 million baht because the subsidiary has to demolish the Chao Phraya Estate sale gallery slightly ahead of its original schedule to utilize the area for construction of Four Seasons Hotel Bangkok according to the construction plan. Although the Group's advisory fees was decreased by approximately 62.33 million baht, of which 43.8 million baht total decrease were advisory fees in relation to divestment of all stakes in its wholly-owned CGD Digital Partners Limited. Also, other expenses decreased by 10 million baht were expenditures incurred prior to execution of the transaction related to acquisition of overseas assets by the Company's subsidiary

CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited. However, the decrement of advisory fees and other expenses were less than the increment of employees and directors compensation expenses and increment of loss on disposal of fixed asset. As a result, the Group's administrative expenses increased by 3.5 million baht.

• Financial Costs

For the year end 31 December 2015 and 2016, financial costs of the Company and its subsidiaries amounted to 165.0 million baht and 205.2 million baht, respectively, representing an increase of 40.2 million baht or 24.4 percent. This was mainly due to the fact that the Company issued additional debentures for the Company's working capital and business expansion. As well, in the fourth quarter of 2016, an overseas subsidiary of the Company got a loan from an overseas financial institution in order to acquire an investment property. As a result, the financial costs in 2016 increased.

For the year end 31 December 2016 and 2017, financial costs of the Company and its subsidiaries amounted to 205.2 million baht and 211.4 million baht, respectively, representing an increase of 6.2 million baht or 3.0 percent. The increase was mainly due to the fact that in the fourth quarter of 2016, the Company's subsidiary, CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited, got a loan from an overseas financial institution in order to acquire an investment property. As a result, the financial costs in 2017 increased.

• Income Tax Revenue (Expense)

For the year end 31 December 2015, income tax revenue of the Company and its subsidiaries amounted to 0.7 million baht. On the other hand, for the year end 31 December 2016, income tax expense of the Company and its subsidiaries amounted to 2.0 million baht. This represented an increase of income tax expense of 2.7 million baht or increase approximately 385.7 percent mainly because of the increase in the income tax of CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited. In this connection, CGUK 1 Limited started receiving rental fees for its investment property in 2016, as mentioned above.

For the year end 31 December 2016, income tax expense of the Company and its subsidiaries amounted to 2.0 million baht. On the other hand, for the year end 31 December 2017, income tax revenue of the Company and its subsidiaries amounted to 3.0 million baht. This represented a decrease of income tax expense of 5 million baht or decreased approximately 250.0 percent mainly due to the fact that CGUK 1 Limited utilized tax benefits from investments in property investments.

• Net Profit (loss) from Continued Operations

For the year end 31 December 2015 and 2016, net loss from continued operations of the Company and its subsidiaries amounted to 515.7 million baht and 355.8 million baht, respectively, representing a decrease of 159.9 million baht or decreased by 31.0 percent. This was mainly due to the significant increase in other income which included rental income from investment property, dividend income as well as gain from currency forward transaction, as mentioned above.

For the year end 31 December 2016 and 2017, net loss from continued operations of the Company and its subsidiaries amounted to 355.8 million baht and 193.4 million baht, respectively, representing a decrease of 162.4 million baht or decreased by 45.6 percent. This was mainly due to the significant increase of revenue from sale of condominium of Elements Srinakarin, which increased by 557.0 million baht or increased by 158.4 percent compared to same period of 2016.

2) DISCONTINUED OPERATIONS

Profit from Discontinued Operations

At the Extraordinary General Meeting of Shareholders No. 1/2015 held on 21 August 2015, shareholders adopted a resolution approving divestment of all the Company's stakes in APUK Limited (registered in Guernsey) which was a subsidiary in which the Company invested through its wholly-owned subsidiary CGD Digital Partners Limited, to MFC Industrial Real Estate Investment Trust (REIT). Later, on 14 December 2015, CGD Digital Partners Limited sold all stakes in APUK Limited. As a result, the Company had no control over the subsidiary since the date of sale.

In this connection, the subsidiary's profit from the discontinued operations for the year end 31 December 2014 and 2015 amounted to 204.8 million baht and 35.9 million baht, respectively.

3. FINANCIAL POSITION

ASSETS

As of 31 December 2015 and 2016, total assets of the Company and its subsidiaries amounted to 10,141.4 million baht and 12,667.3 million baht, respectively, representing an increase of 2,525.9 million baht or increase 24.9 percent. Significant assets are temporary investments, trade and other current receivables, deposits at bank used as collateral, land and costs of projects under construction and utilities, prepaid deposits for construction, investment property, property, plant and equipment, leasehold and goodwill.

As of 31 December 2017, total assets of the Company and its subsidiaries amounted to 16,782.3 million baht, representing an increase of 4,115.0 million baht or 32.5 percent when compared with the total assets as of 31 December 2016.

Current Assets

As of 31 December 2015 and 2016, current assets of the Company and its subsidiaries amounted to 4,430.2 million baht and 4,731.7 million baht, respectively or accounting for 43.7 percent and 37.4 percent of the total assets, respectively.

As of 31 December 2017, current assets of the Company and its subsidiaries amounted to 5,405.5 million baht, accounting for 32.3 percent of the total assets. The related significant details were as follows:

- **Temporary Investments**

As of 31 December 2015, 2016 and 2017, temporary investments of the Company and its subsidiaries amounted to 829.2 million baht, 0.8 million baht and zero baht, respectively, which accounted for 8.2 percent, zero percent and zero percent of total assets, respectively. In addition, during 2016 the construction of the Chao Phraya Estate Project was progressing well, the Company and its subsidiaries needed a lot of cash and therefore considered to sell the temporary investments. As a result, as of 31 December 2016, the temporary investments decreased by 828.4 million baht or decreased by 99.9 percent, when compared with those as of 31 December 2015.

- **Trade and Other Current Receivables**

As of 31 December 2015 and 2016, trade and other current receivables of the Company and its subsidiaries amounted to 714.0 million baht and 1,498.4 baht, respectively, which accounted for 7.0 percent and 11.8 percent of total asset, respectively, representing an increase of 784.4 million baht when compared with those as of 31 December 2015. This was mainly due to the increase in the prepaid deposits worth 302.5 million baht which paid to contractors of the Chao Phraya Estate Project in advance. In addition, other receivables of other companies increased in whole amount by 449.6 million baht because Landmark Holdings Co., Ltd. in which the Company held a 70 percent stake received financial support from an overseas financial institution for financing the total construction costs of the Chao Phraya Estate Project. In this connection, the subsidiary was able to get reimbursements for the construction costs that had been paid prior to the financial support. As of 31 December 2016, the outstanding balance which had not been reimbursed amounted to 449.6 million baht.

As of 31 December 2017, trade and other current receivables of the Company and its subsidiaries amounted to 1,269.3 million baht, which accounted for 7.6 percent of the total assets, representing a decrease of 229.1 million baht when

compared with those as of 31 December 2016. This was mainly due to payment received from other receivables by 458.9 million baht. On the other hand, prepaid deposits to contractors of the Chao Phraya Estate Project was increased by 232.4 million baht.

- **Land and Costs of Projects Under Construction and Utilities**

As of December 2015 and 2016, land and costs of projects under construction and utilities amounted to 1,523.1 million baht and 2,028.0 million baht, respectively, which accounted for 15.0 percent and 16.0 percent of the total assets, respectively, representing an increase of 33.1 percent from 2015 or increased by 504.9 million baht. This was mainly due to increase in land and costs of project under construction and utilities in relation to Four Seasons Private Residences Bangkok at Chao Phraya River, which is part of the Chao Phraya Estate Project.

As of 31 December 2017, land and costs of projects under construction and utilities of the Company and its subsidiaries amounted to 3,465.7 million baht, which accounted for 20.7 percent of total assets, representing an increase of 70.9 percent from 2016 or increased by 1,437.7 million baht. This was mainly due to the increase of land and costs of projects under construction and utilities of Four Seasons Private Residences Bangkok at Chao Phraya River, which is part of the Chao Phraya Estate Project.

- **Other Current Assets**

As of 31 December 2015 and 2016, other current assets amounted to 110.3 million baht and 146.0 million baht, respectively, which accounted for 1.1 percent and 1.2 percent of the total assets, respectively, representing an increase of 32.4 percent from 2015 or increased by 35.7 million baht. This was mainly due to increase in receivable from the Revenue Department which contributed from an input VAT from construction of Four Seasons Private Residences Bangkok at Chao Phraya River, which in line with the increment in construction progress.

As of 31 December 2017, other current assets of the Company and its subsidiaries amounted to 245.4 million baht, which accounted for 1.5 percent of total assets, representing an increase of 68.1 percent from 2016 or increased by 99.4 million baht. This was mainly due to increase in receivable from the Revenue Department which contributed from an input VAT from construction of Four Seasons Private Residences Bangkok at Chao Phraya River, which in line with the increment in construction progress.

Non-Current Assets

- **Deposits at Bank Used as Collateral**

As of 31 December 2015 and 2016, deposits at bank used as collateral amounted to 0.2 million baht and 801.4 million baht respectively, which accounted for zero percent and 6.3

percent of total assets, respectively, representing a significant increase of 801.2 million baht or 400,600 percent. This was mainly due to the increase in bank deposits to use as collateral for construction payments which in line with the construction agreement related to the Chao Phraya Estate Project. In this connection, Landmark Holdings Co., Ltd. in which the Company held a 70 percent stake received financial support during the year 2016.

As of 31 December 2017, deposits at banks used as collateral of the Company and its subsidiaries amounted to 1,581.8 million baht, which accounted for 9.4 percent of total assets, representing an increase of 97.4 percent from 2016 or increased by 780.4 million baht. This was mainly due to the increase in bank deposits to use as collateral for construction payments which in line with the construction agreement related to the Chao Phraya Estate Project. Also, increasing in deposits at banks used as collateral to repay long-term debentures No. 1/2017.

• Investments Held as Available for Sale

As of 31 December 2015, 2016 and 2017, investments held as available for sale of the Company and its subsidiaries amounted to 406.1 million baht, 403.3 million baht and 307.1 million baht, respectively, which accounted for 4.0 percent, 3.2 percent and 1.8 percent of total assets. The outstanding balance as of 31 December 2017 decreased by 96.2 million baht or decreased by 23.9 percent when compared with the outstanding balance as of December 31, 2016. This was mainly due to decrease in market price using in revaluation of investment.

• Prepaid Deposits for Construction

As of 31 December 2015, 2016 and 2017, prepaid deposits for construction of the Company and its subsidiaries amounted to 708.3 million baht, 863.3 million baht and 895.5 million baht, respectively, which accounted for 7.0 percent, 6.8 percent and 5.3 percent of total assets. The outstanding balance continually increased. The outstanding balance for 2016 increased from 2015 to 155.0 million baht or representing 21.9 percent increase and the outstanding balance for 2017 increased from 2016 amounting to 32.2 million baht, representing 3.7 percent increase. The increment of prepaid deposits for construction was from advance payment to contractors for the construction of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River. The hotels are part of the Chao Phraya Estate Project.

• Investment Property

As of 31 December 2016, investment property amounted to 842.7 million baht, which accounted for 6.7 percent of total assets, representing an increase by the whole amount from the year 2015 because in 2016, CGUK 1 Limited, a subsidiary in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited, acquired an investment property, which located in Brighton, the United Kingdom, consisted of land, buildings and other

facilities thereon. It was leased to a lessee that used the property to provide educational services, under a long-term lease agreement with a remaining term approximately 15 years.

As of 31 December 2017, investment property amounted to 845.7 million baht, which accounted for 5.0 percent of total assets, representing an increase by 0.4 percent from the year 2016 or increased by 3.0 million baht. This was mainly from gain on remeasuring fair value of investment property amounted to 4.5 million baht.

• Property, Plant and Equipment

As of 31 December 2015, 2016 and 2017, property, plant and equipment amounted to 844.2 million baht, 1,240.3 million baht and 3,945.0 million baht respectively, which accounted for 8.3 percent, 9.8 percent and 23.5 percent of total assets, respectively. The annual increase was mainly due to the recognition of the construction costs of Capella Hotel Bangkok and Four Seasons Hotel Bangkok at Chao Phraya River, which are part of the Chao Phraya Estate Project. In addition, during 2017, the Company acquired land through an entire business transfer of Profit Ventures Company Limited ("PVL") by issuing the newly issued ordinary shares of the Company for 929,832,727 shares with a par value of Baht 1.00 per share, to Private Placement, at the offering price of Baht 1.10 per share, totaling Baht 1,022,816,000. This transaction contributed to 203.4 million baht increased in land. Moreover, in December 2017, the Company acquired another land plot located on industrial ring road (Rama III road) amounted to 1,645.9 million baht to develop a new project. As a result, property, plant and equipment as of 31 December 2017 increased by 2,704.7 million baht or 218.1 percent when compared with the outstanding balance as of 31 December 2016.

• Leasehold

As of 31 December 2015, 2016 and 2017, leasehold amounted to 100.0 million baht, which accounted for 1.0 percent, 0.8 percent and 0.6 percent of total assets, respectively. The leasehold was composed of advance payments, compensation, transfer fees and rental during construction and land development.

• Goodwill

As of 31 December 2015, 2016 and 2017, goodwill amounted to 3,614.4 million baht, which accounted for 35.6 percent, 28.5 percent and 21.6 percent of total assets, respectively. The goodwill as resulting from the reverse acquisition and the calculation of costs relating to business combination. The Company possessed a fair value of equity instruments, which served as clearer supporting evidence since it was a company listed on the Stock Exchange of Thailand. As a result, the fair value of Country Group Development Public Company Limited's equity instruments before acquisition was used as a base for calculating costs relating to the acquisition. The amount of the acquisition costs which exceeded the amount of the acquiree's stake at fair value was stated as goodwill.

• Other Non-Current Assets

As of 31 December 2015 and 2016, other non-current assets amounted to 25.5 million baht and 66.2 million baht, respectively, which accounted for 0.3 percent and 0.5 percent of total assets, respectively. Most of the increasing in other non-current assets were composed of security deposits and prepaid expenses, which increased in accordance with the increase in business transactions of the Company and its subsidiaries.

As of 31 December 2017, other non-current assets of the Company and its subsidiaries amounted to 64.2 million baht, representing a decrease by 2.0 million baht or 3.0 percent when compared with 31 December 2016. This was mainly due to the fact that during the year 2017 CGD Digital Partners Limited, wholly-owned subsidiary, received security deposit in relation to its divestment contract amounted to 21.8 million baht. The transaction had greater value than an increment of prepaid expenses. As a result, other non-current assets was decreased.

LIABILITIES

As of 31 December 31, 2015 and 2016, total liabilities of the Company and its subsidiaries amounted to 4,224.7 million baht and 6,694.3 million baht, respectively, representing an increase of 2,469.6 million baht or increase by 58.5 percent.

As of 31 December 2017, total liabilities of the Company and its subsidiaries amounted to 10,868.2 million baht, representing an increase of 4,173.9 million baht or increased by 62.4 percent when compared to the outstanding as of 31 December 2016.

Majority of liabilities are deposits and advance from customers, bills of exchange, as long-term borrowings and long-term debentures.

Current Liabilities

As of 31 December 2016, current liabilities of the Company and its subsidiaries increased by 184.3 million baht or 6.0 percent when compared to the outstanding as of 31 December 2015. This was mainly due to additional deposit and advance from customers of Four Seasons Private Residences Bangkok at Chao Phraya River amounted to 631.6 million baht, and from Elements Srinakarin amounted to 66.0 million baht. The Company also issued additional short-term bills of exchange worth 1,100.0 million baht. However, trade and other current payables decreased by 115.3 million baht, mainly due to payment for the construction costs of the Chao Phraya Estate Project during the year 2016 together with receiving the financial support from an overseas financial institution for payment of the construction costs. Although the Company paid 1,500.0 million baht for debentures that

were due for redemption but such amount was lower than the increases in deposit and advance from customers and issuance of short-term bills of exchange. As a result, other current liabilities was increased.

As of 31 December 2017, current liabilities of the Company and its liabilities was increased when compared to as of 31 December 2016 by 1,977.0 million baht or 61.0 percent. This was mainly due to the fact that long-term debentures which were issued in 2015 were due for redemption in 2018, the Company thus classified these debentures worth 1,150.0 million baht from non-current liabilities to be current liabilities. In addition, the Company issued 1-year debenture worth 600.0 million baht during 2017. Moreover, the Company and its subsidiary received additional deposit and advance from customers worth 900.2 million baht from customers for condominium units of Four Seasons Private Residences Bangkok at Chao Phraya River. Although the Company paid 805.9 million baht for some of bills of exchange that were due for redemption during the year but such amount was lower than reclassification of debentures, issuance of debentures and the increases in the deposit and advance from customers. As a result, other current liabilities were increased.

Non-Current Liabilities

As of 31 December 2016, non-current liabilities of the Company and its subsidiaries increased by 2,285.3 million baht or 196.0 percent when compared with the outstanding as of December 31, 2015. This was mainly due to the fact that Landmark Holdings Co., Ltd., a subsidiary of the Company, received financial support for the Chao Phraya Estate Project. In this connection, all the loans will be repaid within four years after the first drawdown. During the year 2016, the subsidiary drew down 1,563.79 million baht to pay for construction costs. Meanwhile, long-term construction payables increased by 314.3 million baht. As well, during the year 2016, a subsidiary of the Company, namely CGUK 1 Limited, in which the Company invested through its 96.45 percent-owned subsidiary Leading Schools Partnership Limited, got a loan worth 400.3 million baht from an overseas financial institution to acquire investment property.

As of 31 December 2017, non-current liabilities of the Company and its subsidiaries increased by 2,196.9 million baht or accounted for 63.7 percent when compared to the outstanding as of 31 December 2016. This was mainly due to the fact that, during the year 2017, Landmark Holdings Co., Ltd., a subsidiary of the Company, received addition financial support for the Chao Phraya Estate Project amounted to 2,103.5 million baht. Likewise, long-term construction payables increased by 482.1 million baht. In addition, during the year 2017 the Company also additional issued long-term debentures worth 750.0 million baht. Although non-current liabilities decreased from reclassification of long-term debenture that issued in 2015 worth 1,150 million from non-

current liabilities to be current liabilities as mentioned in part of current liabilities, such amount was less than the increment of financial support and debentures issuance. Therefore, non-current liabilities were increased.

CAPITAL STRUCTURE

As of 31 December 2015, total liabilities of the Company and its subsidiaries amounted to 4,224.7 million baht, which accounted for 41.7 percent of total assets, while shareholders' equity amounted to 5,916.7 million baht, which accounted for 58.3 percent of total assets. The debt to equity ratio amounted to 0.7 times while the interest-bearing debt to equity ratio amounted to 0.5 times.

As of 31 December 2016, total liabilities of the Company and its subsidiaries amounted to 6,694.3 million baht, which accounted for 52.8 percent of total assets, while shareholders' equity amounted to 5,973.0 million baht, which accounted for 47.2 percent of total assets. The debt to equity ratio amounted to 1.1 times while the interest-bearing debt to equity ratio amounted to 0.8 times.

As of 31 December 2017, total liabilities of the Company and its subsidiaries amounted to 10,868.2 million baht, which accounted for 64.8 percent of total assets, while shareholders' equity amounted to 5,914.1 million baht, which accounted for 35.2 percent of total assets. The debt to equity ratio amounted to 1.6 times while the interest-bearing debt to equity ratio amounted to 1.4 times.

LIQUIDITY

As of 31 December 2016, cash and cash equivalents of the Company and its subsidiaries amounted to 1,058.5 million baht, representing a decrease from 2015 of 195.1 million baht. The Company and its subsidiaries have net cash provided by operating activities amounted to 669.2 million baht, most of which could be attributable to deposit and advance from customers worth 704.7 million baht. In addition, the Company

and its subsidiaries have net cash provided by financing activities amount of 1,091.8 million baht which majority received from cash received from the increase worth 593.5 million baht in share capital in a subsidiary from non-controlling interests and additional issuance of bills of exchange amounted to 1,445.0 million baht while paid amount of 422.0 million baht for bills of exchange that due for redemption during the year. In addition, a long-term loan worth 961.8 million baht was received. On the other hand, the Company and its subsidiaries paid off the debentures worth 1,500 million baht which were due for redemption during the year. The Company and its subsidiaries used cash in investing activities amount of 1,785.8 million baht. These included mainly the payments for investment property worth 895.0 million baht and for purchases of fixed assets worth 136.9 million baht. There was also cash worth 809.9 million baht paid for deposits at bank used as collateral. On the other hand, the Company received cash worth 53.0 million baht from sale of investments held as available for sale.

As of 31 December 2017, cash and cash equivalents of the Company and its subsidiaries amounted to 425.1 million baht, representing a decrease from the year 2016 of 633.4 million baht. The Company and its subsidiaries have net cash provided by operating activities amounted to 1,457.8 million baht, most of which could be attributable to deposit and advance from customers worth 901.7 million baht and also received payment from trade and other current receivables worth 458.9 million baht. On the other hand, the Company and its subsidiaries have net cash used in investing activities of 2,698.0 million which majority paid for purchase of fixed assets amounted to 1,833.3 million baht and paid for deposits at bank used as collateral amounted to 869.5 million baht. On the other hand, the Company and its subsidiaries have net cash from financing activities amounted to 490.6 million baht. There were cash worth 1,350.0 million baht from issuance of long-term debenture and cash worth 505.9 million baht from additional issuance of bill of exchange but repayment for bills of exchange that due for redemption amounted to 1,368.7 million baht.

Summarize net cash flow provided by and used in each activity as follows;

Activities	For the year end December 31, 2015	For the year end December 31, 2016	For the year end December 31, 2017
Net cash provided by (used in) operating activities	(1,940.2)	669.2	1,457.8
Net cash provided by (used in) investing activities	133.0	(1,785.8)	(2,698.0)
Net cash provided by financing activities	2,515.5	1,091.8	490.6

4. FACTORS THAT MAY AFFECT THE COMPANY'S FUTURE PERFORMANCE OR FINANCIAL POSITION

The real estate development business serves as the Company's main source of revenue. As a result, the Company's performance greatly depends on the period of income recognition in relation to ownership transfers achieved by the Company's various projects. However, the Company has increased its investments in real estate in order to generate recurring income. These included, among others, investment in the Chao Phraya Estate Project which consisted of Capella Hotel Bangkok, Four Seasons Hotel Bangkok at Chao Phraya River, and Four Seasons Private Residences Bangkok at Chao Phraya River. Moreover, there are other factors that may affect the Company's future revenue, such as world economic situation and domestic economic conditions in each period, market competition as well as construction costs.

At the 2017 Annual General Meeting of Shareholders, which was held on 27 April 2017, shareholders adopted a resolution permitting the Company to issue and offer for sale its debentures worth not more than 5,000 million baht for its business operations, expansion and working capital.

RISK FACTORS

The Company pays close attention to management of risks that may have significant impacts on its business operations, by ensuring that they are at the level which is controllable and acceptable to the Company. In this connection, the main risk factors facing the Company could be summarized as follows:

1. STRATEGIC RISK

1.1 RISK ARISING FROM DISCONTINUITY OF REVENUErecognition

The Company started operating real estate business in 2010. At present, its main source of revenue is from selling real estate including Elements Srinakarin Project and Four Seasons Private Residences Bangkok at Chao Phraya River. The construction of Elements Srinakarin is already completed and its revenue has been gradually recognized since 2013. On the other hand, the construction of Four Seasons Private Residences Bangkok at Chao Phraya River is expected to be completed in 2018 when its revenue will start being recognized. In addition, the Company will receive revenue from rental of real estate which is considered as recurring income, this revenue will come from Capella Bangkok and Four Seasons Private Residences Bangkok at Chao Phraya River which are expected to be completed in 2018 when its revenue will start being recognized. As well as the Company's revenue from real estate rental of investment, namely Ovingdean Hall Project, which also serves another main source of the Company's revenue.

The implementation of the above projects may have short-term impacts in terms of discontinuity of the Company's revenue recognition. However, the Company has two main businesses including developments and investments. The Company will step up its efforts to identify strong potential projects which generate attractive returns in the form of revenue from selling real estate and renting out property, taking into account the level of risk appropriate to the Company in the long term. At present, the Company receives revenue from property rental for investment purpose namely Ovingdean Hall Project.

1.2 RISK ARISING FROM INVESTING IN VARIOUS PROJECTS

In relation to the selection of projects that offer good potential for its investment, the Company has to take into consideration several factors in order to acquire the projects that give attractive returns at an acceptable level of risk. As a result, the Company has adopted a strict policy requiring a feasibility study, risk and return considerations, detailed due diligence, and hiring of experts in various areas such as legal advisors and financial advisors, in order to obtain adequate information for investment decision making. In addition, it requires that a clear operational plan be established so that the implementation of the plan could be properly monitored.

In this connection, the various investment projects are not only subject to careful consideration by the management but also subject to consideration by the Company's board of directors who possess both knowledge and skills. The objective is to ensure that the projects are worthy of investment by the Company.

2. OPERATIONAL RISK

2.1 RISK ASSOCIATED WITH CONSTRUCTION COST CONTROL

In relation to construction of real estate projects for sale, costs of construction materials are main costs. In the past year, prices of construction materials increased continuously, mainly due to increasing demand for construction materials, let alone the volatility of oil prices and rising commodity prices. The increase in construction costs may result in erroneous cost estimates and mispricing, which will in turn affect future performance.

However, the Company makes a detailed estimate of the construction cost of each project, aiming to get information about the construction cost as close to the actual cost as possible from the start of the project. The information enables the Company to determine the overall construction prices in the contracts to be signed with sub-contractors. In regards some items of construction materials which are purchased by the Company, it will compare various prices quoted by several suppliers. As well, when contracts are signed, prices will be fixed in advance. The objective is for the Company to ensure that it gets the best prices and the best terms as possible. As a result, throughout the construction period of each project, the Company does not run the risk of price volatility.

2.2 RISK ARISING FROM SALES OF PROJECTS BEING LOWER THAN ORIGINALLY ESTIMATED

The Company not only has estimated the sales of the condominium projects but has also determined the room rates of the two hotels. However, in case the Company is unable to sell the projects or the hotel rooms at the rates as estimated, the resultant gaps may have an adverse impact on the performance of the projects.

However, the Company's related sales plans have been developed by teams of experienced and skilled staff, in addition to close collaboration with real estate brokers who have extensive networks of customers, both local and overseas. As a result, the Company is confident that it is able to reach the established targets. Moreover, the Company closely monitors the project performance and it stands ready to adjust its sales plans in a timely manner, ensuring that the revised plans are appropriate in view of the prevailing economic conditions.

As regards the sales of hotel rooms, the management is confident that it is able to attract customers to stay at the hotels in an amount as estimated, mainly due to the fact that each hotel has been well designed and the prices for the hotel rooms are appropriate for the targeted customer groups. Moreover, the affiliates of the two hotels have strong hospitality management capabilities and a large customer base. The strengths increase the likelihood of achieving the hotel sales forecasts made by the Company.

2.3 RISK IN HOTEL AND TOURISM INDUSTRY

Due to the fact that hotel business is related to the number of local and foreign tourists, the external risk factors which lead to the uncontrollable fluctuation of tourism industry such as terrorism, the spread of acute contagious disease, natural disasters, turmoil and global recession, would make the direct impact on the number of local and foreign tourists planning to visit Thailand.

However, the executives still express high confidence over the capability of the Company's business operation. Because of the world renowned executives specializing in hotel management, prime location of the project and outstanding selling points, it is certain that the project will be popular and receive good feedback even in such the time of economic slowdown.

3. FINANCIAL RISK

3.1 RISK ARISING FROM LIMITED ACCESS TO FUNDING SOURCES

The Company's projects require large investments for development and construction. As a result, it is necessary for the Company to have access to several different funding sources including, among others, borrowings from financial institutions, offer of rights issues to raise capital, issuance of various types of debt instruments such as debentures and bills of exchange, as well as working capital based on sales of condominium units before the construction is completed. In case the Company is unable to obtain adequate funds in line with the plans established for project development, the failure may have an adverse impact on project implementation and performance.

However, the Company is confident that it is able to obtain adequate funds in line with the established targets. This is mainly because the Company has developed a watertight financial plan, taking into account the working capital of each project and regularly assessing the Company's ability to gain access to funding sources as well as its debt-to-equity ratio which needs to be kept at an appropriate level.

3.2 FOREIGN EXCHANGE RATE RISK

The Company has adopted a policy to invest in various projects, both local and overseas. In this connection, it is well aware of potential impacts on the related project performance, which are created by the risk arising from interest rate volatility. The Company has also adopted a clear policy aiming at reducing the risk arising from interest rate volatility by placing emphasis on a method called 'natural hedge' as much as possible. The objectives are to cut costs and to minimize sophisticated transactions. To deal with any remaining currency risk, the Company has adopted a policy to hedge with currency forward contracts by taking into account trend directions as well as the delivery dates of the forward contracts. The objective is to cover the risk arising from the related transactions as much as possible. Furthermore, the Company has also adopted a clear policy to refrain from any speculative transactions in foreign currencies as they may give rise to uncertainties of the project performance.

3.3 INTEREST RATE RISK

Interest rate movements have an impact on the Company. If the interest rate rises, customers will postpone their purchases, mainly due to the customers' increasing cost of buying real estate. On the other hand, the Company's financial costs also increase since it needs financial support from financial institutions in the form of loans, the proceeds of which will be used for building real estate projects.

However, the Company has developed a plan aiming at closely monitoring and reducing the risk arising from rising interest rates. At present, most of the Company's loans are fixed interest rate loans. The objective is to reduce the risk arising from interest rate volatility. In case it has to get variable interest rate loans, the Company will consider using financial tools such as currency swap in order to reduce such risk. In addition, the Company has established business alliances with several commercial banks. The objective is to enable the Company to make comparison of different offers which lead to the financial costs appropriate to both the Company and its customers.

4. RISK ARISING FROM STATE POLICIES

4.1 RISK ARISING FROM CHANGES IN LAWS AND REGULATIONS RELATED TO REAL ESTATE BUSINESS

Changes in laws, rules and ministerial regulations in relation to real estate business have direct impacts on costs and expenditure related to the Company's project implementation. The changes include, among others, the change in the city planning requirements in relation to floor area ratio (FAR), the policy on determination of common areas, and the scope of assessment as well as preparation of environmental impact assessment (EIA) reports. If the regulations or requirements become more restrictive, the changes may have adverse impacts on the Company's performance.

However, the Company reduces such risk by regularly conducting surveys and studies on legal constraints and requirements related to real estate business. This enables the Company to prepare for possible changes and to make appropriate operational plans, taking into account the maximum benefits to be gained from future business operations.

5. RISK ON MAINTAINING OF FINANCIAL RATIO

The Company has duties according to agreement between Issuer and debenture holders ("The agreement") for debenture of Country Group Development PCL. No. 1/2015 due for maturity in 2018, No. 2/2015 due for maturity in 2018, callable and secured debenture of Country Group Development PCL. No. 2/2017 due for maturity in 2018 with rights for early redemption from issuer. The agreements specifies that the Company has to maintain the debt to equity ratio as follows;

Debentures	Ratio "Debt" to "Equity" according to the agreement	Ratio "Debt" to "Equity" as of December 31, 2017.
1. Debenture of Country Group Development PCL. No. 1/2015 majority date 2018	Not over 2.5:1 at the end of period of each year for entire term of debenture	
2. Debenture of Country Group Development PCL. No. 2/2015 majority date 2018	Not over 2.5:1 at the end of period of each year for entire term of debenture	1.4 ^{1/}
3. Secured debenture of Country Group Development PCL. No. 1/2017 majority date 2019	N/A	
4. Callable and secured debenture of Country Group Development PCL. No. 1/2017 majority date 2018	Not over 2.5:1 at the end of period of each year for entire term of debenture	1.0 ^{2/}

Remarks :

^{1/}Debt for debenture No. 1/2015 and No. 2/2015 mean Interest Bearing Debts in consolidated finance statement of issuer which audited by the issuer's auditor.

^{2/}Debt for debenture No. 2/2017 mean Interest Bearing Debts in consolidated finance statement of issuer which audited by the issuer's auditor (but not include trade payable, advance received and/or any liabilities without interest and/or borrowing from individual and/or related entity) deduct with cash and/or cash equivalent and/or current investments and/or deposit at bank used as collateral.

Currently, the Company is able to maintain financial ratio in accordance to the agreement.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors pays close attention to efficiency assessment of the Company's internal control. This is to ensure that the Company's financial reports as well as information used for decision-making are accurate, complete and reliable. In this connection, the Audit Committee consisting of three members responsible for looking after and overseeing the internal control of the Company, ensuring that the policies and desirable practices which have been assigned are implemented in line with the plans outlined by the Board of Directors as well as in compliance with the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

At the Board of Directors' Meeting No. 2/2018 held on 23 February 2018, three members of the Audit Committee were present. In this connection, two of the participating Audit Committee members were knowledgeable in accounting and finance. Having assessed the internal audit systems based on the Office of the Securities Exchange Commission's adequacy assessment form for the internal control systems, the Board of Directors was of opinion that currently the Company's internal control systems were adequate and suitable to its business operations and that there were neither material problems nor deficiencies. The assessment took into consideration five key areas relating to the internal control systems, which included control environment, risk assessment, control activities, information & communication, and monitoring activities. The adequacy assessment of the internal control systems in each area could be summarized as follows:

CONTROL ENVIRONMENT

The Company has established clear business goals which are reviewed regularly, ensuring that they take into account current situations. In order for the established goals to be achieved, the Company determines the level of the staff's remuneration, by annually taking into account the Company's performance as well as the employee performance appraisals in a rational manner.

Furthermore, the Company has established written policies relating to good corporate governance, code of ethical practices, as well as prevention of conflicts of interest. It has also developed an appropriate organizational structure which will enable the management to operate efficiently. Importantly, duties and responsibilities of each work unit have been clearly separated from one another. The Company also recognizes the importance of succession planning. Emphasis has been placed on recruitment, development and preparations of replacements as well as grooming of a group of candidates for key positions through development and training of high potential and high caliber employees.

RISK ASSESSMENT

The Company has carried out the adequacy assessment of the internal control systems, using the Office of the Securities Exchange Commission's assessment form which is based on the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In addition, the Company has undertaken assessments, using other formats such as risks arising from within and without organization as well as guidelines in relation to prevention of risks that may affect the implementation of the Company's various projects. It has also carried out an assessment of risks arising from different types of fraud and also from changes of the organizational leadership which may have an impact on business operations, internal control and finance, among others.

CONTROL ACTIVITIES

The Company has established the scope of responsibilities and power of high ranking executives as well as their approval limits in writing. Their duties have also been clearly segregated to facilitate checks and balances. Moreover, the Company has established a policy on related party transactions, ensuring that they are in compliance with the laws and the requirements imposed by the Stock Exchange of Thailand, keeping the Company's best interests in mind.

INFORMATION & COMMUNICATION

The Company sends important information and supporting documents needed for decision making to the Board of Directors in advance, together with the notification of the meeting which always gives details related to agenda. In addition, the Company prepares minutes of each meeting, which cover opinions and resolutions adopted by the meeting. As well, the Company stores books of accounts and supporting documents in a systematic and orderly fashion. It also makes use of information technology in storing and managing information of each work unit, such as the Enterprise Content Management (ECM) for managing different information of each work unit, and the Memo Online Systems.

MONITORING ACTIVITIES

The Company has established a system for monitoring its operating activities and its compliance with the code of ethical practices as well as rules relating to prevention of conflicts of interest. Moreover, it has established an internal audit office responsible for monitoring the implementation of the internal control systems of various work units in the organization. In this connection, the internal control systems are subject to regular assessments with the internal audit officers being required to submit audit reports directly to the Audit Committee. Emphasis is placed on monitoring the progress relating to the implementing corrective measures. In particular, when any material deficiencies are identified, the related reports must be submitted to the Audit Committee right away so that it could make necessary arrangements for having the deficiencies remedied in a timely manner.

HEAD OF INTERNAL AUDIT OFFICE

Ms. Anchalee Sriwiwatkul currently serves as senior manager of the Company's Internal Audit Office. She has considerable experience of internal audit of listed companies for over 20 years. She attended a number of training courses related to internal audit operations. More importantly, she also has a good understanding of the Company's activities and business operations.

In this connection, decisions related to appointment, removal or transfer of the head of the Company's Internal Audit Office must meet with the approval of the Audit Committee.

CORPORATE GOVERNANCE

1. POLICY ON GOOD CORPORATE GOVERNANCE

The Board of Directors realizes the importance of good corporate governance and enhances the good corporate governance according to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission. It is important to the business operation in order to administrate effectively manage and support the continuously growth, create confidence to shareholders, investors, stakeholders and optimization in the long term to the Company as 5 sections as follows:

Section 1: Policy on Good Corporate Governance

Section 2: Rights and Equitable Treatment of Shareholders

Section 3: Role of Stakeholders

Section 4: Disclosure and Transparency

Section 5: Responsibilities of the Board of Directors

SECTION 1: POLICY ON GOOD CORPORATE GOVERNANCE

The Company has written a policy which is supporting the good corporate governance and be under the requirement of several laws and business ethics in order to control the Company's and subsidiaries' operations. The Board of Directors circulated the policy of good corporate governance and business ethics to directors and all employees to follow. The policy is included the following main topics:

- Treat all shareholders and stakeholders equally and with fairness
- Commit to creating long term value for the Company by managing the business carefully and cautiously. To be accountable for actions and to perform their duties with all their abilities sufficiently and effectively in order to maximize shareholders' benefit. In addition, the Board of Directors is also responsible for resolving all conflicts of interest.
- Perform their duties transparently, virtuously, auditable, and to disclose adequate information to all stakeholders.
- Carry out the business with risk aversion and place appropriate controls and risk management tools.
- Set up the Company's guideline for ethical conduct in compliance with the guidelines of the Stock Exchange of Thailand for directors, management, and all employees to follow. The guideline focus on having adequate control and internal audit systems to oversee the management and to ensure that they are efficient and providing the long term shareholders' benefit under the laws and business ethics.
- Encourage all directors and management to regularly take courses with the Thai Institute of Directors Association (IOD) and other institutions in order to be more knowledgeable in all aspects of the directors and management's roles and duty.

SECTION 2: RIGHTS AND EQUITABLE TREATMENT OF SHAREHOLDERS

1. Rights of Shareholders

The Board of Directors recognizes the importance of the equitable treatment of shareholders. As a result, it has adopted a policy on equitable treatment of all shareholders as well as protection of their basic rights, the details of which are as follows:

1. All shareholders have equal rights to buy, sell, transfer shares in their possession, to share the Company's profit, to receive adequate information about the Company's business operations, to attend shareholders meetings to exercise rights to vote for the election or removal of directors, the appointment of an auditor as well as other matters which may impact the Company. These matters include, among others, allocation of dividends, establishment or amendment of the Company's articles of association and the memorandum of association, capital decrease or increase, and approval of special transactions.
2. Same types of shares have equal voting rights with one vote per share.

3. The Company regularly discloses its information to shareholders via the Stock Exchange of Thailand's channels as well as the Company's website. In addition, shareholders could get information about their rights or other information about the Company directly via email: info_ir@cgd.co.th.
4. The Company shall send a notice of the annual general meeting together with supporting documents for various agenda items and opinions of the Board of Directors for each agenda item, at least seven days prior to the meeting date, except as otherwise specified in the articles of association, notifications, order or requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. As well, the notice of the meeting together with the supporting documents shall be made available through the Company's website prior to the meeting date. The objectives are to provide shareholders with adequate time to study the available information in detail and to enable them to make appropriate decisions.
5. The Company clearly informs shareholders of the rules and methods in relation to the attendance of shareholders meetings through the notice of the general meeting of shareholders. As well, it informs the shareholders of the voting procedures at the general meeting of shareholders. As well, the Company puts in place clear step-by-step procedures to be followed at the general meeting of shareholders in relation to presentation of agenda items, raising questions, voting and adopting resolutions. In addition, shareholders are given an opportunity to send their questions to the Company prior to the date of the meeting. Importantly, the Company equitably provides all shareholders with convenience in relation to registration for the attendance of the meeting at least one hour before the meeting starts. They could continue registering for the attendance until the end of the meeting. As well, the shareholders participating in the meeting are provided with appropriate reception buffet.
6. The Company shall not deprive shareholders of the rights to study the Company's information which must be disclosed in line with various requirements and in relation to the shareholders' participation in the shareholders meetings. For examples, the Company shall neither distribute additional key information on short notice nor add new agenda items during the course of the shareholders meeting. As well, the Company shall not change key information without notifying shareholders in advance. Among others, the Company shall not take away the right of late-arriving shareholders to attend the shareholders meeting.
7. Providing supporting facilities, the Company encourages shareholders to participate in shareholders' meetings to exercise their voting rights. For example, the Company conducts the meeting in line with the order of the agenda items specified in the notice of the shareholders' meeting, which is sent to them. In electing the directors, shareholders can vote for directors individually. As well, shareholders are provided with opportunities to ask questions or express opinions, to which the directors concerned are required to give their adequate responses.
8. In case shareholders cannot attend the shareholders meeting themselves, the Company has provided them with facilities by making available Proxy Form B, in which shareholders can specify their decisions as regards to their voting. In this connection, shareholders could download both Proxy Form A and Proxy Form B from the Company's website. As well, the Company must offer at least one of its independent directors to be chosen and appointed by shareholders as their proxy holder who will attend the meeting on their behalf.
9. The Company shall make arrangements for clear and accurate minutes of the meeting to be taken, so that shareholders could check them. In this connection, the Company will distribute the minutes of shareholders' meetings through its website after they are sent to the Stock Exchange of Thailand.

2. Conflicts of Interest

The Board of Directors and the management have considered ending and preventing the conflicts of interest in a careful, honest, prudent and independent manner, taking into account the code of business ethics and the Company's overall benefits.

As a result, in order to promote transparency and prevent the pursuit of self-interest, the Company requires its directors, executives and related parties to disclose to the Board of Directors information about any conflicts of interest, via the Company Secretary. As well, in compliance with the regulations of the Office of the Securities and Exchange, they are also required to report their holdings of the Company's shares to the Board of Directors. In addition, at the meetings of the Executive Committee or the Board of Directors, those who have interests in any transaction or may have a conflict of interest with the Company are prohibited from giving their opinion and from voting on the related agenda item.

Moreover, the Company has established a policy and procedures for approving related party transactions or those which may have a conflict of interest. In this connection, information about names of related parties and their relationships, pricing policies and transaction values as well as the opinions of the directors concerned with the transaction need to be disclosed, taking into consideration the notification issued by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. These notifications have to be strictly adhered to for the overall benefits of shareholders in an equitable manner.

In addition, the Audit Committee has reported to the Board of Directors on the related party transactions and other transactions that have a conflict of interest. The appropriateness of these transactions has already been carefully considered. The report has complied with the related requirements of the Stock Exchange of Thailand. In strictly adhering to the requirements, the Company discloses the information every quarter and includes it in the annual report as well as in the disclosure report on additional information (Form 56-1).

In this connection, the Company has adopted a policy prohibiting directors, executives and staff members of the Company and its subsidiaries from using insider information which has not been disclosed to the public, for their own benefit or that of third parties, directly or indirectly. In addition, directors, executives or staff members of the Company who receive the Company's financial information are prohibited from using the information for one month before it is disclosed to the public. In this connection, the Company has requested the directors, executives and staff members of the Company to refrain from trading the Company's shares before disclosing the financial statements to the public. As well, it has ensured that the directors and executives understand their responsibility in reporting their holdings of the Company's shares and changes in their shareholdings to the Office of the Securities and Exchange Commission as well as the Stock Exchange of Thailand in compliance with Section 59 and the liability clause in Section 275 of the Securities and Exchange Act B.E. 2535. In this connection, the Company has established disciplinary measures which shall be applied to staff members who violate the Company's rules and regulations or the announcements which are included in the staff manuals.

SECTION 3: ROLE OF STAKEHOLDERS

The Company places great importance to all stakeholders i.e. shareholders, employees, the Company and the subsidiaries' management teams, partners or external stakeholders i.e. business partners, competitors, creditors, communities and societies, as well as state agencies and related agencies as follows:

- | | |
|--------------------|--|
| Shareholder: | The Company is committed to creating added value in the long run and continuously provide investment returns for the benefits of shareholders with focus on transparency disclosure and credible. |
| Employees: | Employees are encouraged to improve their skills and abilities to ensure the highest operational efficiency. Employees are provided with suitable and fair hiring conditions and a meritocratic system of advancement within the Company. The Company ensures a safe work environment that is in line with accepted standards. |
| Partners: | The Company collaborates with partners in a professional and transparent manner for its mutual best interest |
| Customers: | The Company encourages providing service according to the agreement and acknowledges the importance of customers is the first with create the good relationship regularly and continuously. |
| Business partners: | Company shall treat all the partners equally, fairly and keep confidentiality including create good relationship and benefit with partners. |
| Creditors: | The Company treats lenders fairly according to the debt hierarchy and in line with the relevant contract and the law. |
| Competitor: | The Company competes fairly and treats competitors equally, respectfully and professionally. |
| Community/Society: | The Company recognizes the supporting in activities of promoting quality of life and cultivating social responsibility spirit to employees at all level that can lead to the development in community, society and environment. |

Government agencies:	The Company complies with all relevant laws, criteria, rules and regulations in the related agencies.
Environment:	The Company encourages the employees to acknowledge the environment preservation and creates the policy to develop the project under the Environmental Impact Assessment (EIA).

The Company has adopted a policy aiming at protecting their rights and treating them equitably. This is mainly because the support from all groups of stakeholders plays an important role in enhancing the Company's competitiveness and profitability, which in turn will bring about long-term success for the Company. Recognizing the rights of each group of stakeholders, the Company not only complies with various rules and regulations but also fulfills all obligations of contracts and agreements. As well, emphasis is placed on disclosure of adequate information to facilitate effective participation of the stakeholders concerned. The Company also refrains from depriving the various groups of stakeholders of their rights or from causing negative impacts on them.

If there is a complaint, suggestion, or query on wrongdoing, violation of ethics, error in the financial statements, or deficiency in the internal control system, please direct them to the Secretary to Audit Committee via Tel: 66(0) 2658 7888 and Fax: 66(0) 2658 7880. The Company will investigate into the matter confidentially and report the finding to the Board of Directors.

SECTION 4: DISCLOSURE AND TRANSPARENCY

1. Disclosure

The Company pays close attention to disclosure of accurate, complete, and reliable information, both financial and non-financial, which is important to decision making of investors and stakeholders, in an equitable, timely and transparent manner as well as in line with the rules imposed by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The information which includes various publications, annual statements (Form 56-1) and annual reports, is disclosed through the channels of the Stock Exchange of Thailand and the Company's website.

In the annual report, the Company also makes available the Audit Committee's report as well as the statement indicating responsibilities of the Board of Directors for the financial report.

2. Relationship with Investors

The Company pays close attention to disclosure of accurate, complete, and reliable information, both financial and non-financial, as well as other key information which is important to decision making of investors and stakeholders in an equitable, timely and transparent manner. The information is disclosed to investors, analysts, and interested members of the general public through various channels of the Stock Exchange of Thailand and/or various media such as publications as well as the Company's website. In this connection, the Company has assigned the Company Secretary as the person responsible for giving information service and disclosing the Company's key information. One may contact the Company at Tel: 66(0) 2658 7888, Fax: 66(0) 2658 7880 or through E-mail: info_ir@cgd.co.th.

SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Leadership and Vision

The Board of Directors comprises experienced and knowledgeable persons who are able to provide guidance and set Company's policy, vision, strategy, target, and direction, as well as supervise the management team under the legal framework, the Company's objectives and Articles of Association, and resolutions of the shareholders' meeting. It shall perform its duty with care and honesty in order to yield maximum benefit for the Company, and raise confidence among shareholders. Furthermore, the Company also emphasizes the importance of internal control system, internal audit process, and continuously assesses the effectiveness of the management, as well as monitors the internal process regularly by its internal audit department which constantly reports to the Audit Committee.

The Board of Directors has considered specify and separate the roles and responsibilities between the Board of Directors and management team. The authority is defined clearly which communicates roles and responsibilities to directors and employees regularly.

2. Code of Conduct

The Company has determined a Code of Conduct for its directors and employees to ensure appropriate action in accordance with the Company and shareholders' expectation in performing their functions. It also provides a guideline for good business conduct as follows:

1. Perform the functions in accordance with the laws, the Company's objectives and Article of Association, the resolution of the Board of Directors, and good corporate governance and director's ethics.
2. Manage the business for the benefit of all current and future stakeholders, as well as preserve the Company's image.
3. Not being involved, directly or indirectly, either in any entity which may have a conflict of interest with the company in which one serves as director or in any entity whose business competes with that of the company in which one serves as director.
4. Stay away from having direct or indirect interests in a connected or competing businesses.
5. Manage with care and avoid commitments that may conflict with its duty in the future.
6. Do not take advantage of the job to gain direct or indirect personal benefit.
7. Devote full ability to carry out the job for the maximum benefit of the Company.
8. Do not conduct or become a major shareholder in a competing business, or have a relatives on the Board of Directors or being shareholders in the same kind of business, regardless of benefitting one's or others' interest.

The Company's directors and all employees are aware of the code of conduct, and behave and perform their functions professionally and ethically, with the goal of maximizing the Company's and shareholders' benefit.

3. Composition of the Board of Directors

1. The Board of Directors will consider, under the guidance of the Nomination and Compensation committees, candidates whose skills, experience, and expertise are essential for the Company's business and nominate them for selection in the shareholders' meeting.
2. The Board of Directors specifies the number of directors on the shareholders' meeting which shall not less than 5 members whose skills, experience, and expertise are essential. In addition, at least one-third but no less than 3 members of the Board of Directors must be independent from the Company.
3. Independent Directors have qualification as follows:
 - a. Holding shares not exceeding 1 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
 - b. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the appointment.
 - c. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.
 - d. Not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the appointment. The Business relationship accordance with paragraph above is included normal business transaction on rental and lease of property, asset and service transaction or financial transaction which to be borrow or lend of loan, guarantee, debt collateral including other similar transaction which the party of transaction have obligation to make the payment of debt to other party from 3% of Net Tangible Asset of the Company or Twenty Million Baht which lower than.
 - e. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the appointment.

- f. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the appointment date.
- g. Not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder.
- h. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs. After appointment, the independent director with clearly understanding in the Company business may assign from the Board of Directors to operate the Company, the subsidiary, affiliate or juristic person who may have conflicts of interest, to make decision under Collective Decision.
- i. The independent director has a good knowledge and understanding of the Company's business operations.

4. Roles and Responsibilities of the Board of Directors

See detail of roles and responsibilities of the Board of Directors as shown in the chapter of the shareholding and management structure.

5. Board of Directors Meeting

The Board of Directors meeting is arranged at least once every three months. The chairman of the Board or the person assigned will call the meeting. In certain situations, two or more directors may request the chairman to call the meeting, which has to be held within 14 days from the requested date.

The Chairman or the person assigned shall send the invitation letter to the Board of Directors Meeting at least 7 days prior the meeting. In the event of an emergency to protect the rights and benefits of the Company, the meeting request can be notified by other method or the meeting can be arranged sooner. The Chairman and CEO shall consider and determine the agenda and provide the opportunity that two or more directors can request the agenda according the article of association

At a meeting of the board of directors, the presence of not less than one half of the total number of directors is required to constitute a quorum. In the case where the chairman of the board is not present at the meeting or is unable to perform his or her duty and if there is a vice-chairman, the vice-chairman presents at the meeting shall preside over the meeting. If there is no vice-chairman or if there is a vice-chairman who is unable to perform his or her duty, the directors present at the meeting shall elect one among themselves to preside over the meeting. The decisions at the meeting shall be by majority of votes. Each director shall have one vote, but a director who has interests in any matter shall not be entitled to vote on such matter. In the case of an equality of votes, the chairman of the meeting shall have an additional vote as a casting vote.

6. Assessment of Director and Top-Executive

6.1 Assessment of Director

The Board of Director assigns the Nomination and Compensation Committee to assess the performance of the Board of Director and Sub-Committee with 2 form of assessment which are assessment of the Board of Director by group and by each director (self-assessment). The assessment shall be made director to review result of performance, problem of last year.

6.2 Assessment of Top-Executive

The Board of Director assigns the Nomination and Compensation Committee to assess the performance of top executive annually. The assessment will be reported to the Board of Director in order to fix the compensation of top executive and the chairman will be the person who informs the top executive for his acknowledgement.

7. Balance of Non-Executive Directors

The company is set to have at least 1 of the 3 of the directors, but not less than 3 members. Three independent directors held the position of Audit committee members with the qualifications according to the announcement of the Stock Exchange of Thailand on the roles and scope of the audit committee to perform various checks and balances of the company to be fair and accurate.

As of December 31st, 2017, the experienced and knowledgeable members of the Board of directors comprise of 12 persons, as follows:

- 11 non-executive directors of which are 7 independent directors
- 1 member of the executive director

The three independent directors were appointed the Audit Committee with the qualifications according to the announcement of the Stock Exchange of Thailand on the roles and scope of the audit committee to perform various checks and balances of the company to be fair and accurate.

8. Integration or Segregation

The Chairman of the Board shall not be the same person as chief executive of the management in order to separate the duties of policies setting from regular management. The Company has defined the responsibilities of authority to approve, accounting record and assets management at each level clearly, so they can examine each other easily.

The Chairman and Independent committee member is Mr. Vikrom Koompairochana. For the top management which is the company's chief executive officer is another director, Mr. Ben Taechabul. Both positions have separate roles with clear responsibilities and all important decision making has to be conducted through the Board of Directors.

9. Internal Control and Audit System

The Company emphasizes the importance of the internal control system, at both the management and operational level. There is a written Procedure Manual clearly specifying the authority of staff performing their duties and the management, and authorization chart. In order to regularly monitor the internal control system and inspect material transactions, the Audit Committee is assigned to audit the internal control system to ensure its effectiveness. Furthermore, the Company also conducts a risk assessment exercise and prepares preventive and mitigate measures, and monitor the compliance with related laws and regulations. There is also a segregation of operational, monitoring, and evaluating functions in order to encourage appropriate level of check and balance among them.

The Company has established the Office of Internal Audit, which performed its duties independently and reported directly to the Audit Committee, in order to audit the operations of the Company and its subsidiaries. The internal audit office was required to report the results of its auditing works directly to the Audit Committee.

In addition, the Audit Committee must conduct an annual review of the appropriateness and sufficiency of the internal control system and report the findings to the Board of Directors, which will express its opinion on the sufficiency of the internal control system in the Annual Report.

10. Director's Report

The Board of Directors has assigned the Audit Committee to supervise the preparation and disclosure of information in the financial statements, internal control system, and internal audit, in order to assess the adequacy and appropriateness of the internal control system and the preparation of the financial statements for their accuracy, completeness, sufficiency, accountability, and effectiveness and also assigned company secretary in keeping director's report.

11. Knowledge and skill improvement for directors and management

The Company encourages all directors and management to take courses with Thai Institute of Directors Association (IOD) and other related courses organized by various institutions on a regular basis in order to enhance their knowledge and skills.

12. Directors Orientation

For newly appointed directors, the Company arranges an orientation for them to learn about the Company's policies, and other information, such as capital structure, shareholding structure, operating performance, as well as related laws and regulations. They will also be given a director handbook contains useful information on being a Company's director as follows:

Director handbook

1. Public Limited Companies Act, B.E. 2535
2. Affidavit
3. Company Business Objectives
4. Articles of Association
5. Company Corporate Governance Report
6. Listed company director handbook of the Securities and Exchange Commission.

Information for directors

1. Disclosure Guidelines for Listed Companies' Management
2. Connected party transaction of the Listed Company
3. Good Corporate Governance of the Listed Company Year 2012
4. Company Profile
5. Recent Annual report

13. Company Secretary

The Board of Director realizes the important of roles and responsibilities of Company Secretary which will make the Company to operate its business to comply with the good corporate governance. The roles and responsibilities of the Company Secretary are shown in the chapter of shareholding and management structure.

2. SUB-COMMITTEE

The Company has 3 sub-committees are as follows:

2.1 Audit Committee

The Audit Committee comprise of three independent directors appointed by the Board of Directors. The members of the Audit Committee are as follows:

No.	Name	Position
1	Mr. Subhakorn Bhalakula	Chairman of the Audit Committee
2	Mr. Hsu-Feng Shueh	Member of the Audit Committee
3	Pol. Gen. Werapong Chuenpagdee	Member of the Audit Committee

Mr. Subhakorn Bhalakula, Chairman of the Audit Committee, and Mr. Hsu-Feng Shueh, member of the Audit Committee, who has knowledge and experience in auditing the Company's financial statements. Miss Anchalee Sriwiwatkul is to be secretary of the Audit Committee.

Scope of authority and duties of the Audit Committee

1. Review the accuracy and adequacy of the Company's quarterly and annual financial statements by coordinating with the auditor and the in charge management. The Audit Committee may suggest the auditor to review or audit a specific transaction deemed necessary and important.
2. Review the internal control and internal audit systems to ensure their appropriateness and effectiveness in conjunction with the external and internal auditors, review the independence of the Internal Audit Office, and approve the appointment, transfer, and termination of the highest-rank officer of the Internal Audit Office.
3. Review the compliance of the Company's business operation with the securities and stock exchange laws and regulation, as well as other related laws.
4. Evaluate and nominate the Company's external auditor and its compensation based on the auditor's credentials, resources, workload, as well as staff's experience assigned to conduct the audit.
5. Arrange a meeting with the external auditor without a presence of the Company's management at least once a year.
6. Consider the related party transactions or ones that may give rise to a conflict of interest, ensuring that they are in compliance with laws and the requirements of the Stock Exchange of Thailand as well as the requirements of the Office of the Securities and Exchange Commission. This is to ensure that such transactions are rational ones and in the best interests of the Company.
7. Consider the acquisition or disposal of the Company's assets whose value is subject to the approval of the Audit Committee in line with the laws, requirements of the Stock Exchange of Thailand and the regulations of the Office of the Securities and Exchange Commission.
8. Approve the internal audit plan, and the result of the Internal Audit Office's operation.
9. Review and revise the charter of the Audit Committee and propose to the Board of Directors for approval.
10. Prepare an Audit Committee Report to be disclosed in the Company's Annual Report. The report has to be signed by the Chairman of the Audit Committee and must include at least the following information:
 - a.an opinion on the accuracy, completeness and creditability of the Company's financial reports,
 - b.an opinion on the adequacy of the Company's internal control system,
 - c.an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business,
 - d.an opinion on the suitability of an auditor,
 - e.an opinion on the transactions that may lead to conflicts of interest,
 - f. the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - g.an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - h.other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
11. Report the duties performed by the Audit Committee to the Board of Directors.
12. In carrying out its duties, if the Audit Committee finds or doubts that there are any transactions or actions that may have a material impact on the Company's financial position or performance, the Audit Committee has to report it to the Board of Directors so that a remedial measure could be implemented within a timeframe which the Audit Committee deems appropriate. The transactions or actions include, among others, the followss:
 - a.Transactions that lead to conflicts of interests,
 - b.Fraud, material irregularities or defects in the internal control system,
 - c.Violation of the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business.

If the Board of Directors or the management fails to implement the remedial measure within the timeframe mentioned above, any member of the Audit Committee may send a report on the above-mentioned transaction or action to the Office of the Securities and Exchange Commission.

13. Investigate complaint from the external auditor of any suspicious behaviors, conducted by the Company's directors, managers, managing Director, or any other responsible parties; deem to be in violation of the Securities and Stock Exchange Act, and report the preliminary finding to the Securities and Exchange Commission and the external auditor within 30 days from the notification date.
14. Perform other functions as may be assigned by the Board of Directors and agreed upon by the Audit Committee.
15. In performing such functions, the Audit Committee has a direct responsibility to the Board of Directors, whose responsibility to external parties are still intact.

2.2 Nomination and Compensation Committee

The Nomination and Compensation Committee comprise of 3 members appointed by the Board of Directors. The members of the Compensation Committee are as follows:

No.	Name	Position
1	Mr. Subhakorn Bhalakula	Chairman of the Nomination and Compensation Committee
2	Pol. Gen. Werapong Chuenpagdee	Member of the Nomination and Compensation Committee
3	Mr. Ben Taechaubol	Member of the Nomination and Compensation Committee

Scope of Authority and Duties of the Nomination and Compensation Committee

Responsibilities on Nomination Function

1. Formulate criteria and policy in nominating directors, members of sub-committees and the Chief Executive Officer.
2. Consider and nominate appropriate persons to be appointed as directors, and members of sub-committees and the Chief Executive Officer for approval by the Board of Directors and/or the Shareholder Meeting.
3. Report to the Board of Directors the results of the meetings or other matters that the Board of Directors should be informed.
4. Perform any tasks assigned by the Board of Directors.

Responsibilities on Remuneration Function

1. Appraise the performance of the Directors, member of sub-committee and the Chief Executive Officer.
2. Evaluate the compensation for the Directors and member of sub-committee based on a fair and reasonable scheme and propose to the Shareholder Meeting for approval. The compensation includes salary, meeting allowance, annual bonus, and other monetary and non-monetary benefits.
3. Evaluate the compensation for the Chief Executive Officer based on a fair and reasonable scheme and propose to the Board of Director Meeting for approval. The compensation includes salary, meeting allowance, annual bonus, and other monetary and non-monetary benefits. In addition, evaluate the compensation for high-level management based on a fair and reasonable scheme and propose to the Board of Director Meeting for approval.
4. Review the compensation for the Directors, member of sub-committee, the Chief Executive Officer as well as review the compensation structure for high-level management based on individual performance, company performance, practices in the same sector and other listed companies and their responsibilities.
5. Perform any tasks assigned by the Board of Directors.

1. Investment Committee

The Investment Committee comprise of two executive directors appointed by the Board of Directors. The members of the investment Committee are as follows:

No.	Name	Position
1	Mr. Ben Taechaubol	Chairman of the Investment Committee
2	Mr. Chatchai Chordokrak	Member of the Investment Committee

Scope of Authority and Duties of the Investment Committee

1. Evaluate and approve any investment which total value of the project not over Baht 100 million.
2. Review and propose for approval by the Board of Directors for any investment which total value of the project over Baht 100 million or the investment which is not abide by the investment's policy.
3. Carry out any other tasks assigned by the Board of Directors. In this connection, the Board of Directors does not specify the tenure of the Chairperson of the Investment Committee

3. NOMINATION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

BOARD OF DIRECTORS

In selecting candidates to be appointed as members of the Board of Directors, the selected candidates need to be approved by the Nomination and Remuneration Committee first before submitting their names to the Board of Directors for consideration. After consideration, the Board will propose the names of the candidates to the annual general meeting of shareholders for appointment. The selection will take into account a number of criteria including the candidates' knowledge, ability, experience, vision and credibility. Importantly, the candidates must not possess any prohibited characteristics specified by the laws. In this connection, the related criteria and methodologies could be summarized as follows:

1. At least half of the Board of Directors must reside in Thailand and the members of the Board must possess qualities specified by the laws.
2. The appointment of directors is subject to a simple majority of votes cast at the annual general meeting of shareholders, based on the following criteria and methodologies:
 - (1) Each shareholder shall be entitled to one vote on each share of stock held by him.
 - (2) Shareholders are required to cast their votes on the appointment of each candidate as director separately on a separate resolution.
3. At every annual general meeting of shareholders, one-third of the total number of the directors shall retire. If the number of directors cannot be divided into three parts, the number of director nearest to one-third shall retire. The directors to retire from their office in the first and second years following the registration of the Company shall be determined by drawing lots. In each subsequent year, the directors who have been in the office for the longest time shall retire. The retiring directors may be re-elected.
4. Directors are entitled to receive remuneration from the Company in the form of monetary rewards, meeting allowance, pension, bonus or benefits in other forms in line with the Company's Articles of Association or the resolution adopted at the general meeting of shareholders, which could be a fixed amount of remuneration, criteria for remuneration to be determined each time or effective continuously or until changed. In addition, directors are also entitled receive the allowances and other benefits in accordance with the Company's regulations. In this connection, such entitlements shall

not affect the rights of staff or employees of the Company who are elected as directors, to receive remuneration and other benefits as employees.

5. Any director wishing to resign from office shall tender his resignation letter to the Company. The resignation shall have effect on the day the letter of resignation reaches the Company. The director who resigns may also notify the registrar of his resignation.
6. When a vacancy occurs in the Board of Directors otherwise than by rotation, the Board of Directors shall elect a person who is qualified and does not possess any prohibited characteristics in accordance with the Public Limited Company Act or the law on securities and exchange, as a replacement director at the following meeting of directors, except when the remaining tenure of the replaced director is less than two months. The replacement director may retain his office only for the remaining tenure of the director whom he replaces. The Board of Directors' election of the replacement direction must be supported by a vote of not less than three-fourths of the remaining directors.
7. Shareholders attending a meeting may adopt a resolution to remove any director from office prior to retirement by rotation by a vote of not less than three-fourths of the number of shareholders who are present at the meeting and are entitled to vote, representing an aggregate number of not less than one-half of the number of shares held by the shareholders who are present at the meeting and are entitled to vote.
8. The Board of Directors shall elect one director as Chairperson of the Board of Directors. In case it is deemed appropriate, the Board of Directors may elect one or more directors as Vice Chairpersons.

AUDIT COMMITTEE/INDEPENDENT DIRECTORS

As regards the appointment of the Audit Committee members, the Company's Board of Directors or the annual general meeting of shareholders shall appoint the Audit Committee which consists of at least three members selected from the Company's independent directors. In this connection, at least one member of the Audit Committee must have adequate knowledge and work experience in accounting and finance so that he can carry out duties related to the review of the reliability of financial reports. The selection shall also take into consideration qualifications of those who have legal knowledge and work experience as well as a good understanding of the Company's business.

NOMINATION AND COMPENSATION COMMITTEE

In the part of the nomination and remuneration committee selection, the Board of Directors or the meeting of shareholders should appoint the committee members consist of two independent directors and one executive director. The nomination and compensation committee will be considered by their qualifications in deep knowledge in the Company's business area, skills and experiences in legal, expertise in developing such compensation and nominations structure. The information obtained from the database of Consultant Company will be used for the purpose of nomination and remuneration in the organization to compatible with internationally-recognized standards.

TOP MANAGEMENT TEAM MEMBERS

In nominating candidates to assume the position of the Company's senior executive, the Human Resource Division will be responsible for nominating qualified candidates. On the other hand, the selection of the candidates will be left to the discretion of the top management, mainly taking into account the candidates' qualifications, education and experience related to the work unit concerned.

4. OVERSEEING THE OPERATIONS OF THE COMPANY AND ITS ASSOCIATES

The Board has a mechanism to supervise its subsidiaries and associated companies. So the company can get involved in their management and control the operations of such companies. The Company will send representatives as directors or executive or controlling authority in the proportion of stock holding. When the Company needs to decide in a matter of significance, the matter should be presented to the Board of Directors for approval. Moreover, the representatives of the company shall look after the subsidiaries or associate to have the disclosure of acquisitions or disposals of assets or related transactions to meet the requirements and criteria of related controlling entities, and also the Board has to prepare financial statements in accordance with accounting standards and meet the deadlines of the consolidated financial statements.

5. CONTROL OF INTERNAL INFORMATION

The Company sets up the policy for committees, directors and employees of the Company and its subsidiaries to maintain the confidentiality, not lead to the disclosure of inside information or seek personal interests or benefit of another person, whether directly or indirectly, whether they receive remuneration or not. Moreover, The Company prevents personnel to perform such activities to disclose the information to others or used for personal gain, including securities trading. The Company approved the policy of the use of inside information as follows:

1. Inform the directors and executives to be aware of their responsibility to report the holdings of securities of their own, their spouses and minor children according to Section 59, including penalties under Section 275 of the Securities and Exchange Act B.E.2535 and the regulations of the Stock Exchange of Thailand.
2. Order the Executive report changes in their shareholdings to the Securities Exchange Commission and send a copy of such report to the company on the same day that the report is sent to the Securities and Exchange Commission.
3. Notify the management and employees of the Company to be aware of the duty of the management and employees of the Company and its subsidiaries. When they are informed about company's financial information, or inside information which can significantly affect the Company's stock price, they need to avoid buying the securities of the company during one month before the financial statements or internal information is publicly available and they are prohibited from the disclosure of such important information to be available to others.

6. AUDIT FEE 2017

The Company has expense of audit fee for Deloitte Touche Tohmatsu Jaiyos Co. Ltd which is auditor for 2017 of the Company amount of Baht 2,130,000.

CORPORATE SOCIAL RESPONSIBILITY



BANGKOK RIVER PARTNERS

Country Group Development along with its company's executives, employees and stakeholders, is committed to responsibly making a positive impact towards the environment and community we impact.

Bangkok River Partners (BRP) is a non-profit organization contributing to the protection of Bangkok's Chao Phraya River, in efforts to ensure that the centuries-old communities retain their heart and heritage as the region develops into one of Bangkok's most prized areas. With the mission to safeguard and maintain the Chao Phraya Riverside district the organization supports the growth of Bangkok's business and creative scene to showcase the very best of Thai creativity, showmanship hospitality within the area, as well as creating an environment that is appealing to creative individuals and industries.

As developers CGD highly respects the preservation of the existing environment, history of heritage and the support of its local communities. It is preached that the company is dedicated to the "revitalization" rather than the "redevelopment" of the riverside area.

CLEAN UP THE WORLD 2017

CGD GOES GREEN WITH COMMUNITY CLEAN-UP ALONG THE RIVER OF KINGS.

With the mighty Chao Phraya River's history tracing back to ancient times, the flowing artery of Thailand has long been regarded as the bloodline of the country, and the community it serves has continued to engage in efforts to preserve the beauty of the river and its surrounding. As an active member of the Bangkok River Partners (BRP) community, Country Group Development has joined hands with the Embassy of Canada to Thailand to support the "Clean up the World" initiative on 16th September.

This year marked the 24th anniversary of the campaign, which is held in conjunction with the United Nations Environment Programme (UNEP) on what is one of the largest community-based environmental initiatives in the world, encouraging an estimated 35 million volunteers from 130 countries annually to clean up and conserve their surrounding environment.

Over the past few years, private and public sectors along with Bangkok's leading riverside hotels, have participated in the annual event. This year, Bangkok River Partners have worked closely with the Bangkok Metropolitan Administration (BMA) and Eco-Capitals Forum, comprising of foreign embassies in Bangkok to effectively shine light on long-term environmental



goals. In addition, organizers have incorporated a 'citizen science project' into the activities, in order to work towards eliminating waste. The initiative requires waste and rubbish removed from the Chao Phraya River and its canals to be collected and analysed.

A total of 70 volunteers from Country Group Development and the Canadian Embassy came together to tidy streets, and removed rubbish from canals that run into the Chao Phraya River. This insightful and educational activity proved a success and will indeed lead to future long-term solutions and leave a significant and lasting impact. "The Chao Phraya River has played a significant role as Thailand's lifeblood throughout history, and the waterway holds a special place in the hearts of all Thai people as a symbol of Bangkok," said CEO Mr. Taechaubol. "Nature's gifts are often hard to value in monetary terms. Like clean air and water, they are often taken for granted, at least until they become scarce. Today's cleanup was bigger than us, we are proud to have helped raise awareness to protect the world, so anything that has people embracing their own environment is a small step towards saving the planet on a larger scale."

Country Group Development was proud to have been a part of the movement and aims to continue to find ways to implement its moral, ethical and environmental goals by engaging in such environmentally-friendly initiatives. "Now more than ever, it's important that we help protect the River of Kings for future generations. Being able to call Chao Phraya River home is a privilege, and one that we certainly don't take for granted," explained Mr. Taechaubol. "Everyone shares a responsibility not only for keeping the river clean, but also for making it more beautiful than it was before. We look forward to taking part in more of these valuable environmental initiatives in the future."

RELATED PARTIES TRANSACTIONS

CHARACTERISTIC OF THE RELATED PARTIES TRANSACTION

The Company and its subsidiaries have the related parties transactions with the related persons and/or juristic persons who might have a conflict of interest with the Company and its subsidiaries, which the auditor specified them in the note of the financial statement for the year end December 31, 2017 can be summarized as follows:

1) TMR. SADAWUT TAECHAUBOL

Relationship: Mr. Sadawut Taechaubol is the major shareholder of the Company, as of December 26, 2017, held ordinary share of the Company amount of 1,646,933,091 shares or 19.92% of the total paid-up shares. Mr. Sadawut Taechaubol is father of Mr. Ben Taechaubol who is a director and major shareholder of the Company.

Details of transaction	Type of transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2017	Outstanding as of December 31, 2017	
1. Deposit for reservation, sign the Agreement to buy and sell 2 Condominium units of Elements Srinakarin.	Advance received	-	1,369,638	The Audit Committee has the opinion that such transaction was accorded with the Company's price list of condominium unit with the same normal condition to the unrelated party.
2. Deposit for reservation, sign the Agreement to buy and sell Condominium 1 unit of Four Seasons Private Residences Bangkok at Chao Phraya River.	Advance received	-	11,000,000	
3. Revenue from sale of condominium Elements Srinakarin 1 unit.	Sale of condominium	1,869,965	-	

2) MR. BEN TAECHAUBOL

Relationship: Mr. Ben Taechaubol is the major shareholder of the Company, as of December 26, 2017, held ordinary shares of the Company amounting to 1,397,626,424 shares or 16.91% of the total paid-up shares. Mr. Ben Taechaubol is Chief Executive Officer and a Director of the Company.

Details of transaction	Type of transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2017	Outstanding as of December 31, 2017	
1. Deposit for reservation, sign the Agreement to buy and sell Condominium 1 unit of Four Seasons Private Residences Bangkok at Chao Phraya River.	Advance received	-	11,000,000	The Audit Committee has the opinion that such transaction was accorded with the Company's price list of condominium unit with the same normal condition to the unrelated party.

3) MS. ORAWAN TAECHAUBOL

Relationship: Mrs. Orawan Taechaubol is wife of Mr. Sadawut Taechaubol and mother of Mr. Ben Taechaubol

Details of transaction	Type of transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2017	Outstanding as of December 31, 2017	
1. Deposit for reservation, sign the Agreement to buy and sell Condominium 1 units of Four Seasons Private Residences Bangkok at Chao Phraya River.	Advance received	-	18,178,879	The Audit Committee has the opinion that such transaction was accorded with the Company's price list of condominium unit with the same normal condition to the unrelated party.

4) COUNTRY GROUP SECURITIES PUBLIC COMPANY LIMITED ("CGS")

Type of Business: Securities Brokerage

Relationship: The company has one common director, namely Pol. Gen. Werapong Chuenpagdee. Mr. Sadawut Taechaubol, a major shareholder of the company held ordinary shares of CGS indirectly by holding ordinary shares of Country Group Holding Public Company Limited (the parent company of CGS) as at December 26, 2017 amounting to 713,937,000 shares or 8.64% of the total paid-up shares.

Details of transaction	Type of transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2017	Outstanding as of December 31, 2017	
1. The Company paid deposits for trading securities to CGS.	Deposit for trading securities	-	5,478	The Audit Committee has the opinion that such transaction was the same normal condition to the Unrelated party. The interest of the bill of exchange is the rate lower than loan of financial institution and no collateral.
2. The Company received interest income from CGS, which came from deposit for trading securities at an interest rate of 0.8% -1.00%	Interest income	306,256	-	

5) COUNTRY GROUP HOLDINGS PUBLIC COMPANY LIMITED (CGH)

Type of Business: Holdings Company

Relationship: Country Group Holdings Public Company Limited (CGH) and the Company have one common director, namely Pol. Gen Werapong Chuenpagdee. In addition, as of December 26, 2017 the Company's major shareholder Mr. Sadawut Taechabul held 713,937,000 shares or 8.64% of CGH's paid-up capital.

Details of transaction	Type of transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2017	Outstanding as of December 31, 2017	
1. The Company purchased 153,061,800 ordinary shares of Country Group Holdings Public Company Limited	Investment in ordinary shares	-	206,633,430	The Audit Committee has the opinion that such transaction was the same normal condition to the Unrelated party.
2. The Company received 17,928,233 warrants (CGH-W1) from Country Group Holdings Public Company Limited.	CGH-W1	-	179,282	
3. The Company received 12,755,150 warrants (CGH-W12) from Country Group Holdings Public Company Limited.	CGH-W2	-	1,275,515	
4. Dividend income from investment in ordinary shares.	Dividend income	4,245,934	-	

6) MF HOLDINGS COMPANY LIMITED ("MFH")

Type of Business: Investment in other businesses

Relationship: Shareholder of CGD, and CGH is the major shareholder of MFC Asset Management Public Company Limited ("MFC"). MFH is MFC's subsidiary.

Details of transaction	Type of transaction	Total Value/Outstanding (Baht)		Rational and Necessity
		Total Value in 2017	Outstanding as of December 31, 2017	
1. The Company has issued bill of exchange to MFH. <ul style="list-style-type: none"> On August 1, 2017 at the amount of Baht 100 million with term of 269 days. The maturity date is April 27, 2018. Interest of bill of exchange is 6.0% per annum. On September 1, 2017 at the amount of Baht 100 million with term of 269 days. The maturity date is May 28, 2018. Interest of bill of exchange is 6.0% per annum. The interest of bill of exchange has been paid on the issuance date by discount the value of each bill of exchange.	Bill of Exchange	-	200,000,000	The Audit Committee has the opinion that such transaction was the same normal condition to the unrelated party.
2. Interest expense from bill of exchange.	Prepaid Interest Interest	- 11,081,746	4,155,586 -	

MEASURE OR PROCEDURE TO APPROVE THE RELATED PARTIES TRANSACTIONS

In order to protect benefits for the Company and overall shareholders, the Company has set up measurement and procedure to execute the related parties transaction, where the Board of Directors would strictly supervise the Company's operation to comply with rules and regulation of Securities and Exchange Commission and the Stock Exchange of Thailand.

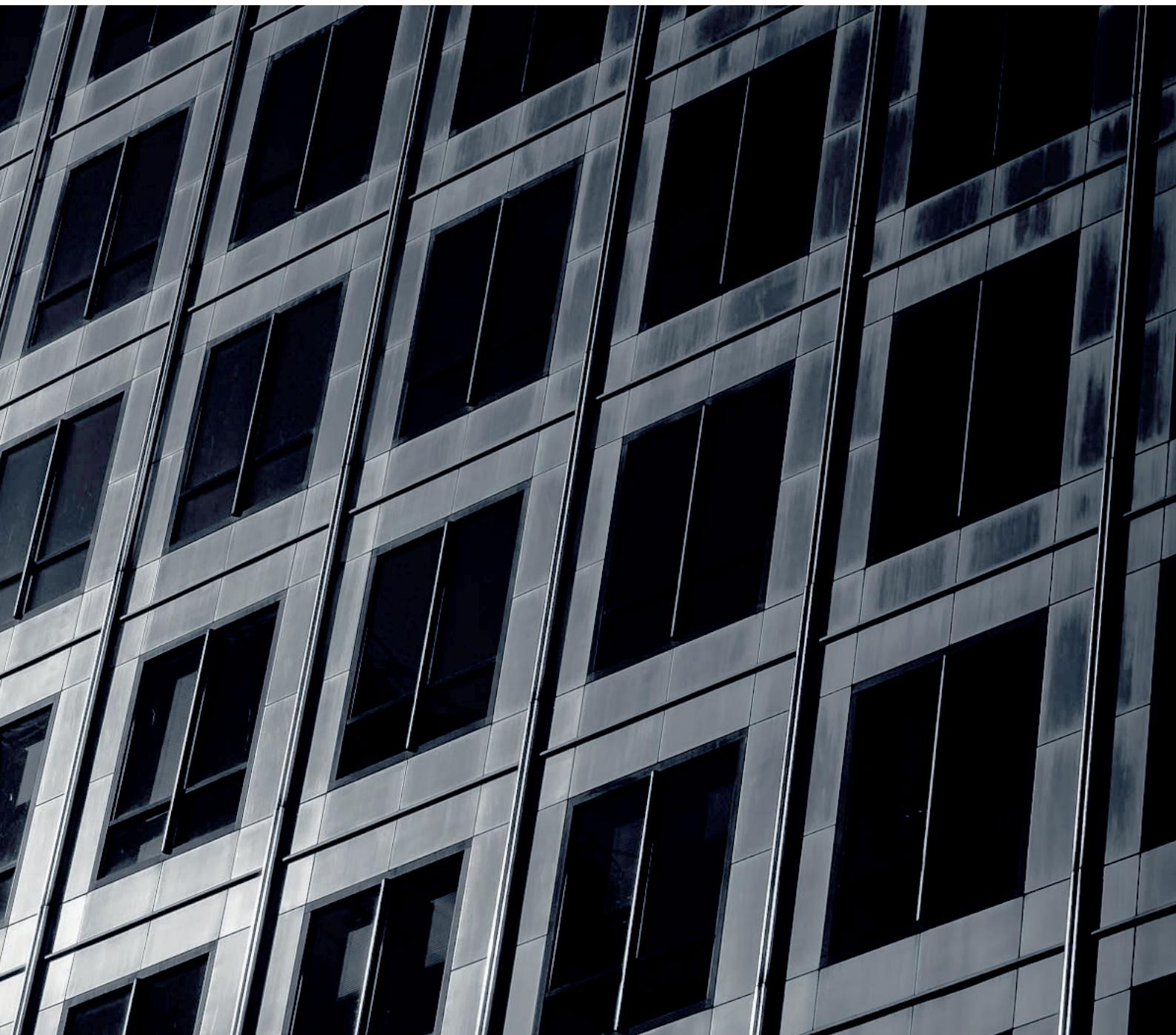
In the case that the Company and the subsidiaries have the related parties transaction with the person who might have conflict of interest, interested person or the person who might have conflict of interest in the future, the Company would request for the Audit Committee's opinion regarding necessity and appropriateness of such transaction by considering the most benefit to the Company. If the Audit Committee is not in the expertise area to consider the potential related parties transaction, the Company will hire an independent expert or the Company's auditor to give the opinion on such transaction for the Board of Directors or the shareholders' consideration. Moreover, the related parties transactions will be disclosed in the note of the financial statement, which would be audited by the auditor.

POLICY OR TREND ON THE RELATED PARTIES TRANSACTION IN THE FUTURE

The Company set up the policy or trend to execute the related parties transaction in the future. If there would be the related parties transaction in the future, the Company would execute it under the normal business activity, which could be referred to the same condition with the third party. Thus, the Company would have practice according to the Stock of Exchange Act on 1992, rules, notifications, or regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, including rules and regulations of disclosure on the connected transaction and acquisition or disposition on the main asset of the listed company and its subsidiary, and the accounting standard governed by the Federation of Accounting Professions strictly.

In case that the Company has the related parties transaction with the person who might have conflict of interest, interested person or the person who might have conflict of interest in the future, the Company would request for the Audit Committee's opinion regarding necessity and appropriateness of such transaction. If the Audit Committee is not an expert in the area to consider the potential related parties transaction, the Company will hire an independent expert or the Company's auditor to give the opinion on such transaction for the Board of Directors or the shareholders' consideration. Moreover, the related parties transactions will be disclosed in the note of the financial statement, which would be audited by the auditor.





FINANCIAL STATEMENTS

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

In accordance with the guidelines established by the Stock Exchange of Thailand regarding good Corporate Governance of listed companies on the Stock Exchange, the Board of the Directors of listed companies is responsible for a Statement of the Directors Responsibilities in the Annual Report.

The Board of Directors of Country Group Development Public Company Limited hereby certifies that the Financial Statements of the Company and its subsidiaries have been prepared in accordance with Generally Accepted Accounting Principles established by the Accounting Society of Thailand and the Financial Statements to reflect accurate and reasonable financial position and performance of the Company during the past fiscal year. The aforesaid Financial Statements have been audited with unqualified opinion expressed by Certified Public Accountant.



Mr. Vikrom Koompirochana
Chairman of the Board of Directors

Mr. Ben Taechaubol
Chief Executive Officer

AUDIT COMMITTEE REPORT 2017

The Audit Committee of Country Group Development Public Company Limited comprises of 3 Member namely, Mr. Subhakorn Bhalakula, Chairman of the Audit Committee, Pol. Gen. Werapong Chuenpagdee and Mr. Hsu Feng Shueh, members of the Audit Committee. In this connection, all the committee members possess the qualifications specified in the Audit Committee Charter which was prepared in line with the guidelines and requirements of the Office of the Securities and Exchange Commission (SEC) as well as the Stock Exchange of Thailand (SET).

In 2017 the Audit Committee held 11 meetings altogether, in which the executives concerned, the internal auditor and the external auditor participated to discuss the agenda items relevant to them. The summary of the work performed by the Committee are as follows:

1. The Audit Committee reviewed the consolidated financial statements of Country Group Development Public Company Limited and its subsidiaries as well as the financial statements of the parent company only, both quarterly and yearly, for the year 2017. These financial statements were already reviewed and audited by the Company's auditor. In this connection, the Committee also discussed with the management and the auditor on key accounting policies and the exercise of discretion in preparing the financial statements as well as the information disclosure in the notes to the financial statements after which the proposal will be forwarded to the Board of Director's Meeting for approval.

In addition, the Audit Committee also met with the auditor but without any of the Company's executives to independently discuss key information for preparing the financial statements, the issues identified during the course of auditing, adequacy of the Company's internal control systems as well as the auditor independence in performing their duties.

the Auditor Committee also requested the Company's executives to submit to the auditor all supporting documentation related to financial information disclosed in the Company's annual report for review, in order to ensure that they were accurate and in line with the audited financial statements.

2. The Audit Committee reviewed the efficiency and adequacy of the internal control systems, taking into consideration the internal audit report 2017 and the Adequacy Assessment Form for Internal Control System based on the conceptual framework of the Committee

of Sponsoring Organizations of the Treadway Commission (COSO) and the Office of the Securities and Exchange Commission (SEC). The Audit Committee also reviewed and monitored the implementation of the recommendations given in the internal auditor's report in a continuous manner. The objectives were to learn about the causes of problems and to make recommendations on how to avoid risks that might occur. The review did not find any significant deficiency. As a result, the Audit Committee is of the opinion that the Company possesses adequate control systems which are appropriate for business operations. In addition, it is of the opinion that the Company is able to operate its business in an efficient and effective manner.

In addition, the Audit Committee also proposes the policy for customer, internet transaction approval, employee appraisal system, leave system and regularly follow-up the process of technology development so that the Company has adequate and effective internal control system.

3. The Audit Committee was assigned by the Board of Directors to oversee risk management at the organizational level, which includes risks arising from internal factors as well as those arising from external factors. The Committee regularly reviewed and monitored risks associated with investing in various projects, risks associated with business operations and financial risks. As well, it made recommendations aiming at streamlining the related procedures.

4. The Audit Committee ensured that the Company's conduct of business affairs was in compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand as well as other relevant laws that governed the Company's businesses. In this connection, the Audit Committee is of the opinion that the Company has complied with the laws as well as the related requirements and regulations. It is also of the opinion that the Company has adhered to the principles of good corporate governance and that there are no issues concerning evasion or violation of laws.

5. The Audit Committee ensured that the office of internal controls was independent and was required to report directly to the Audit Committee. The Committee not only reviewed and approved the annual internal audit plan for the year 2017, but also reviewed and monitored the

implementation of the recommendations given in the internal audit reports. Importantly, the Audit Committee assessed the performance of the internal audit office in comparison with the established key performance indicators. As well, it appraised the performance of the head of the internal audit office. It also considered guidelines for improving the quality of the internal audit. In this connection, the internal audit office provided various work units with an opportunity to assess the performance of the internal audit and to give improvement recommendations in an independent manner.

6. The Audit Committee considered the acquisition of assets and connected transactions taking into account the reasonableness, Company's benefits and the reasonable price. As a result, the Audit Committee is of the opinion that the executives have made a decision for the best benefit of the Company.

7. The Audit Committee monitored progress in the implementation of various projects on a quarterly basis. It also monitored problems as well as impacts arising from operations, financial liquidity and sources of funding. In addition, it proposed solutions to problems and regularly monitored how problems were addressed.

8. The Audit Committee not only considered the selection and appointment of an auditor but also the proposal of the audit fee for the year 2017, by taking into account the auditor's independence, skills, knowledge and experience in auditing real estate business entities, as well as its provision of advice useful for preparation of financial statements. The Audit Committee also ensured that the audit fee was reasonable. In this connection, the Audit Committee deems it appropriate to propose the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the Company's auditor for the year 2017, to the Board of Directors for consideration, after which the proposal will be forwarded to the annual general meeting of shareholders for approval.

In summary, the Audit Committee has carried out all the duties and responsibilities specified in the Audit Committee Charter approved by the Board of Directors, by properly applying their knowledge, skills and abilities in a careful and adequately independent manner with a view to the best interests of the Company and all groups of stakeholders who were treated in an equitable manner. The Audit Committee is of the opinion that the Company's financial reports are accurate, reliable and in accordance with the generally accepted accounting principles. The Committee is also of the opinion that the Company's internal control systems are appropriate and efficient. As well, it is of the opinion that the Company's conduct of business affairs is in accordance with the principles of good corporate governance and the Company's business operations are in compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand or other relevant laws that govern the Company's business operations.



On behalf of the Audit Committee

(Mr. Subhakorn Bhalakula)
Chairman of the Audit Committee
22 January 2018

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Country Group Development Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Country Group Development Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Country Group Development Public Company Limited and its subsidiaries and of Country Group Development Public Company Limited as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte Touche Tohmatsu Jaiyos Audit

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Impairment of goodwill and leasehold</p> <p>Impairment of goodwill and leasehold is a key audit matter because goodwill represents a material item of total assets in the consolidated statement of financial position of the Group, and leasehold represents a material item of total assets in the separate statement of financial position of the Company. These assets have been recognized in the financial statements as a consequence of the acquisitive nature of the Group.</p> <p>The impairment assessment of goodwill and leasehold requires the Group's management to exercise a number of judgments and key assumptions relevant to its projections of future operating performance, future plans for management and use of leasehold, and determination of an appropriate discount rate in order to comply with the requirements of Thai Financial Reporting Standards.</p> <p>Accounting policy of goodwill was disclosed in Note 3.12 to the financial statements. Accounting policy and detail of leasehold were disclosed in Note 3.10 and Note 14 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Obtained understanding of the Group design and implementation of the key internal controls over the impairment assessment of goodwill and leasehold • Performed operating effectiveness testing of key internal controls over the impairment assessment of goodwill and leasehold • Performed substantive procedures as follows: <ul style="list-style-type: none"> - Examined the supporting documents in relation to the management consideration of the impairment assessment of goodwill and leasehold - Evaluated the appropriateness of key assumptions and methodology used by the Group's management in assessing the impairment of goodwill and leasehold.

Deloitte Touche Tohmatsu Jaiyos Audit

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Key Audit Matters	Audit Responses
<p>Valuation of investment property</p> <p>The Group owns an investment property located in Brighton, United Kingdom, consisting of land and buildings, which has an existing lease agreement with a lessee for operating school business. The investment property represents a material item of total assets in the consolidated statements of financial position.</p> <p>The investment property is stated at its fair value based on independent valuation by external appraisers. Valuation of investment property is a key audit matter as the valuation process involves significant judgment in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied.</p> <p>Accounting policy and detail of investment property were disclosed in Note 3.8 and Note 12 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Obtained understanding of the Group design and implementation of the key internal controls over the valuation of investment property • Performed operating effectiveness testing of key internal controls over the valuation of investment property • Performed substantive procedures as follows: <ul style="list-style-type: none"> - Evaluated the qualification, competence and independence of the external appraisers - Evaluated the appropriateness of key assumptions and valuation methodology used by the external appraisers in the valuation of the investment property - Considered the adequacy and appropriateness of the disclosure of fair value measurement of the investment property in Note to the financial statements.
<p>Recognition of revenue from sale of condominium</p> <p>Recognition of revenue from sale of condominium is a key audit matter as it may be misstated from recognition of the revenue in incorrect period.</p> <p>A significant risk has been identified in respect of cut off of revenue from sale of condominium due to the highly material nature of this balance and the high volume of transactions that may occur around period end leading to recognition of revenue in incorrect period.</p> <p>Accounting policy for recognition of revenue from sale of condominium was disclosed in Note 3.1.1 to the financial statements.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Obtained understanding of the Company's design and implementation of the key internal controls over the recognition of revenue from sale of condominium • Performed operating effectiveness testing of key internal controls over the recognition of revenue from sale of condominium • To address the risk relating to cut off of revenue from sale of condominium, we performed substantive procedures as follows: <ul style="list-style-type: none"> - Performed cut off test of revenue from sale of condominium by tracing to supporting documents related to the recognition of revenue from sale of condominium to ensure that the sale transactions which occurred before and after period end were recorded in correct period.

Deloitte Touche Tohmatsu Jaiyos Audit

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Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

Deloitte Touche Tohmatsu Jaiyos Audit

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As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

Deloitte Touche Tohmatsu Jaiyos Audit

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nisakorn Songmanee

Nisakorn Songmanee

Certified Public Accountant (Thailand)

Registration No. 5035

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 23, 2018

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2017	2016	2017	2016	
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	5	425,109,756	1,058,519,636	158,167,006	682,876,677	
Current investments	6	-	820,707	-	820,707	
Trade and other current receivables	7	1,269,274,710	1,498,382,286	10,324,073	11,320,286	
Short-term loans to related companies	29.2	-	-	839,943,371	1,256,913,586	
Land and cost of projects under construction and utilities	8	3,465,740,032	2,028,039,895	159,769,951	684,670,280	
Other current assets	9	245,404,500	145,961,041	278,799,993	249,415,334	
Total Current Assets		<u>5,405,528,998</u>	<u>4,731,723,565</u>	<u>1,447,004,394</u>	<u>2,886,016,870</u>	
NON-CURRENT ASSETS						
Deposits at bank used as collateral	10	1,581,813,813	801,417,315	435,302,156	-	
Investments held as available for sale	11	307,088,227	403,279,753	307,088,227	403,279,753	
Investments in subsidiaries	29.1	-	-	1,496,380,151	1,496,380,151	
Prepaid deposits for construction		895,501,448	863,336,866	-	-	
Investment property	12	845,666,309	842,742,946	-	-	
Property, plant and equipment	13	3,944,962,524	1,240,285,268	1,855,782,885	11,743,679	
Leasehold	14	99,973,099	99,973,099	3,781,994,396	3,781,994,396	
Goodwill		3,614,375,768	3,614,375,768	-	-	
Other intangible assets	15	2,127,706	1,134,790	1,849,993	759,341	
Deferred tax assets	16	21,025,957	2,911,211	21,025,957	2,911,211	
Other non-current assets		<u>64,228,197</u>	<u>66,143,887</u>	<u>4,900,459</u>	<u>4,972,799</u>	
Total Non-Current Assets		<u>11,376,763,048</u>	<u>7,935,600,903</u>	<u>7,904,324,224</u>	<u>5,702,041,330</u>	
TOTAL ASSETS		<u>16,782,292,046</u>	<u>12,667,324,468</u>	<u>9,351,328,618</u>	<u>8,588,058,200</u>	

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2017	2016	2017	2016	
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Trade and other current payables	17	287,765,982	177,157,110	52,130,033	40,732,527	
Payables from purchase of investment in subsidiaries from related companies	29.4	-	-	477,204,099	477,466,033	
Deposit and advance from customers		2,444,229,957	1,542,490,492	5,927,974	4,341,715	
Short-term borrowings		8,899,511	7,077,927	-	-	
Short-term borrowings from a related company	29.3	-	-	469,875,624	453,232,085	
Bills of exchange	18	667,275,353	1,473,187,224	667,275,353	1,473,187,224	
Current portion of long-term debentures	21	1,750,000,000	-	1,750,000,000	-	
Other current liabilities	19	61,848,959	43,062,097	19,483,563	11,126,719	
Total Current Liabilities		<u>5,220,019,762</u>	<u>3,242,974,850</u>	<u>3,441,896,646</u>	<u>2,460,086,303</u>	
NON-CURRENT LIABILITIES						
Construction payables	20.2	796,411,973	314,261,663	-	-	
Long-term borrowings	20	4,067,573,235	1,964,083,401	-	-	
Long-term debentures	21	750,000,000	1,150,000,000	750,000,000	1,150,000,000	
Provisions for employee benefit	22	6,813,796	7,181,590	6,813,796	7,181,590	
Other non-current liabilities		<u>27,423,728</u>	<u>15,748,987</u>	-	-	
Total Non-Current Liabilities		<u>5,648,222,732</u>	<u>3,451,275,641</u>	<u>756,813,796</u>	<u>1,157,181,590</u>	
TOTAL LIABILITIES		<u>10,868,242,494</u>	<u>6,694,250,491</u>	<u>4,198,710,442</u>	<u>3,617,267,893</u>	
SHAREHOLDERS' EQUITY						
SHARE CAPITAL	23					
Authorized share capital						
8,966,127,954 ordinary shares of Baht 1.00 each		<u>8,966,127,954</u>		<u>8,966,127,954</u>		
10,814,953,771 ordinary shares of Baht 1.00 each			<u>10,814,953,771</u>		<u>10,814,953,771</u>	
Issued and paid share capital						
8,266,127,954 ordinary shares of Baht 1.00 each, fully paid		<u>8,266,127,954</u>		<u>8,266,127,954</u>		
7,336,295,227 ordinary shares of Baht 1.00 each, fully paid			<u>7,336,295,227</u>		<u>7,336,295,227</u>	
SHARE DISCOUNT ON ORDINARY SHARES	23.3.1	(1,559,517,810)	(1,652,501,083)	(1,559,517,810)	(1,652,501,083)	
DEFICIT FROM BUSINESS COMBINATION						
UNDER COMMON CONTROL	2.2.4	(819,437,470)	-	(819,437,470)	-	
ADJUSTMENT OF EQUITY INTERESTS						
UNDER REVERSE ACQUISITION		(732,872,059)	(732,872,059)	-	-	
SURPLUS FROM CHANGE IN OWNERSHIP						
INTEREST IN A SUBSIDIARY		<u>1,578,638,448</u>	<u>1,578,638,448</u>	-	-	
ACCUMULATED DEFICIT		<u>6,732,939,063</u>	<u>6,529,560,533</u>	<u>5,887,172,674</u>	<u>5,683,794,144</u>	
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		<u>(895,103,718)</u>	<u>(753,208,148)</u>	<u>(679,303,264)</u>	<u>(730,505,824)</u>	
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>(277,685,843)</u>	<u>(204,951,184)</u>	<u>(55,251,234)</u>	<u>17,501,987</u>	
NON-CONTROLLING INTERESTS		<u>5,560,149,502</u>	<u>5,571,401,201</u>	<u>5,152,618,176</u>	<u>4,970,790,307</u>	
TOTAL SHAREHOLDERS' EQUITY		<u>353,900,050</u>	<u>401,672,776</u>	-	-	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>16,782,292,046</u>	<u>12,667,324,468</u>	<u>9,351,328,618</u>	<u>8,588,058,200</u>	

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
REVENUES					
Revenue from sale of condominium		908,586,453	351,563,210	908,586,453	351,563,210
Commission income		1,056,037	1,107,570	1,056,037	1,107,570
Rental income from investment property	12	52,508,664	27,004,956	-	-
Interest income		5,726,863	2,888,689	110,890,264	116,017,888
Dividend income		4,245,934	89,588,973	4,245,934	233,691,175
Gain on remeasuring fair value of investment property	12	4,351,980	7,562,291	-	-
Gain from currency forward transaction		-	42,572,000	-	42,572,000
Gain on foreign exchange rate		124,860,392	52,120,769	-	63,394,504
Gain on sale of current investments		4,002	4,000,888	4,002	3,338,671
Gain on remeasuring current investments		-	5,353	-	5,353
Other income		6,298,611	11,657,773	30,134,717	40,962,357
Total Revenues		1,107,638,936	590,072,472	1,054,917,407	852,652,728
EXPENSES					
Cost of condominium sale		544,426,173	218,460,308	544,426,173	218,460,308
Direct operating expenses arising from investment property	12	3,187,394	1,209,030	-	-
Distribution costs		286,521,239	273,857,961	66,057,684	33,433,665
Administrative expenses		207,374,636	203,853,091	166,868,088	129,186,611
Directors and managements' remuneration	27	51,126,666	41,172,604	51,126,666	41,172,604
Loss on foreign exchange rate		-	-	196,652	-
Loss on sale of investments held as available for sale		-	93,606	-	93,606
Total Expenses		1,092,636,108	738,646,600	828,675,263	422,346,794
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSE					
FINANCE COSTS		(15,002,828)	(148,574,128)	226,242,144	430,305,934
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		(211,390,676)	(205,201,452)	(177,969,465)	(197,786,059)
INCOME TAX REVENUE (EXPENSE)	16	(196,387,848)	(353,775,580)	48,272,679	232,519,875
NET PROFIT (LOSS) FOR THE YEAR		3,002,322	(2,041,101)	527,129	425,174
		(193,385,526)	(355,816,681)	48,799,808	232,945,049

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
OTHER COMPREHENSIVE INCOME (EXPENSE)	16				
Components of other comprehensive income that will be reclassified to profit or loss					
Gain (loss) on remeasuring investments					
held as available for sale	25.1	(72,753,221)	42,675,638	(72,753,221)	42,675,638
Exchange differences on translating financial statements of foreign operations	25.2	(604,914)	(231,047,190)	-	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		2,402,752	697,580	2,402,752	697,580
OTHER COMPREHENSIVE INCOME (EXPENSE)					
FOR THE YEAR, NET OF TAX		(70,955,383)	(187,673,972)	(70,350,469)	43,373,218
TOTAL COMPREHENSIVE INCOME (EXPENSE)					
FOR THE YEAR		<u>(264,340,909)</u>	<u>(543,490,653)</u>	<u>(21,550,661)</u>	<u>276,318,267</u>
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of parent		(144,298,322)	(275,927,272)	48,799,808	232,945,049
Non-controlling interests		(49,087,204)	(79,889,409)	-	-
		<u>(193,385,526)</u>	<u>(355,816,681)</u>	<u>48,799,808</u>	<u>232,945,049</u>
TOTAL COMPREHENSIVE INCOME (EXPENSE)					
ATTRIBUTABLE TO					
Owners of parent		(215,253,705)	(463,601,244)	(21,550,661)	276,318,267
Non-controlling interests		(49,087,204)	(79,889,409)	-	-
		<u>(264,340,909)</u>	<u>(543,490,653)</u>	<u>(21,550,661)</u>	<u>276,318,267</u>
BASIC EARNINGS (LOSS) PER SHARE	28				
Basic earnings (loss) per share		Baht	(0.018)	(0.038)	0.006
Weighted average number of ordinary shares		Shares	7,878,909,942	7,336,294,685	7,878,909,942
					7,336,294,685

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

Notes	CONSOLIDATED FINANCIAL STATEMENTS										Total
	Owners of the parent					Non-controlling interests					
Issued and paid share capital	Share discount on ordinary shares	Deficit from business combination under common control	Adjustment of equity interests under reverse acquisition	Surplus from change in ownership interest in a subsidiary	Accumulated deficit	Gain (loss) on remeasuring investments held as available for sale	Other components of shareholders' equity	Surplus from on translating financial statements of foreign operations	Total other components of shareholders' equity	owners of the parent	Non-controlling shareholders' equity
7,336,294,461	(1,652,501,696)	-	(732,872,059)	1,149,163,554	(477,978,456)	(25,173,651)	9,217,495	(623,476)	(16,579,632)	5,605,526,172	311,177,522
766	613	-	-	-	-	-	-	-	1,379	-	5,916,703,694
Beginning balance as at January 1, 2016											1,379
Increase in ordinary share capital											
Increase in ordinary share capital from non-controlling interests in a subsidiary											
Invest in a subsidiary with having non-controlling interests											
Surplus from change in ownership interest in a subsidiary					429,474,894					429,474,894	(429,474,894)
Total comprehensive income (expense) for the year											
Ending balance as at December 31, 2016	7,336,295,227	(1,652,501,083)	-	(732,872,059)	1,578,638,448	(275,229,692)	42,675,638	(231,047,190)	-	(188,371,552)	(463,601,244)
Beginning balance as at January 1, 2017	7,336,295,227	(1,652,501,083)	-	(732,872,059)	1,578,638,448	(753,208,148)	17,501,987	(221,829,695)	(623,476)	(204,951,184)	5,571,401,201
Increase in ordinary share capital	23.1	929,832,727	92,983,273	-	-	-	-	-	-	,022,816,000	-
Increase in ordinary share capital from non-controlling interests in a subsidiary											
Business combination under common control	2.2.4	-	-	(819,437,470)	-	-	-	-	(819,437,470)	-	1,553,818
Completion of the liquidation of subsidiaries	-	-	-	-	-	-	-	-	(239,340)	(239,340)	(819,437,470)
Total comprehensive expense for the year											
Ending balance as at December 31, 2017	8,266,127,954	(1,559,517,810)	(819,437,470)	(732,872,059)	1,578,638,448	(895,103,718)	(55,251,234)	(222,434,609)	-	(277,685,843)	5,560,149,502

Notes to the financial statements form an integral part of these financial statements

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

Notes	SEPARATE FINANCIAL STATEMENTS					Total shareholders' equity
	Issued and paid share capital	Share discount on ordinary share capital	Deficit from business combination under common control	Accumulated deficit	Other components of shareholders' equity Gains (losses) on re-measuring investments held as available for sale	
7,336,294,461	(1,652,501,696)	-	-	(964,148,453)	(25,173,651)	4,694,470,661
766	613	-	-	-	-	1,379
-	-	-	-	233,642,629	42,675,638	276,318,267
7,336,295,227	(1,652,501,083)	-	-	(730,505,824)	17,50,1987	4,970,790,307
Beginning balance as at January 1, 2016	7,336,295,227	(1,652,501,083)	-	(730,505,824)	17,50,1987	4,970,790,307
Increase in ordinary share capital	929,832,727	92,983,273	-	-	-	1,022,816,000
Total comprehensive income for the year	-	-	(819,437,470)	-	-	(819,437,470)
Ending balance as at December 31, 2016	8,266,127,954	(1,559,517,810)	-	51,202,560	(72,753,221)	(21,550,661)
Beginning balance as at January 1, 2017	7,336,295,227	(1,652,501,083)	-	(730,505,824)	17,50,1987	4,970,790,307
Increase in ordinary share capital	-	-	(819,437,470)	-	-	(819,437,470)
Business combination under common control	2,2,4	-	-	51,202,560	(72,753,221)	(21,550,661)
Total comprehensive income (expense) for the year	-	-	(819,437,470)	(679,303,264)	(55,251,234)	5,152,618,176
Ending balance as at December 31, 2017	8,266,127,954	(1,559,517,810)	-	(55,251,234)	5,152,618,176	5,152,618,176

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax		(196,387,848)	(353,775,580)	48,272,679	232,519,875
Adjustment for:					
Depreciation and amortization		80,273,702	88,172,187	6,063,614	6,098,478
Gain on sale of current investments		(4,002)	(4,000,888)	(4,002)	(3,338,671)
Gain on remeasuring current investments		-	(5,353)	-	(5,353)
Loss on sale of investments					
held as available for sale		-	93,606	-	93,606
(Gain) loss on foreign exchange rate		(124,510,447)	(12,072,314)	206,276	(69,758,713)
Gain on remeasuring fair value of investment property		(4,351,980)	(7,562,291)	-	-
Loss on disposal of fixed assets		30,726,910	509,806	-	505,040
Post-employee benefit expense		2,635,646	2,125,870	2,635,646	2,125,870
Interest income		(5,726,863)	(2,888,689)	(110,890,264)	(116,017,888)
Dividend income		(4,245,934)	(89,588,973)	(4,245,934)	(233,691,175)
Finance costs		211,390,676	205,201,452	177,969,465	197,786,059
Operating profit (loss) before					
changes in operating assets and liabilities		(10,200,140)	(173,791,167)	120,007,480	16,317,128
(Increase) decrease in operating assets					
Current investments		824,709	832,368,670	824,709	706,297,263
Trade and other current receivables		458,925,066	(321,572,131)	996,213	28,217,656
Land and cost of projects under construction					
and utilities		308,715,876	48,535,640	524,900,329	170,175,999
Other current assets		(87,481,340)	(40,233,648)	(34,676,217)	3,143,188
Prepaid deposits for construction		-	(156,227,256)	-	-
Other non-current assets		1,915,690	(40,642,748)	72,340	5,268,475
Increase (decrease) in operating liabilities					
Trade and other current payables		(7,342,177)	(121,211,308)	11,882,323	(46,430,887)
Deposit and advance from customers		901,739,465	704,721,836	1,586,259	(8,062,149)
Other current liabilities		8,900,820	21,459,666	6,671,913	1,853,973
Other non-current liabilities		11,674,741	5,651,653	-	-
Cash received from operations		1,587,672,710	759,059,207	632,265,349	876,780,646
Cash received from interest		5,764,801	2,888,689	115,961,220	1,619,595
Cash received from dividend		4,245,934	66,753,820	4,245,934	8,782,262
Cash paid for finance costs		(129,626,076)	(154,811,753)	(108,929,795)	(154,325,372)
Cash received from income tax refund		1,208,811	-	1,208,811	-
Cash paid for income tax		(11,462,985)	(4,807,730)	(11,444,345)	(4,790,227)
Net cash provided by operating activities		1,457,803,195	669,082,233	633,307,174	728,066,904

COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for short-term loans to a related company	4.3	-	-	-	(950,943,500)
Cash received from short-term loans to related companies	4.3	-	-	416,387,606	382,310,100
Cash paid for deposits at bank used as collateral		(869,522,268)	(809,871,205)	(435,302,156)	-
Cash received from sale of investments held as available for sale		-	53,057,394	-	53,057,394
Cash received from capital reduction of trust unit value of investments held as available for sale	11	5,250,000	3,000,000	5,250,000	3,000,000
Cash paid for purchase of investment property	12	-	(895,021,543)	-	-
Cash received from sale of fixed assets		864,486	-	-	-
Cash paid for purchase of fixed assets	4.1	(1,833,251,873)	(136,901,791)	(1,646,968,080)	(1,098,886)
Cash paid for purchase of other intangible assets	4.2	(1,331,679)	-	(1,331,679)	-
Net cash used in investing activities		<u>(2,697,991,334)</u>	<u>(1,785,737,145)</u>	<u>(1,661,964,309)</u>	<u>(513,674,892)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from short-term borrowings		1,825,467	7,077,927	-	-
Cash received from short-term borrowings from a related company	4.5	-	-	16,720,000	740,880,000
Proceeds from bills of exchange issuance		505,932,717	1,445,029,604	505,932,717	1,445,029,604
Cash repaid for bills of exchange		(1,368,705,253)	(421,983,877)	(1,368,705,253)	(421,983,877)
Cash received from long-term borrowings		-	961,826,200	-	-
Cash repaid for long-term borrowings from a domestic financial institution		-	(1,000)	-	(1,000)
Cash received from long-term debentures issuance		1,350,000,000	-	1,350,000,000	-
Cash repaid for long-term debentures		-	(1,500,000,000)	-	(1,500,000,000)
Cash received from increase in ordinary share capital		-	1,379	-	1,379
Cash received from increase in ordinary share capital from non-controlling interests in a subsidiary		1,553,818	593,434,282	-	-
Cash received from issuance of ordinary share capital of a subsidiary		-	6,425,275	-	-
Cash paid for capital refund to non-controlling interests from the liquidation of subsidiaries		<u>(287)</u>	-	-	-
Net cash provided by financing activities		<u>490,606,462</u>	<u>1,091,809,790</u>	<u>503,947,464</u>	<u>263,926,106</u>
Net increase (decrease) in cash and cash equivalents		<u>(749,581,677)</u>	<u>(24,845,122)</u>	<u>(524,709,671)</u>	<u>478,318,118</u>
Exchange differences on translating financial statements of foreign operations					
Cash and cash equivalents as at January 1,		116,171,797	(170,257,401)	-	-
Cash and cash equivalents as at December 31,	5	1,058,519,636	1,253,622,159	682,876,677	204,558,559
		<u>425,109,756</u>	<u>1,058,519,636</u>	<u>158,167,006</u>	<u>682,876,677</u>

Notes to the financial statements form an integral part of these financial statements

**COUNTRY GROUP DEVELOPMENT PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. THE COMPANY AND ITS SUBSIDIARIES' (THE "GROUP") GENERAL INFORMATION AND OPERATIONS

1.1 The Company's general information and operations

Country Group Development Public Company Limited (the "Company") was incorporated in Thailand on March 29, 1995. Later, the Company was registered as a public company limited on May 7, 1997. The Company was listed on the Market for Alternative Investment ("MAI") on June 25, 2007 and was listed on the Stock Exchange of Thailand ("SET") on September 30, 2014. The head office of the Company is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. The principle businesses of the Company are a holding company and real estate.

1.2 Subsidiaries' general information and operations

- 1.2.1 Landmark Waterfront Residences Company Limited was incorporated in Thailand on August 22, 2008 and its head office is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is real estate.
- 1.2.2 Landmark Waterfront Hotel Company Limited was incorporated in Thailand on August 22, 2008 and its head office is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main businesses are hotel, restaurant and shop.
- 1.2.3 Landmark Urban Resort Hotel Company Limited was incorporated in Thailand on August 22, 2008 and its head office is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main businesses are hotel, restaurant and shop.

On December 29, 2014, the Extraordinary Shareholders' Meeting No. 1/2014 of Landmark Waterfront Residences Company Limited, Landmark Waterfront Hotel Company Limited, and Landmark Urban Resort Hotel Company Limited, the indirect subsidiaries (the Company indirectly held shares through Landmark Holdings Co., Ltd.) had resolutions to approve dissolutions of each company, with effective from December 30, 2014, onwards. All of the three subsidiaries were registered the dissolution with the Department of Business Development, the Ministry of Commerce on December 30, 2014. On December 20, 2017, the subsidiaries have been registered the completion of the liquidation with the Department of Business Development, the Ministry of Commerce.

- 1.2.4 Landmark Holdings Company Limited was incorporated in Thailand on July 5, 2013 and its head office is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main businesses are trading, rent and real estate operations and a holding company.

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- 1.2.5 BCEG Country Group Engineering Company Limited was incorporated in Thailand on July 5, 2013 its head office is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main businesses are construction and building maintenance.
- 1.2.6 Chao Phraya Estate Residences Company Limited was incorporated in Thailand on October 20, 2014 and its head office is located at 898 Ploenchit Tower, 20th floor, Ploenchit Road, Lumpini, Pathum Wan, Bangkok. Its main business is real estate management of Chao Phraya Estate Project.
- 1.2.7 CGD Data Limited was incorporated in Hong Kong on October 22, 2013 and its head office is located at Suite 3004 Universal Trade CTR, 3-5A Arbuthnot Road, Central, Hong Kong. Its main business is a holding company.
- 1.2.8 CGD Digital Partners Limited was incorporated in Mauritius on October 29, 2013 and its head office is located at 8th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius. Its main business is a holding company.
- 1.2.9 CGUK 1 Limited was incorporated in Guernsey on July 31, 2015 and its head office is located at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD. Its main business is real estate.
- 1.2.10 Leading Schools Partnership Limited was incorporated in Guernsey on August 26, 2016 and its head office is located at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD. Its main business is a holding company.
- 1.2.11 HYUK Limited was incorporated in Guernsey on October 27, 2016 and its head office is located at Anson Court, La Route des Camps, St Martin, Guernsey, GY4 6AD. Its main business is foreign real estate business.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

- 2.1.1 The Group and the Company maintain their accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.1.2 The Group's and the Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2016) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2017 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding "The preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560" and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No. 2) B.E. 2559" dated October 11, 2016.

- 2.1.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.2 Basis for preparation of the consolidated financial statements
- 2.2.1 The consolidated financial statements are prepared by including the financial statements of the Company and its subsidiaries as follows:

Subsidiaries	Location	Type of business	Percentage of holding (%)	
			As at	As at
			December 31, 2017	December 31, 2016
Direct subsidiaries				
Landmark Holdings Co., Ltd.	Thailand	Trading, rent and real estate operation and holding company	70.00	70.00
BCEG Country Group Engineering Co., Ltd.	Thailand	Construction and building maintenance	99.99	99.99
CGD Data Limited	Hong Kong	Holding company	100.00	100.00
CGD Digital Partners Limited	Mauritius	Holding company	100.00	100.00
Leading Schools Partnership Limited	Guernsey	Holding company	96.45	97.13
HYUK Limited	Guernsey	Real estate	100.00	100.00
Indirect subsidiaries				
Landmark Waterfront Residences Co., Ltd. ⁽³⁾	Thailand	Real estate	⁽³⁾	70.00 ⁽¹⁾
Landmark Waterfront Hotel Co., Ltd. ⁽³⁾	Thailand	Hotel, restaurant and shop	⁽³⁾	70.00 ⁽¹⁾
Landmark Urban Resort Hotel Co., Ltd. ⁽³⁾	Thailand	Hotel, restaurant and shop	⁽³⁾	70.00 ⁽¹⁾
Chao Phraya Estate Residences Co., Ltd.	Thailand	Real estate management of Chao Phraya Estate Project	70.00 ⁽¹⁾	70.00 ⁽¹⁾
CGUK 1 Limited	Guernsey	Real estate	96.45 ⁽²⁾	97.13 ⁽²⁾

⁽¹⁾ The Company holds shares indirectly through Landmark Holdings Company Limited.

⁽²⁾ The Company holds shares indirectly through Leading Schools Partnership Limited.

⁽³⁾ All of the three subsidiaries were registered the dissolution with the Department of Business Development, the Ministry of Commerce on December 30, 2014. On December 20, 2017, the subsidiaries have been registered the completion of the liquidation with the Department of Business Development, the Ministry of Commerce and paid the capital refund to shareholders.

- 2.2.2 The Company included financial statements of its subsidiaries (include its indirect subsidiaries) in preparing the consolidated financial statements since the Company has control both directly and indirectly over the subsidiaries' financial and operating policies to the date which the Company loses control over the subsidiaries.
- 2.2.3 The consolidated financial statements are the consolidation between the Group's accounts by eliminated intercompany transactions and balances including unrealized gain (loss) from these financial statements. The accounting policies of subsidiaries are adjusted to comply with the parent company in preparation of the consolidated financial statements. The non-controlling interests' information is separately presented in the consolidated statements of financial position and the consolidated statements of profit or loss and other comprehensive income.

2.2.4 Business combination under common control

On April 27, 2017, the Annual General Meeting of Shareholders of the Company has a resolution to approve the acquisition and Entire Business Transfer (“EBT”) of Profit Ventures Company Limited (“PVL”). Subsequently, on June 2, 2017, the Company fully complied with such resolution by issuing the newly issued ordinary shares of the Company for 929,832,727 shares with a par value of Baht 1.00 per share, to Private Placement, at the offering price of Baht 1.10 per share, totaling Baht 1,022,816,000 (see Note 23.3.1), as the payment for the entire business transfer of PVL instead of cash settlement.

Such transaction is considered as business combination under common control. Therefore, the Company applies the similar to pooling of interests method in accordance with accounting guideline of business combinations under common control. The assets and liabilities included in the financial statements are recognized at the book values of identifiable assets and liabilities of the entity under common control at the date of business combinations and presented the differences between the fair value of consideration transferred and net assets received from the entity under common control as deficit from business combination under common control, presented in the shareholders’ equity. Transaction costs that the Company incurs in connection with the business combination, such as legal fees and other professional and consulting fees are expensed as incurred.

Book value of net assets of Profit Ventures Company Limited and the fair value of consideration transferred as of the transfer date are as follows;

	(Unit : Baht)
Assets	
Cash	35,000
Land	<u>203,378,530</u>
Total assets	<u>203,413,530</u>
Liability	
Accrued expenses	<u>(35,000)</u>
Net assets	<u>203,378,530</u>
Fair value of consideration transferred	
Newly issued ordinary shares of the Company for 929,832,727 shares with the offering price of Baht 1.10 per share	<u>1,022,816,000</u>
Deficit from business combination under common control	<u>819,437,470</u>

The Company did not include PVL’s operation in the latest period in the Company’s financial statements and did not restate the statement of profit or loss and other comprehensive income of the comparison period since the operation of PVL is not materially significant to the statement of profit or loss and other comprehensive income.

2.3 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group and the Company have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's and the Company's financial statements.

2.4 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The Group's and the Company's management will adopt such TFRSs in the preparation of the Group's and the Company's financial statements when it becomes effective. The Group's and the Company's management are in the process to assess the impact of these TFRSs on the financial statements of the Group and the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The Group and the Company recognize revenues and expenses, as follows:

- 3.1.1 Revenue from the sale of residential condominium units are recognized as revenue when transfer of significant risks and rewards to the buyer.**
- 3.1.2 Rental income from investment property is recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.**
- 3.1.3 Dividend income is recognized in the statement of profit or loss and other comprehensive income when the right to receive the dividend is established. Dividend from investments in marketable securities will recognize when the dividend is declared.**
- 3.1.4 Other incomes and expenses are recognized based on an accrual basis.**

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- 3.2 For cost of sales of residential condominium units, the Company has allotted total development costs which are expected to occur (also considering actual costs incurred) to the residential condominium units sold on the basis of the sales area and the selling price and recognized as cost of condominium sale in the statement of profit or loss and other comprehensive income.

Expenses related to sales, such as specific business taxes, transfer fees are recognized as expense when it is sold.

- 3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash at financial institutions except cash at financial institutions which maturity of refund over 3 months and cash at bank with obligation.

- 3.4 Trade receivables

Trade receivables are presented on net realizable value.

The Group and the Company estimate the allowance for doubtful accounts based on the assessment of the management on the loss would be occurred from the balance of trade receivables at the end of reporting period. The estimate encompasses consideration of past collection experiences and other factors and the local economic conditions. Doubtful accounts are recognized as an expense in the statement of profit or loss and other comprehensive income.

- 3.5 Land and cost of projects under construction and utilities

3.5.1 Land and cost of project under construction and utilities are stated at the lower of cost or net realizable value. The project cost consists of cost of land, development cost, construction cost, miscellaneous direct expenses of the project and borrowing costs. Borrowing costs will be stopped to recognize as cost whenever the construction project have been completed or stop development.

3.5.2 Borrowing costs for the construction or production of an asset that necessarily takes a substantial period of time to get ready for use or sale that have been included as capitalized until the assets are ready to be used according to the purpose. The other borrowing costs are recognized as expenses in the period incurred. Borrowing costs consist of interest and other costs arising from the borrowing.

- 3.6 Assets held for sale

Assets held for sale which are assets occurred from discontinued operation which their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal assets are available for immediate sale in its present condition.

Assets classified as assets held for sale are measured at the lower of assets' carrying amount or fair value less cost to sell.

3.7 Investments

- 3.7.1 Investment in subsidiaries in the separate financial statements are stated at cost less allowance for impairment (if any). The Company recognized loss from impairment of investment in subsidiaries in the statement of profit or loss and other comprehensive income without the goodwill amortization. Investment in subsidiaries represent the investment in those companies has been controlled both directly or indirectly by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- 3.7.2 Investment in marketable securities held for trading purposes are classified as current assets and are carried at fair value. Gain or loss on changes in market values are recognized in the statement of profit or loss and other comprehensive income. The fair value of trading investments is determined as last bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand. If the Company disposes part of its holding investments, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as gain (loss) on disposal of trading investments.
- 3.7.3 Marketable equity securities other than those securities held for trading are classified as available-for-sale securities. Investments held as available for sale are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognized in other components of equity through other comprehensive income. Impairment losses are recognized in the statement of profit or loss and other comprehensive income. When these investments are derecognized, the cumulative gain or loss previously recognized directly in other comprehensive income is recognized in the statement of profit or loss and other comprehensive income.

3.8 Investment property

Investment property that is held to earn for rental or for capital appreciation or both, rather than for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes.

The Group and the Company measured investment property initially at its cost, including related transaction costs. After initial recognition, the Group and the Company measure the investment property at fair value, which has been determined by the independent professional appraisers.

The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditures include professional fees for legal services, property transfer taxes and other related transaction costs.

The Group and the Company recognized gain or loss arising from a change in the fair value of investment property in the statement of profit or loss and other comprehensive income for the period in which it arises.

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3.9 Property, plant and equipment

Lands are stated at cost less allowance for impairment (if any).

Building and equipment of the Group and the Company are stated at cost less accumulated depreciation and impairment (if any). Depreciation is calculated by the straight-line method, based on the estimated useful life of assets as follows:

Building and building improvement	3 and 5	Years
Furniture and fixtures	3 and 5	Years
Office equipment and tools	3 and 5	Years
Vehicles	5	Years

Gain or loss on disposal or write-off property, plant and equipment is recognized in the statement of profit or loss and other comprehensive income in the period of disposal or write-off.

3.10 Leasehold

Leasehold are recorded at cost less accumulated amortization and allowance for impairment (if any).

Amortization of leasehold will be recorded in the statement of profit or loss and other comprehensive income on the straight-line method, based on the lease period or other amortization method used shall reflect the pattern of consumption of the future economic benefits which is more appropriate.

3.11 Other intangible assets

Other intangible assets are stated at costs less accumulated amortization and allowance for impairment (if any). Impairment will be tested annually and allowance for impairment is recognized as expense in the statement of profit or loss and other comprehensive income.

Amortization is charged to the statement of profit or loss and other comprehensive income. Amortization are calculated by the straight-line method, based on the expected periods of economic useful life of other intangible assets. The expected periods of economic useful life is stated as follows:

Computer program	5 and 10	Years
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3.12 Business combinations and goodwill

Business combinations are accounted by using the acquisition method. The Company (acquirer) measures the cost of the acquisition by using the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree for each business combination, the acquirer measures the non-controlling interest, if any, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related cost are accounted as expenses in the periods in which the costs are incurred and the services are received.

Goodwill is initially recorded at cost, being the excess of cost of business combination over the fair value of the net identifiable assets, of the acquired business.

Goodwill is subsequently carried at cost less any allowance for impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to get the benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units). Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in the statement of profit or loss and other comprehensive income. Impairment losses relating to goodwill cannot be reversed in future periods.

3.13 Income tax

Income tax expense (income) represents the sum of the current tax and deferred tax.

Current tax

The current tax is tax that has to pay by calculating on taxable profit for the year. Taxable profit differs from profit that reported in the statement of profit or loss and other comprehensive income because it excludes items that can count as income or taxable expenses in other years, and not include the items that cannot count as taxable income or taxable expenses. Current tax is calculated by using tax rates that have been enacted or subsequently enacted at the statement of financial position date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax assets shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

The Group and the Company calculated deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

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Current tax assets and liabilities are offset when the Group and the Company have a legally enforceable right to set off the recognized amounts and the Group and the Company intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when deferred tax assets and liabilities are relate to income taxes levied by the same taxation authority.

The Group and the Company have presented income tax expenses or income related to profit or loss in the statement of profit or loss and other comprehensive income. Deferred income tax are recognized directly in the statement of changes in shareholders' equity if the income tax relate to the transactions that recognized directly in shareholder's equity.

3.14 Employee benefits

3.14.1 Short-term benefits

The Group and the Company record the payment to workmen's compensation fund as expenses throughout the accounting period.

The Group and the Company record the payment to provident fund as expenses throughout the accounting period.

3.14.2 Long-term benefits

The Group and the Company have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group and the Company treat these severance payment obligations as a defined benefit plan.

The Company records employee benefits obligation under the Labor Protection Act and other long-term benefits obligation under the Company's employment policy using the Projected Unit Credit Method calculated by an independent actuary based on actuarial assumptions as at the statement of financial position date, using various factors including assessment of the average age and employment life of its employees, employee turnover and assumption of future salary increases. The employee benefits obligation is discounted to the present value as at the statement of financial position date and under the assumption that the employees of various ages will work with the Company until retirement age. Discount rate used to calculate the employee benefit obligations is based on yield rate of government bond.

Gains (losses) on remeasurements of defined benefit plans arising from post-employment benefits are recognized in other comprehensive income.

3.15 Provisions

Provisions are recognized as liabilities in the statement of financial position when the Group and the Company have a present obligation as a result of a past event and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

3.16 The Group and the Company recorded foreign currencies transactions at the following exchange rates:

3.16.1 Foreign currencies transactions

- Foreign currency transactions are translated into Baht at exchange rates prevailing at the transaction dates.
- Assets and liabilities denominated in foreign currencies outstanding as at the end of the year are translated into Baht at the exchange rates determined by the Bank of Thailand.
- Gains or losses on foreign exchange rates arising on settlements and conversion are recognized as income or expense in the statement of profit or loss and other comprehensive income.

3.16.2 Foreign operations

- Assets and liabilities of foreign operations are translated to Baht using the exchange rate at the reporting date.
- Income and expenses of foreign operations are translated to Baht using the exchange rate at the close of the transaction date.
- The difference between revaluation are recorded in the statement of profit or loss and other comprehensive income and presented as exchange differences on translation financial statement of a foreign operation under other components of shareholders' equity until the investment is sold out.
- When the debt repayments that are receivables or payables with foreign operations, the transaction is not expected to have a repayment plan or no possibility to pay in the near future. Gains and losses on exchange rates of financial transaction will be considered as part of a net investment in a foreign operation and recognized in other comprehensive income and are presented as exchange differences in equity until the investment is sold out.

3.17 Long-term leases

Operating leases

Leases of assets which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expenses in the statement of profit or loss and other comprehensive income base on the straight-line method over the lease term.

3.18 Earnings (loss) per share

- Basic earnings (loss) per share are calculated by dividing net profit (loss) for the year by the sum of weighted average number of the ordinary shares held by outside parties outstanding during the year.
- Diluted earnings (loss) per share are calculated by dividing net profit (loss) for the year by the sum of weighted average number of ordinary shares during the year plus weighted average number of ordinary shares to be issued upon conversion of warrants into ordinary shares.

3.19 Fair value measurements

In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if a producer or supplier of a marketable good would take those characteristics into the consideration the price that would be received from sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

3.20 Use of management's judgments and key sources of estimation uncertainty

3.20.1 Use of management's judgments

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's and the Company's management to exercise various judgments in applying accounting policies that can significantly affect the recognition and disclosures in the financial statements. Significant judgments in applying accounting policies are as follows:

(1) Deferred tax assets

The Group and the Company recognize deferred tax assets for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. The Group's and the Company's management uses judgments based upon the likely timing and level of estimate future taxable profits to determine the amount of deferred tax assets that can be recognized as at reporting period.

(2) Provisions for employee benefit

The present value of the provisions for employee benefit depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group and the Company determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the provisions for employee benefit. In determining the appropriate discount rate, the Group and the Company consider the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 22.

3.20.2 Key sources of estimation uncertainty

The Group and the Company have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value measurements and valuation processes

In estimating the fair value of an asset or liability, the Group and the Company use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group and the Company engage third party qualified valuers to perform the valuation.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 33.4.

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4. DISCLOSURES SUPPLEMENTARY OF CASH FLOWS INFORMATION

Non-cash items as at December 31, are as follows:

4.1 Fixed asset payables

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		(Unit : Baht)
	2017	2016	2017	2016	
Fixed asset payables - brought forward as at January 1,	685,977	73,477	685,977	73,477	
<u>Add</u> Purchase of fixed assets	2,035,981,876	137,514,291	1,849,698,083	1,711,386	
<u>Less</u> Purchase of fixed assets by issuing ordinary share capital (see Note 2.2.4)	(203,378,530)	-	(203,378,530)	-	
<u>Less</u> Cash paid for purchase of fixed assets	<u>(1,833,251,873)</u>	<u>(136,901,791)</u>	<u>(1,646,968,080)</u>	<u>(1,098,886)</u>	
Fixed asset payables - carried forward as at December 31,	<u>37,450</u>	<u>685,977</u>	<u>37,450</u>	<u>685,977</u>	

4.2 Other intangible asset payables

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		(Unit : Baht)
	2017	2016	2017	2016	
Other intangible asset payables - brought forward as at January 1,	-	-	-	-	
<u>Add</u> Purchase of other intangible assets	1,495,389	-	1,495,389	-	
<u>Less</u> Cash paid for purchase of other intangible assets	<u>(1,331,679)</u>	<u>-</u>	<u>(1,331,679)</u>	<u>-</u>	
Other intangible asset payables - carried forward as at December 31,	<u>163,710</u>	<u>-</u>	<u>163,710</u>	<u>-</u>	

4.3 Short-term loans to related companies

	SEPARATE FINANCIAL STATEMENTS		(Unit : Baht)
	2017	2016	
Short-term loans to related companies - brought forward as at January 1,	1,256,913,586	1,000,000,000	
<u>Add</u> Cash paid for short-term loan to a related company	-	950,943,500	
<u>Less</u> Cash received from short-term loan to related companies	(416,387,606)	(382,310,100)	
<u>Less</u> Cash paid for purchase of investment in a subsidiary	-	(217,662,851)	
<u>Less</u> Unrealized loss on foreign exchange rate	(407,443)	(94,056,963)	
<u>Less</u> Realized loss on foreign exchange rate	<u>(175,166)</u>	<u>-</u>	
Short-term loans to related companies - carried forward as at December 31,	<u>839,943,371</u>	<u>1,256,913,586</u>	

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4.4 Payables from purchase of investment in subsidiaries from related companies

	(Unit : Baht)	
	SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Payables from purchase of investment in subsidiaries		
from related companies - brought forward as at January 1,	477,466,033	578,984,744
<u>Add</u> Increase in investment in a subsidiary	-	42
<u>Less</u> Unrealized gain on foreign exchange rate	<u>(261,934)</u>	<u>(101,518,753)</u>
Payables from purchase of investment in subsidiaries		
from related companies - carried forward as at December 31,	<u>477,204,099</u>	<u>477,466,033</u>

4.5 Short-term borrowings from a related company

	(Unit : Baht)	
	SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Short-term borrowings from a related company		
- brought forward as at January 1,	453,232,085	-
<u>Add</u> Cash received from short-term borrowings from a related company	16,720,000	740,880,000
<u>Less</u> Dividend income	-	(224,908,913)
<u>Add (less)</u> Unrealized (gain) loss on foreign exchange rate	<u>378,703</u>	<u>(50,079,458)</u>
<u>Less</u> Realized gain on foreign exchange rate	<u>(455,164)</u>	<u>(12,659,544)</u>
Short-term borrowings from a related company		
- carried forward as at December 31,	<u>469,875,624</u>	<u>453,232,085</u>

4.6 Construction payables and long-term borrowings

For the years ended December 31, 2017 and 2016, a subsidiary's non-cash items related to construction payables increased by Baht 482.15 million and Baht 314.26 million, respectively, and long-term borrowings which arose from payment terms and conditions under a construction contract increased by Baht 2,103.71 million and Baht 1,563.79 million, respectively (see Note 20.2).

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Cash	86,354	109,943	38,424	49,912
Savings account	420,973,708	1,049,692,635	154,103,731	680,556,968
Current account	<u>4,049,694</u>	<u>8,717,058</u>	<u>4,024,851</u>	<u>2,269,797</u>
Total cash and cash equivalents	<u>425,109,756</u>	<u>1,058,519,636</u>	<u>158,167,006</u>	<u>682,876,677</u>

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6. CURRENT INVESTMENTS

Current investments consist of:

	(Unit : Baht)			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	As at December 31, 2017	As at December 31, 2016	Cost/	Fair value
	Carrying value	Carrying value	Cost/	Fair value
Trading securities				
Debt securities				
Unit trust	-	-	802,598	820,707
<u>Add</u> Unrealized gain on remeasurement	<u>-</u>	<u>-</u>	<u>18,109</u>	<u>-</u>
Total current investments	<u>-</u>	<u>-</u>	<u>820,707</u>	<u>820,707</u>

The movements of investment in trading securities during the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2017	2016
Carrying value as at January 1,	820,707	829,183,136
Amount of purchasing securities	-	120,792,138
Amount of selling securities	(824,709)	(953,160,808)
Gain on sale of trading securities	4,002	4,000,888
Changing in fair value of trading securities	<u>-</u>	<u>5,353</u>
Carrying value as at December 31,	<u>-</u>	<u>820,707</u>
	(Unit : Baht)	
	SEPARATE	
	FINANCIAL STATEMENTS	
	2017	2016
Carrying value as at January 1,	820,707	703,773,946
Amount of purchasing securities	-	120,792,138
Amount of selling securities	(824,709)	(827,089,401)
Gain on sale of trading securities	4,002	3,338,671
Changing in fair value of trading securities	<u>-</u>	<u>5,353</u>
Carrying value as at December 31,	<u>-</u>	<u>820,707</u>

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7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consist of:

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Trade receivables				
Trade receivables - overseas	13,153,965	13,072,153	-	-
Installment due receivables	141,946,126	78,445,939	-	-
Income due under contract	<u>(141,946,126)</u>	<u>(78,445,939)</u>	-	-
Total trade receivables	<u>13,153,965</u>	<u>13,072,153</u>	-	-
Other current receivables				
Prepaid expenses	9,537,495	10,765,385	1,896,956	1,492,954
Advance	1,332,337	1,479,019	239,521	118,000
Prepaid deposit	12,795,127	14,149,878	-	-
Prepaid deposit for construction	1,228,805,774	996,407,727	3,407,596	3,407,596
Other receivables - related company (see Note 29.4)	-	-	4,780,000	6,301,736
Other receivables - other companies	<u>3,650,012</u>	<u>462,508,124</u>	<u>-</u>	<u>-</u>
Total trade and other current receivables	<u>1,269,274,710</u>	<u>1,498,382,286</u>	<u>10,324,073</u>	<u>11,320,286</u>

8. LAND AND COST OF PROJECTS UNDER CONSTRUCTION AND UTILITIES

Land and cost of projects under construction and utilities consist of:

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Elements Project (see Note 8.1)	159,769,951	684,670,280	159,769,951	684,670,280
Chao Phraya Estate Project (see Note 8.2)	<u>3,305,970,081</u>	<u>1,343,369,615</u>	-	-
Total land and cost of projects under construction and utilities	<u>3,465,740,032</u>	<u>2,028,039,895</u>	<u>159,769,951</u>	<u>684,670,280</u>

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8.1 Land and cost of project under construction and utilities of Elements Project consist of:

		(Unit : Baht)	
		CONSOLIDATED AND SEPARATE	
		FINANCIAL STATEMENTS	
		As at	As at
		December 31,	December 31,
		2017	2016
Land		299,113,725	299,113,725
Condominium construction		986,003,360	987,572,153
Cost of project design		16,725,732	16,665,232
Other expenses of project		71,515,226	68,522,381
Utilities		157,376,502	155,652,018
Furniture		194,099,069	177,782,261
Borrowing costs		18,319,497	18,319,497
Total		1,743,153,111	1,723,627,267
<u>Less</u> Accumulated transferred to cost of condominium sold and selling expense to the present		(1,583,383,160)	(1,038,956,987)
Total land and cost of project under construction and utilities		<u>159,769,951</u>	<u>684,670,280</u>

As at December 31, 2016, the Company was under process of redemption of land and buildings of Elements Project used as collaterals for long-term borrowings from a domestic financial institution (see Note 20.1). Subsequently, on March 24, 2017, the Company terminated such credit line and released all mortgages. On the same day, the Company mortgaged land and buildings of Elements Project as a collateral for issuance of long-term debentures (see Note 21.3).

8.2 Land and cost of project under construction and utilities of Chao Phraya Estate Project consist of:

		(Unit : Baht)	
		CONSOLIDATED	
		FINANCIAL STATEMENTS	
		As at	As at
		December 31,	December 31,
		2017	2016
Condominium construction		2,912,043,627	1,099,028,987
Cost of project design		131,773,810	116,286,765
Other expenses of project		132,175,062	105,248,828
Borrowing costs		129,977,582	22,805,035
Total land and cost of project under construction and utilities		<u>3,305,970,081</u>	<u>1,343,369,615</u>

As at December 31, 2017 and 2016, a subsidiary has mortgaged buildings of Chao Phraya Estate Project as a collateral under a conditional guarantee agreement (see Note 20.2).

9. OTHER CURRENT ASSETS

Other current assets consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		(Unit : Baht)
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	
Accrued interest receivable - related companies (see Note 29.4)	-	-	220,948,556	225,981,574	
Refundable withholding tax	27,521,865	17,277,821	27,489,219	17,253,685	
Revenue Department receivable	174,058,859	109,303,630	-	-	
Deposit for purchase of assets	20,400,000	-	20,400,000	-	
Others	23,423,776	19,379,590	9,962,218	6,180,075	
Total other current assets	<u>245,404,500</u>	<u>145,961,041</u>	<u>278,799,993</u>	<u>249,415,334</u>	

10. DEPOSITS AT BANK USED AS COLLATERAL

Deposits at bank used as collateral consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		(Unit : Baht)
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	
Deposits at bank used as collateral for payment service	203,985	202,184	-	-	
Deposits at bank used as collateral for issuance of long-term debentures (see Note 21.3)	435,302,156	-	435,302,156	-	
Deposits at bank used as Escrow Account under a construction contract (see Note 20.2)	<u>1,146,307,672</u>	<u>801,215,131</u>	<u>-</u>	<u>-</u>	
Total deposits at bank used as collateral	<u>1,581,813,813</u>	<u>801,417,315</u>	<u>435,302,156</u>	<u>-</u>	

11. INVESTMENTS HELD AS AVAILABLE FOR SALE

Investments held as available for sale consist of:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				(Unit : Baht)	
	As at December 31, 2017		As at December 31, 2016			
	Cost/ Carrying value	Fair value	Cost/ Carrying value	Fair value		
Marketable equity securities						
Ordinary shares	234,402,269	206,633,430	234,402,269	246,429,498		
Warrants to purchase ordinary shares	-	1,454,797	-	6,850,255		
Unit trust	141,750,000	99,000,000	147,000,000	150,000,000		
<u>Add</u> Unrealized gain (loss) on remeasurement	(69,064,042)	-	21,877,484	-		
Total investments held as available for sale	<u>307,088,227</u>	<u>307,088,227</u>	<u>403,279,753</u>	<u>403,279,753</u>		

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The movements of investments held as available for sale during years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Carrying value as at January 1,	403,279,753	406,086,205
Amount of selling securities	-	(53,151,000)
Cash received from the capital reduction of trust unit value of investments held as available for sale	(5,250,000)	(3,000,000)
Changing in fair value of investments held as available for sale	<u>(90,941,526)</u>	<u>53,344,548</u>
Carrying value as at December 31,	<u>307,088,227</u>	<u>403,279,753</u>

12. INVESTMENT PROPERTY

On July 1, 2016, CGUK 1 Limited, a subsidiary of the Company, acquired an investment property located in Brighton, United Kingdom, consisting of land and buildings. The property has an existing lease agreement with a lessee for operating school business. The lease agreement has remaining terms of 16 years approximately.

Reconciliations of investment property for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
Carrying value as at January 1,	842,742,946	-
Cash paid for purchase of investment property	-	895,021,543
<u>Add</u> Gain on remeasuring fair value of investment property	<u>4,351,980</u>	<u>7,562,291</u>
<u>Less</u> Exchange differences from translation	<u>(1,428,617)</u>	<u>(59,840,888)</u>
Carrying value as at December 31,	<u>845,666,309</u>	<u>842,742,946</u>

As at December 31, 2017 and 2016, CGUK 1 Limited has mortgaged land and buildings as a collateral for long-term borrowing from a foreign financial institution (see Note 20.3).

On December 20, 2017 and 2016, investment property was revalued by independent professional appraisers. The new appraised value of investment property was GBP 19.43 million and GBP 19.33 million, respectively (such amount included transaction cost of GBP 1.33 million). Therefore, the subsidiary recorded gain on remeasuring fair value of investment property in the consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 in the amount of Baht 4.35 million and Baht 7.56 million, respectively.

Amounts recognized in the statement of profit or loss and other comprehensive income which relate to investment property for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED FINANCIAL STATEMENTS	
	2017	2016
Rental income from investment property	52,508,664	27,004,956
Direct operation expenses arising from investment property that generated rental income for the year	3,187,394	1,209,030

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

As at December 31, 2017

(Unit : Baht)

Type of assets	Balance as at December 31, 2016	CONSOLIDATED FINANCIAL STATEMENTS			Balance as at December 31, 2017
		Additions	Disposals/ write off	Transfer in (out)	
Cost					
Land	-	1,849,246,530	-	-	1,849,246,530
Building - sales office	176,381,701	1,414,579	(174,007,473)	-	3,788,807
Building improvement	11,626,825	-	-	(4,387)	11,622,438
Furniture and fixtures	128,602,067	-	-	4,387	128,606,454
Office equipment and tools	14,729,635	561,549	-	-	15,291,184
Other equipment	-	3,294,770	-	-	3,294,770
Vehicle	490,000	-	-	-	490,000
Buildings under construction	<u>1,063,844,249</u>	<u>961,522,453</u>	<u>-</u>	<u>-</u>	<u>2,025,366,702</u>
Total	<u>1,395,674,477</u>	<u>2,816,039,881</u>	<u>(174,007,473)</u>	<u>-</u>	<u>4,037,706,885</u>
Accumulated depreciation					
Building - sales office	(97,504,125)	(48,389,002)	142,416,077	-	(3,477,050)
Building improvement	(6,880,713)	(2,324,487)	-	-	(9,205,200)
Furniture and fixtures	(43,781,436)	(25,835,416)	-	-	(69,616,852)
Office equipment and tools	(7,033,378)	(2,676,059)	-	-	(9,709,437)
Other equipment	-	(448,265)	-	-	(448,265)
Vehicle	(189,557)	(98,000)	-	-	(287,557)
Total	<u>(155,389,209)</u>	<u>(79,771,229)</u>	<u>142,416,077</u>	<u>-</u>	<u>(92,744,361)</u>
Allowance for impairment	-	(31,591,396)	31,591,396	-	-
Total property, plant and equipment	<u>1,240,285,268</u>				<u>3,944,962,524</u>

As at December 31, 2017, the Company has pledged some areas of land which has book value amount of Baht 203.38 million, including component parts and building in the future as a collateral with the right of mortgage capital of Baht 600 million for issuance of long-term debentures (see Note 21.4).

On November 10, 2017, the Board of Director's Meeting of Landmark Holdings Co., Ltd. (the "subsidiary") had a resolution to demolish sales gallery of Chao Phraya Estate Project in November 2017, which was slightly ahead of its original schedule in 2018 because the subsidiary has to utilize the located areas of the sales gallery to construct the Four Seasons Hotel. This event indicated that the sales gallery was impaired during the period. The subsidiary has recognized loss on impairment of fixed assets in amount of Baht 31.59 million. Subsequently, the subsidiary completely demolished the sales gallery and sold the scrap in the amount of Baht 0.86 million. Therefore, subsidiary has recognized loss on disposal of fixed assets of Baht 30.73 million, which was inclusively presented in administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2017.

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As at December 31, 2016

(Unit : Baht)

Type of assets	CONSOLIDATED FINANCIAL STATEMENTS				Balance as at December 31, 2016
	Balance as at December 31, 2015	Additions	Disposals/ write off	Transfer in (out)	
Cost					
Building - sales office	169,105,701	7,276,000	-	-	176,381,701
Building improvement	11,626,825	631,300	(631,300)	-	11,626,825
Furniture and fixtures	119,490,248	9,111,819	-	-	128,602,067
Office equipment and tools	13,767,685	968,450	(6,500)	-	14,729,635
Vehicle	490,000	-	-	-	490,000
Buildings under construction	597,422,939	466,421,310	-	-	1,063,844,249
Total	911,903,398	484,408,879	(637,800)	-	1,395,674,477
Accumulated depreciation					
Building - sales office	(40,094,480)	(57,409,645)	-	-	(97,504,125)
Building improvement	(4,556,226)	(2,450,747)	126,260	-	(6,880,713)
Furniture and fixtures	(18,629,398)	(25,152,038)	-	-	(43,781,436)
Office equipment and tools	(4,363,593)	(2,671,519)	1,734	-	(7,033,378)
Vehicle	(91,557)	(98,000)	-	-	(189,557)
Total	(67,735,254)	(87,781,949)	127,994	-	(155,389,209)
Total property, plant and equipment	<u>844,168,144</u>				<u>1,240,285,268</u>
For the years ended December 31,					
				2017	2016
Depreciation				<u>79,771,229</u>	<u>87,781,949</u>

As at December 31, 2017

(Unit : Baht)

Type of assets	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2017
	Balance as at December 31, 2016	Additions	Disposals/ write off	Transfer in (out)	
Cost					
Land	-	1,849,246,530	-	-	1,849,246,530
Building - sales office	3,788,807	-	-	-	3,788,807
Building improvement	11,626,825	-	-	(4,387)	11,622,438
Furniture and fixtures	2,466,891	-	-	4,387	2,471,278
Office equipment and tools	9,881,087	451,553	-	-	10,332,640
Vehicle	250,000	-	-	-	250,000
Total	<u>28,013,610</u>	<u>1,849,698,083</u>	<u>-</u>	<u>-</u>	<u>1,877,711,693</u>
Accumulated depreciation					
Building - sales office	(2,214,241)	(1,262,809)	-	-	(3,477,050)
Building improvement	(6,880,713)	(2,324,487)	-	-	(9,205,200)
Furniture and fixtures	(1,522,346)	(334,737)	-	-	(1,857,083)
Office equipment and tools	(5,549,343)	(1,686,844)	-	-	(7,236,187)
Vehicle	(103,288)	(50,000)	-	-	(153,288)
Total	<u>(16,269,931)</u>	<u>(5,658,877)</u>	<u>-</u>	<u>-</u>	<u>(21,928,808)</u>
Total property, plant and equipment	<u>11,743,679</u>				<u>1,855,782,885</u>

As at December 31, 2016**(Unit : Baht)**

Type of assets	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2016
	Balance as at December 31, 2015	Additions	Disposals/ write off	Transfer in (out)	
Cost					
Building - sales office	3,788,807	-	-	-	3,788,807
Building improvement	11,626,825	631,300	(631,300)	-	11,626,825
Furniture and fixtures	1,944,233	522,658	-	-	2,466,891
Office equipment and tools	9,323,659	557,428	-	-	9,881,087
Vehicle	250,000	-	-	-	250,000
Total	26,933,524	1,711,386	(631,300)	-	28,013,610
Accumulated depreciation					
Building - sales office	(951,432)	(1,262,809)	-	-	(2,214,241)
Building improvement	(4,556,226)	(2,450,747)	126,260	-	(6,880,713)
Furniture and fixtures	(1,220,414)	(301,932)	-	-	(1,522,346)
Office equipment and tools	(3,808,856)	(1,740,487)	-	-	(5,549,343)
Vehicle	(53,288)	(50,000)	-	-	(103,288)
Total	(10,590,216)	(5,805,975)	126,260	-	(16,269,931)
Total property, plant and equipment	16,343,308				11,743,679
For the years ended December 31,					
2017					
Depreciation				5,658,877	5,805,975

Costs of buildings and equipment which are fully depreciated but still in use presented in the consolidated and separate financial statements as at December 31, 2017 and 2016 are Baht 5.51 million and Baht 2.34 million, respectively.

14. LEASEHOLD

Consolidated financial statements

On December 6, 2005, Landmark Development Group Company Limited (“the former lessee”), entered into a land lease agreement with the Crown Property Bureau (“the lessor”). The initial lease period is 25 years to improve the area for commercial business.

Subsequently, on May 8, 2013, Country Group Development Public Company Limited (“the lessee”) entered into a land lease agreement on behalf of the former lessee with the lessor to support the purchase and transfer of the entire business of the Landmark Development Group Company Limited, which has terms and conditions as follows:

1. The lessee agrees to finish land development upon the lessee’s project within construction period of the project and the lessee agrees to pay rental at the rate specified in the agreement during the development period. The initial lease period is 25 years from the date the lessee finishes land development or the due date of construction period as specified in the agreement.
2. The lessee may make full prepayment for the residual of the rental period with the discount rate specified in the agreement but with approval from the lessor. In the 15th year of rental period, the lessee has to submit its financial statements of the 14th year of operation to the lessor for consideration of incremental rental fee (if any) as terms specified in the agreement.

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3. The lessor agrees to allow the lessee to propose for the extension of lease period (follow article 1) for another 25 years. The lessee shall notice to the lessor by written document not less than 24 months before maturity (follow article 1). The parties will maintain the lease terms according to the original agreement except for the rental fee, which must be calculated using the similar method and formula under the original contract and the percentage of the official appraisal of Land Department as specified in the agreement.

When the lease period (follow article 3) is matured, the lessor must allow the lessee to lease further according to the agreement. If other person proposes to lease at a higher rate, the lessor must notify the lessee. If the lessee agrees to pay rental at a rate equal to such other person, the lessor must allow the first rights to the lessee.

In the consolidated financial statements, leasehold consists of:

	(Unit : Baht)		
	CONSOLIDATED FINANCIAL STATEMENTS		
	Balance as at December 31, 2016	Purchases/ acquires	Balance as at December 31, 2017
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Rental under construction and land development	4,580,000	-	4,580,000
Total	<u>99,973,099</u>	<u>-</u>	<u>99,973,099</u>

	(Unit : Baht)		
	CONSOLIDATED FINANCIAL STATEMENTS		
	Balance as at December 31, 2015	Purchases/ acquires	Balance as at December 31, 2016
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Rental under construction and land development	4,580,000	-	4,580,000
Total	<u>99,973,099</u>	<u>-</u>	<u>99,973,099</u>

Separate financial statements

On May 15, 2013, the Company has paid for business transfer of Landmark Development Group Company Limited at fair value of Baht 3,700 million. The Company received both assets and liabilities of Landmark Development Group Company Limited including leasehold at fair value of Baht 3,769.76 million which has book value of Baht 87.74 million. The difference of Baht 3,682.02 million is recorded as leasehold in the separate financial statements.

On October 1, 2014, the Company entered into a land sublease agreement and assignment of leasehold rights with Landmark Holdings Company Limited, a subsidiary, to develop Chao Phraya Estate Project according to business structure and objective of the Company. The terms of determining sublease rental fee and conditions of rental payment in the land sublease agreement shall be complied with the original lease contract, which the Company entered with the Crown Property Bureau.

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In the separate financial statements, leasehold consists of:

	(Unit : Baht)		
	SEPARATE FINANCIAL STATEMENTS		
	Balance as at December 31, 2016	Purchases/ acquires	Balance as at December 31, 2017
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Surplus on the fair value of the merger	3,682,021,297	-	3,682,021,297
Rental during construction and land development	4,580,000	-	4,580,000
Total	<u>3,781,994,396</u>	<u>-</u>	<u>3,781,994,396</u>

	(Unit : Baht)		
	SEPARATE FINANCIAL STATEMENTS		
	Balance as at December 31, 2015	Purchases/ acquires	Balance as at December 31, 2016
Leasehold - advance payment	20,000,000	-	20,000,000
Leasehold - compensation	67,743,465	-	67,743,465
Transfer fee	7,649,634	-	7,649,634
Surplus on the fair value of the merger	3,682,021,297	-	3,682,021,297
Rental during construction and land development	4,580,000	-	4,580,000
Total	<u>3,781,994,396</u>	<u>-</u>	<u>3,781,994,396</u>

15. OTHER INTANGIBLE ASSETS

Other intangible assets consist of:

As at December 31, 2017

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2016	Additions	Disposals/ write off	Balance as at December 31, 2017
Cost				
Computer program	4,761,670	1,147,254	-	5,908,924
Software under installation	-	348,135	-	348,135
Total	<u>4,761,670</u>	<u>(502,473)</u>	<u>-</u>	<u>6,257,059</u>
<u>Less</u> Accumulated amortization	<u>(3,626,880)</u>			<u>(4,129,353)</u>
Total other intangible assets	<u>1,134,790</u>			<u>2,127,706</u>

As at December 31, 2016

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2015	Additions	Disposals/ write off	Balance as at December 31, 2016
Cost				
Computer program	4,761,670	-	-	4,761,670
<u>Less</u> Accumulated amortization	<u>(3,236,642)</u>	<u>(390,238)</u>	<u>-</u>	<u>(3,626,880)</u>
Total other intangible assets	<u>1,525,028</u>			<u>1,134,790</u>

For the years ended December 31,

	2017	2016
Amortization	502,473	390,238

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As at December 31, 2017

	SEPARATE FINANCIAL STATEMENTS			(Unit : Baht)
	Balance as at December 31, 2016	Additions	Disposals/ write off	Balance as at December 31, 2017
Cost				
Computer program	4,265,816	1,147,254	-	5,413,070
Software under installation	-	348,135	-	348,135
Total	4,265,816			5,761,205
<u>Less</u> Accumulated amortization	(3,506,475)	(404,737)	-	(3,911,212)
Total other intangible assets	<u>759,341</u>			<u>1,849,993</u>

As at December 31, 2016

	SEPARATE FINANCIAL STATEMENTS			(Unit : Baht)
	Balance as at December 31, 2015	Additions	Disposals/ write off	Balance as at December 31, 2016
Computer program	4,265,816	-	-	4,265,816
<u>Less</u> Accumulated amortization	(3,213,972)	(292,503)	-	(3,506,475)
Total other intangible assets	<u>1,051,844</u>			<u>759,341</u>
For the years ended December 31,				
Amortization				
		2017	2016	
		<u>404,737</u>	<u>292,503</u>	

16. DEFERRED TAX ASSETS/ CORPORATE INCOME TAX

The movements of deferred tax assets and liabilities during the years ended December 31, 2017 and 2016 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				(Unit : Baht)
	Balance as at December 31, 2016	Items as recognized in profit or loss	Items recognized in revenue other (expense)	Balance as at December 31, 2017	
Deferred tax assets (liabilities)					
Allowance for doubtful debts	5,850,390	-	-	5,850,390	
(Gain) loss on remeasuring					
investments held as available for sale	(4,375,497)	-	18,188,305	13,812,808	
Provisions for employee benefit	1,436,318	527,129	(600,688)	1,362,759	
Deferred tax assets	<u>2,911,211</u>	<u>527,129</u>	<u>17,587,617</u>	<u>21,025,957</u>	

(Unit : Baht)				
CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2015	Items as recognized in profit or loss	Items recognized in other revenue (expense)	Balance as at December 31, 2016
Deferred tax assets (liabilities)				
Allowance for doubtful debts	5,850,390	-	-	5,850,390
(Gain) loss on remeasuring investments held as available for sale	6,293,413	-	(10,668,910)	(4,375,497)
Exchange differences on translating financial statements of foreign operations	(2,304,374)	-	2,304,374	-
Provisions for employee benefit	1,185,539	425,174	(174,395)	1,436,318
Deferred tax assets	<u>11,024,968</u>	<u>425,174</u>	<u>(8,538,931)</u>	<u>2,911,211</u>

(Unit : Baht)				
SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2016	Items as recognized in profit or loss	Items recognized in other revenue (expense)	Balance as at December 31, 2017
Deferred tax assets (liabilities)				
Allowance for doubtful debts	5,850,390	-	-	5,850,390
(Gain) loss on remeasuring investments held as available for sale	(4,375,497)	-	18,188,305	13,812,808
Provisions for employee benefit	1,436,318	527,129	(600,688)	1,362,759
Deferred tax assets	<u>2,911,211</u>	<u>527,129</u>	<u>17,587,617</u>	<u>21,025,957</u>

(Unit : Baht)				
SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2015	Items as recognized in profit or loss	Items recognized in other revenue (expense)	Balance as at December 31, 2016
Deferred tax assets (liabilities)				
Allowance for doubtful debts	5,850,390	-	-	5,850,390
(Gain) loss on remeasuring investments held as available for sale	6,293,413	-	(10,668,910)	(4,375,497)
Provisions for employee benefit	1,185,539	425,174	(174,395)	1,436,318
Deferred tax assets	<u>13,329,342</u>	<u>425,174</u>	<u>(10,843,305)</u>	<u>2,911,211</u>

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As at December 31, 2017 and 2016, the Group and the Company have unused tax losses as following details:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	As at	As at	As at	As at
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Unused tax losses		1,093,112,629	650,296,829	344,156,110
		355,489,193		

However, the Group and the Company did not record deferred tax assets for temporary difference from unused tax losses since the Group's and the Company's management considered that there is uncertainty to utilize such unused tax losses in the future.

Income tax recognized in profit or loss for the years ended December 31, consists of:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2017	2016	2017	2016
Current income tax for the year		(2,475,193)	2,466,275	-
Deferred income tax related to temporary differences				
Increase in deferred tax assets		<u>(527,129)</u>	<u>(425,174)</u>	<u>(527,129)</u>
Income tax (revenue) expense per statements of profit or loss and other comprehensive income		<u>(3,002,322)</u>	<u>2,041,101</u>	<u>(527,129)</u>
		<u>(425,174)</u>		

Income tax recognized in other comprehensive income for the years ended December 31, consists of:

	(Unit : Baht)					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2017	2016	2017	2016	2017	2016
	Before income tax	Income tax expense	Net from income tax (revenue)	Before income tax	Income tax expense	Net from income tax (revenue)
(Gain) loss on remeasuring investments held as available for sale	90,941,526	(18,188,305)	72,753,221	(53,344,548)	10,668,910	(42,675,638)
Exchange differences on translating financial statements of foreign operations	604,914	-	604,914	233,351,564	(2,304,374)	231,047,190
Provisions for employee benefit	<u>(3,003,440)</u>	<u>600,688</u>	<u>(2,402,752)</u>	<u>(871,975)</u>	<u>174,395</u>	<u>(697,580)</u>
Total	<u>88,543,000</u>	<u>(17,587,617)</u>	<u>70,955,383</u>	<u>179,135,041</u>	<u>8,538,931</u>	<u>187,673,972</u>

	(Unit : Baht)					
	SEPARATE FINANCIAL STATEMENTS					
	2017	2016	2017	2016	2017	2016
	Before income tax	Income tax expense	Net from income tax (revenue)	Before income tax	Income tax expense	Net from income tax (revenue)
(Gain) loss on remeasuring investments held as available for sale	90,941,526	(18,188,305)	72,753,221	(53,344,548)	10,668,910	(42,675,638)
Provisions for employee benefit	<u>(3,003,440)</u>	<u>600,688</u>	<u>(2,402,752)</u>	<u>(871,975)</u>	<u>174,395</u>	<u>(697,580)</u>
Total	<u>87,938,086</u>	<u>(17,587,617)</u>	<u>70,350,469</u>	<u>(54,216,523)</u>	<u>10,843,305</u>	<u>(43,373,218)</u>

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Reconciliations of income tax and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017		2016	
	Amount Baht	Tax rate %	Amount Baht	Tax rate %
Loss before income tax	<u>(196,387,848)</u>		<u>(353,775,580)</u>	
Income tax revenue using applicable tax rate as at reporting date	(39,277,570)	20.00	(70,755,116)	20.00
Income tax of foreign subsidiary calculated by using revenue base (reversal)	(2,564,684)		2,466,275	
Tax effect of non-deductible expenses	552,903		1,169,364	
Effect of unused tax losses and the benefit arising from previously unrecognized tax losses that is used to reduce current tax expense	38,814,158		69,585,752	
Deferred income tax related to temporary differences	<u>(527,129)</u>		<u>(425,174)</u>	
Income tax (revenue) expense per statements of profit or loss and other comprehensive income	<u>(3,002,322)</u>	(1.53)	<u>2,041,101</u>	0.58

	SEPARATE FINANCIAL STATEMENTS			
	2017		2016	
	Amount Baht	Tax rate %	Amount Baht	Tax rate %
Profit before income tax	<u>48,272,679</u>		<u>232,519,875</u>	
Income tax expense using applicable tax rate as at reporting date	9,654,536	20.00	46,503,975	20.00
Tax effect of non-deductible expenses	885,914		799,163	
Effect of unused tax losses and the benefit arising from previously unrecognized tax losses that is used to reduce current tax expense	(10,540,450)		(47,303,138)	
Deferred income tax related to temporary differences	<u>(527,129)</u>		<u>(425,174)</u>	
Income tax revenue per statements of profit or loss and other comprehensive income	<u>(527,129)</u>	(1.09)	<u>(425,174)</u>	(0.18)

The Group and the Company used income tax rate at 20% in calculation of income tax and deferred income tax for the years ended December 31, 2017 and 2016.

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17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consist of:

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Trade payables				
Trade payables - local	16,466,396	23,220,672	782,750	1,695,392
Trade payables - overseas	<u>26,765,379</u>	<u>5,561,062</u>	<u>-</u>	<u>-</u>
Total trade payables	<u>43,231,775</u>	<u>28,781,734</u>	<u>782,750</u>	<u>1,695,392</u>
Other current payables				
Other payables	11,532,186	18,676,854	4,974,852	6,813,496
Accrued expenses	<u>55,212,229</u>	<u>56,406,084</u>	<u>40,232,156</u>	<u>19,751,927</u>
Retention	<u>177,789,792</u>	<u>73,292,438</u>	<u>6,140,275</u>	<u>12,471,712</u>
Total trade and other current payables	<u>287,765,982</u>	<u>177,157,110</u>	<u>52,130,033</u>	<u>40,732,527</u>

18. BILLS OF EXCHANGE

Bills of exchange consist of:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
Bills of exchange	680,000,000	1,500,000,000
<u>Less</u> Prepaid interest expense	<u>(12,724,647)</u>	<u>(26,812,776)</u>
Total bills of exchange	<u>667,275,353</u>	<u>1,473,187,224</u>

The Board of Directors' Meeting No. 2/2014 held on January 17, 2014, had a resolution to approve to extend limits of the issuance and sale of short-term bills (bill of exchange) from Baht 650 million to Baht 1,000 million to the private placement of up to 10 bills with an interest rate not exceeding 12% per annum in order to enhance the liquidity of the Company to expand and invest in new projects and authorized the Chief Executive Office or the assignee to be a negotiator related to the issuance of the bills of exchange.

Subsequently, the Board of Directors' Meeting No. 3/2015 held on March 16, 2015, had a resolution to approve to extend limits of the issuance and sale of short-term bills (bill of exchange) from Baht 1,000 million to Baht 1,500 million to general public or private placement; institutional and/or high net worth investors with unlimited bills or to private placement of up to 10 bills.

As at December 31, 2017 and 2016, the Company has issued and offered the short-term bills of exchange to the private placement. These bills of exchange specify the name of the holders, unsubordinated and unsecured, as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31, 2017				
Date of issuance of bills of exchange	Remaining value (Baht)	Interest rate per annum (%)	Remaining age (days)	Maturity date
April 18, 2017 - December 27, 2017	680,000,000	6.00 - 7.50	12 - 178	January 12, 2018 - June 27, 2018
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS As at December 31, 2016				
Date of issuance of bills of exchange	Remaining value (Baht)	Interest rate per annum (%)	Remaining age (days)	Maturity date
June 27, 2016 - November 22, 2016	1,500,000,000	5.42 - 7.00	20 - 230	January 20, 2017 - August 18, 2017

On the issuance date of bills of exchange, the Company has been deducted prepaid interest expense which will be recognized as finance cost over the period of bills of exchange.

19. OTHER CURRENT LIABILITIES

Other current liabilities consist of:

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Payable - Condominium Juristic person	1,492,358	3,582,307	1,492,358	3,582,307
Accrued interest expense	25,801,175	9,396,091	3,041,096	1,356,165
Withholding tax payable	23,407,314	24,212,750	4,556,772	3,016,581
Corporate income tax payable	-	2,412,258	-	-
Revenue Department payable	2,651,270	542,178	2,113,868	307,159
Others	8,496,842	2,916,513	8,279,469	2,864,507
Total other current liabilities	61,848,959	43,062,097	19,483,563	11,126,719

20. LONG-TERM BORROWINGS

Long-term borrowings consist of:

	(Unit : Baht)		
	CONSOLIDATED	FINANCIAL STATEMENTS	
	As at	As at	
	December 31,	December 31,	
	2017	2016	
Long-term borrowings from a foreign financial institution (see Note 20.3)	400,077,900	400,297,500	
Long-term borrowings (see Note 20.2)	<u>3,667,495,335</u>	<u>1,563,785,901</u>	
Total long-term borrowings	<u>4,067,573,235</u>	<u>1,964,083,401</u>	

20.1 On August 1, 2012, the Company entered into a long-term borrowings agreement with a domestic financial institution as follows:

Type	Amount	Terms of repayment	Interest rate	Collateral
Long-term borrowings	Baht 868 million divided into - Credit limit of land in the amount of Baht 80 million drawn on the already implementation of the security within October 5, 2012 which was drawn up on August 6, 2012. - Credit limit of the development, construction and decoration of Baht 788 million, with the withdrawal of the four terms in the contract. Time limit of five years from the first installment of the borrowing amount.	- Non-secured 65 percent of the sales price. The minimum repayment schedule per square meter of each condominium unit is not less than Baht 34,775.	MLR per annum	- Mortgage of land and buildings in the future of Elements Project. The right of mortgage capital is Baht 883 million (see Note 8.1). - Guaranteed by the directors of the Company in the amount of Baht 883 million credit lines throughout the period of borrowings.
LG, LC, DLC	Baht 15 million			

As at December 31, 2017 and 2016, there was no outstanding of such long-term borrowings. On March 24, 2017, the Company terminated such credit line, released all mortgages, and mortgaged land and buildings of Elements Project as a collateral for issuance of long-term debentures (see Note 21.3).

20.2 On August 26, 2016, Landmark Holdings Co., Ltd. (the “subsidiary”) (the “Employer”), has entered into a construction contract for Chao Phraya Estate Project with BCEG Thai International Co., Ltd. (the “Contractor”). According to the contract, the contractor has rights to assign construction payable to a foreign commercial bank who will provide financial support for this project. In addition, based on the contract, the subsidiary will pay all of construction payables to the contractor and/or a foreign commercial bank under order of assignment of the contractor on September 20, 2020. The subsidiary will be responsible for interest expenses according to the agreement. To guarantee for the contractor, the subsidiary has pledged collaterals, which the details are as follows:

- Pledge all shares of Landmark Holdings Co., Ltd.
- Pledge rights to utilize leasehold and mortgage of buildings of Chao Phraya Estate Project under a conditional guarantee agreement, which will be enforced under incidents as specified in the agreement
- Deposits at bank used as collateral (Escrow Account) of the subsidiary (see Note 10)

As at December 31, 2017 and 2016, the subsidiary has outstanding balance of construction payables in the amount of Baht 796.41 million and Baht 314.26 million, respectively, and long-term borrowings under the construction contract in the amount of Baht 3,667.50 million and Baht 1,563.79 million, respectively, with interest rate as agreed.

20.3 On October 14, 2016, CGUK 1 Limited (the “subsidiary”) has entered into a borrowing agreement with a foreign financial institution in the amount of GBP 9 million, with interest rate at Base Rate plus 3% per annum and repayable on October 17, 2021. The subsidiary mortgaged land and buildings for collateral of such borrowing (see Note 12). As at December 31, 2017 and 2016, the outstanding balance of the borrowing was Baht 400.08 million and Baht 400.30 million, respectively.

21. LONG-TERM DEBENTURES

Long-term debentures consist of:

	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	As at	FINANCIAL STATEMENTS	As at
	As at	As at	As at	As at
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Current portion of long-term debentures	1,750,000,000	-	1,750,000,000	-
Long-term debentures	<u>750,000,000</u>	<u>1,150,000,000</u>	<u>750,000,000</u>	<u>1,150,000,000</u>
Total long-term debentures	<u>2,500,000,000</u>	<u>1,150,000,000</u>	<u>2,500,000,000</u>	<u>1,150,000,000</u>

On August 21, 2015, the Extraordinary General Meeting of Shareholders had a resolution to approve the issuance and offering of the debentures of the Company in the amount not exceeding Baht 2,000 million or equivalent value thereof in foreign currencies. Subsequently, on April 27, 2017, the Annual General Meeting of Shareholders had a resolution to approve the issuance and offering of the debentures. The total amount which is not matured at any period of time shall not exceed Baht 5,000 million. The Company has issued and offered long-term debentures as follows:

- 21.1 On September 24, 2015, the Company has issued and offered three-year debentures of Baht 150 million to institutional and/or high net worth investors. The debentures are registered, unsecured, unsubordinated with no debentures holder's representative, which bear interest at a fixed rate of 6.25% per annum, payable quarterly. The first interest payable will be on December 24, 2015 and the debentures will be due on September 24, 2018. The Company has to maintain Interest bearing debt to Equity ratio at 2.5 : 1 at the end of annual financial report date for the debentures effective period.
- 21.2 On September 25, 2015, the Company has issued and offered two-year and six-month debentures of Baht 1,000 million to institutional and/or high net worth investors. The debentures are registered, unsecured, unsubordinated with no debentures holder's representative, which bear interest at a fixed rate of 6.00% per annum, payable quarterly. The first interest payable will be on December 25, 2015 and the debentures will be due on March 25, 2018. The Company has to maintain Interest bearing debt to Equity ratio at 2.5 : 1 at the end of annual financial report date for the debentures effective period.
- 21.3 On March 24, 2017, the Company has issued and offered two-year debentures of Baht 750 million to institutional and/or high net worth investors. The debentures are registered, unsubordinated, secured, with debentures holder's representative, which bear interest at a fixed rate of 7.00% per annum, payable quarterly. The first interest payable will be on June 24, 2017 and the debentures will be due on March 24, 2019. The Company has mortgaged land and buildings of Elements Project as a collateral with the right of mortgage capital of Baht 750 million. In addition, the Company has opened deposit at bank pledged as collateral for issuance of long-term debentures (see Note 10) which on the transfer registration of Elements Project, the Company requires to deposit amount of 50% of selling price to such account.
- 21.4 On December 27, 2017, the Company has issued and offered one-year debentures of Baht 600 million to institutional and/or high net worth investors. The debentures are registered, unsubordinated, secured, with debentures holder's representative and the Company has right to early redemption, which bear interest at a fixed rate of 6.50% per annum, payable quarterly. The first interest payable will be on March 27, 2018 and the debentures will be due on December 27, 2018. The Company has mortgaged some areas of land which has book value amount of Baht 203.38 million including component parts and building in the future as a collateral with the right of mortgage capital of Baht 600 million (see Note 13). The Company has to maintain Net Interest bearing debt to Equity ratio at 2.5 : 1 at the end of annual financial report date for the debentures effective period.

22. PROVISIONS FOR EMPLOYEE BENEFIT

The Company has post-employment benefit plans under the Labor Protection Act, which are the benefit plans for a specific purpose.

Amounts recognized in the statement of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Current service cost	2,384,290	1,918,401
Interest cost	<u>251,356</u>	<u>207,469</u>
Total	<u><u>2,635,646</u></u>	<u><u>2,125,870</u></u>

Changes in the present value of the provisions for employee benefit are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
Beginning balance of provisions for employee benefit	7,181,590	5,927,695
Current service cost	<u>2,384,290</u>	<u>1,918,401</u>
Interest cost	<u>251,356</u>	<u>207,469</u>
	<u>9,817,236</u>	<u>8,053,565</u>
<u>Less</u> Gains on remeasurements of defined benefit plans	<u>(3,003,440)</u>	<u>(871,975)</u>
Ending balance of provisions for employee benefit	<u><u>6,813,796</u></u>	<u><u>7,181,590</u></u>

Significant actuarial assumptions used to calculate the defined benefit obligations are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
	% per annum	% per annum
Financial assumptions		
Discount rate	3.08	3.50
Expected rate of salary increase	6.00	6.80
Demographic assumption		
Turnover rate	2.87 - 34.38 [*]	4.00

* Depends on age range of employees

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Significant actuarial assumptions for the determination of the provisions for employee benefit are discount rate, and expected salary increase rate. The following sensitivity analysis has been determined based on reasonably possible changes in the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Unit : Baht)

	Impact on the present value of provisions employee benefit increases (decreases)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
Discount rate - increase by 1%	(903,177)	(1,015,002)
Discount rate - decrease by 1%	1,105,453	1,263,386
Expected salary increase rate - increase by 1%	1,049,809	1,228,084
Expected salary increase rate - decrease by 1%	(879,054)	(1,008,545)

The aforementioned sensitivity analysis may not be representative of the actual change in provisions for employee benefit as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presentation of the above sensitivity analysis, the present value of provisions for employee benefit has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the provisions for employee benefit recognized in the statement of financial position.

23. SHARE CAPITAL

On April 27, 2017, the Annual General Meeting of Shareholders of the Company had resolutions to approve matters related to share capital as follows:

- 23.1 Approved the reduction of the Company's registered share capital from Baht 10,814,953,771 to Baht 7,336,295,227 by cancelling 3,478,658,544 unsold shares at a par value of Baht 1.00 per share and the amendment of Clause 4 of Memorandum of Association of the Company with respect to the registered share capital of the Company to be in line with the reduction of the registered share capital. On May 9, 2017, the Company registered the decrease of share capital and the amendment of Clause 4 of Memorandum of Association of the Company with the Department of Business Development, the Ministry of Commerce in accordance with the resolution.
- 23.2 Approved the increase of the Company's registered share capital by Baht 1,629,832,727, from the existing registered share capital of Baht 7,336,295,227 to Baht 8,966,127,954, by issuing 1,629,832,727 new ordinary shares, with a par value of Baht 1.00 per share which divided into 2 parts as follows:
 - 23.2.1 Approved the increase of the Company's registered share capital by means of specifying the purpose of utilizing at amount Baht 929,832,727, by issuing 929,832,727 newly issued ordinary shares, with a par value of Baht 1.00 per share, for the allotment of newly issued ordinary shares to Private Placement for the compensation of entire business transfer of Profit Ventures Company Limited ("PVL") in the offering price of Baht 1.10 per share, totaling to Baht 1,022,816,000.

- 23.2.2 Approved the increase of the Company's registered share capital by means of General Mandate at amount Baht 700,000,000 by issuing 700,000,000 newly issued ordinary shares, with a par value of Baht 1.00 per share, for the allotment of newly issued ordinary shares to Private Placement for the General Mandate.

And approved the amendment of Clause 4 of the Memorandum of Association of the Company with respect to the increasing of registered share capital of the Company as above. On June 2, 2017, the Company registered the increase of share capital and the amendment of Clause 4 of Memorandum of Association of the Company with the Department of Business Development, the Ministry of Commerce in accordance with the resolution.

- 23.3 Approved the allocation of 1,629,832,727 newly issued ordinary shares of the Company with a par value of Baht 1.00 per share as follows:

23.3.1 Approved the allocation by means of specifying the purpose of utilizing of 929,832,727 shares of the Company's issued ordinary shares, with a par value of Baht 1.00 per share, to Private Placement, which is Profit Ventures Company Limited ("PVL"), a related party of the Company, at the offering price of Baht 1.10 per share, totaling Baht 1,022,816,000 as the payment for the entire business transfer of PVL, which value at Baht 1,022,816,000, instead of cash settlement. The Company allocated such shares to PVL in accordance with such resolution on June 2, 2017 (see Note 2.2.4). As a result, the Company has issued and paid share capital increased from Baht 7,336,295,227 to Baht 8,266,127,954 and discount on ordinary share decreased from Baht 1,652,501,083 to Baht 1,559,517,810.

23.3.2 Approved the allocation by means of General Mandate not exceeding 700,000,000 newly issued ordinary shares, at the par value of Baht 1.00 per share to Private Placement, whereas, such persons shall not be the related parties of the Company. The allocation has to be completed before the date of the Company's Annual General Meeting of Shareholders for the year 2018.

23.4 Capital Management

The objectives when managing capital are to maintain the Group's and the Company's ability to continue operate in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Company has to maintain Interest bearing debt to Equity ratio at 2.5 : 1 at the end of annual financial report date in accordance to requirement of debenture issuance. As at December 31, 2017 and 2016, the Company maintains Interest bearing debt to Equity ratio in accordance to the requirement (see Note 21).

24. LEGAL RESERVE

According to the Public Company Limited Act, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund, until the reserve fund reaches not less than 10% of the authorized share capital.

Under the Civil and Commercial Code, the subsidiaries are required to set aside as a statutory reserve at least five percent of its net profit each time a dividend is declared until the reserve reaches ten percent of the registered share capital. The reserve is not available for dividend distribution until the subsidiaries finally wound up.

25. OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Other components of shareholders' equity consist of:

25.1 Gain (loss) on remeasuring investments held as available for sale

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
Beginning balance	17,501,987	(25,173,651)
Net gain (loss) on remeasuring investments held as available for sale	(90,941,526)	53,344,548
Income tax related to gain (loss) on remeasuring investments held as available for sale	<u>18,188,305</u>	<u>(10,668,910)</u>
Ending balance	<u><u>(55,251,234)</u></u>	<u><u>17,501,987</u></u>

Gain (loss) on remeasuring investments held as available for sale represents the cumulative gain and loss arising on the remeasurement of investments held as available for sale that has been recognized directly in other comprehensive income, net of amount reclassified to profit or loss when the investment has been disposed of or is determined to be impaired.

25.2 Exchange differences on translating financial statements of foreign operations

	(Unit : Baht)	
	CONSOLIDATED FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
Beginning balance	(221,829,695)	9,217,495
Decrease during the year	(604,914)	(231,047,190)
Ending balance	<u><u>(222,434,609)</u></u>	<u><u>(221,829,695)</u></u>

Exchange differences on translating financial statements of foreign operations to Thai Baht currency are recognized directly in other comprehensive income and accumulated separately presented as other components of shareholders' equity under shareholders' equity.

26. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, 2017 and 2016, that occurred from important expenses are as follows:

	(Unit : Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Changing in land and cost of projects under construction	(1,437,700,138)	(465,705,372)	524,900,329	170,175,999
Payment for construction works	1,982,126,311	684,165,680	19,525,844	48,284,309
Employee expenses	88,189,874	67,666,507	88,166,586	67,666,507
Depreciation and amortization	80,273,702	88,172,187	6,063,614	6,098,478
Consulting and professional fees	23,908,478	86,240,181	7,616,811	4,053,321
Rental, service fee and utilities expenses	24,711,682	18,673,019	17,322,392	11,856,779
Commission expenses	78,164,720	62,992,876	17,221,665	3,158,533
Advertisement and public relation expenses	47,827,544	48,939,477	11,616,564	6,834,318
Promotion expenses	57,948,388	46,868,565	21,222,672	10,665,806
Maintenance expenses	705,032	2,873,528	350,117	844,688
Specific business tax	27,958,635	11,059,637	27,958,635	11,059,637
Tax and other fees	21,513,403	11,183,317	20,720,189	9,909,200
Directors and managements' remuneration	51,126,666	41,172,604	51,126,666	41,172,604

27. DIRECTORS AND MANAGEMENTS' REMUNERATION

27.1 Directors' remuneration represents the benefit paid to the Company's directors under section 90 of the Public Company Act, which does not include the salary and related benefits paid to the Company's directors, who are executive managements of the Company.

27.2 The managements' remuneration in cash are salary, bonus and provident funds which are paid to the Company's management according to the TAS 24 (Revised 2016) "Related Party Disclosures".

Directors and managements' remuneration for the years ended December 31, are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2017	2016
Directors' remuneration	5,605,342	4,560,000
Managements' remuneration		
Short-term employee benefit	44,416,316	35,446,792
Post-employment benefit	1,105,008	1,165,812
Total	<u>51,126,666</u>	<u>41,172,604</u>

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28. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to owners of parent by the weighted average number of ordinary shares held by third parties during the year, as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the years ended December 31,			
	2017	2016	2017	2016
Net profit (loss) of owners of parent (Baht)	(144,298,322)	(275,927,272)	48,799,808	232,945,049
Beginning number of outstanding ordinary shares	7,336,295,227	7,336,294,461	7,336,295,227	7,336,294,461
Effect of share issuing during the year	542,614,715	224	542,614,715	224
Weighted average number of ordinary shares	<u>7,878,909,942</u>	<u>7,336,294,685</u>	<u>7,878,909,942</u>	<u>7,336,294,685</u>
Basic earnings (loss) per share (Baht)	(0.018)	(0.038)	0.006	0.032

29. TRANSACTIONS WITH RELATED PARTIES

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

In addition, related parties include associated companies and individuals which have significant influence over the Group and the Company, key management personnel, and directors and officers with authority in the planning and direction of the Group's and the Company's operations, together with close members of the families of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

29.1 Investment in subsidiaries

(Unit : Baht)

Companies	Type of business	Country of registration	Paid share	Paid share	Percentage of holding (%)		Cost method		Dividend income	
			As at	As at	As at	As at	As at	As at	As at	As at
			December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
									2017	2016
Subsidiaries										
Landmark Holdings Co., Ltd.	Trading, rent and real estate operations and a holding company	Thailand	210,000,000	210,000,000	70.00	70.00	146,999,970	146,999,970	-	-
BCEG Country Group Engineering Co., Ltd.	Construction and building maintenance	Thailand	1,000,000	1,000,000	99.99	99.99	999,970	999,970	-	-
CGD Data Limited	Holding company	Hong Kong	583,137,484	583,137,484	100.00	100.00	583,137,484	583,137,484	-	-
CGD Digital Partners Limited	Holding company	Mauritius	547,579,834	547,579,834	100.00	100.00	547,579,834	547,579,834	-	224,908,913
Leading Schools Partnership Limited	Holding company	Guernsey	225,641,944	224,088,126	96.45	97.13	217,662,851	217,662,851	-	-
HYUK Limited	Foreign real estate	Guernsey	42	42	100.00	100.00	42	42	-	-
Total investment in subsidiaries							<u>1,496,380,151</u>	<u>1,496,380,151</u>	<u>-</u>	<u>224,908,913</u>

On July 21, 2017, the Board of Directors' Meeting of Leading Schools Partnership Limited (the "subsidiary") had a resolution to approve the increase of authorized share capital from GBP 5,000,000 (5,000,000 ordinary shares, with a par value of GBP 1 per share) to GBP 5,035,370 (5,035,370 ordinary shares, with a par value of GBP 1 per share). The subsidiary registered its increased share capital on July 21, 2017. However, the Company waived the rights to purchase the increased share capital of the subsidiary. As a result, the Company had the proportion of shareholding in the subsidiary decreased from 97.13% to 96.45%.

29.2 Short-term loans to related companies

(Unit : Baht)						
	Nature of relationship	Balance as at December 31, 2016	SEPARATE FINANCIAL STATEMENTS			Cost of intercompany loans policy
			Increase	Decrease	Balance as at December 31, 2017	
Subsidiaries						
Landmark Holdings Co., Ltd.	Shareholder and common director	1,000,000,000	-	(400,000,000)	600,000,000	9.25 % p.a.
Leading Schools Partnership Limited	Shareholder and common director	248,194,846	-	(11,471,940)	236,722,906	7.00 % p.a.
HYUK Limited	Shareholder and common director	8,718,740	-	(5,498,275)	3,220,465	7.00 % p.a.
Total		<u>1,256,913,586</u>	<u>-</u>	<u>(416,970,215)</u>	<u>839,943,371</u>	

(Unit : Baht)						
	Nature of relationship	Balance as at December 31, 2015	SEPARATE FINANCIAL STATEMENTS			Cost of intercompany loans policy
			Increase	Decrease	Balance as at December 31, 2016	
Subsidiaries						
Landmark Holdings Co., Ltd.	Shareholder and common director	1,000,000,000	-	-	1,000,000,000	9.25 % p.a.
CGUK 1 Limited	Shareholder and common director	-	941,987,500	(941,987,500)	-	7.00 % p.a.
Leading Schools Partnership Limited	Shareholder and common director	-	248,194,846	-	248,194,846	7.00 % p.a.
HYUK Limited	Shareholder and common director	-	8,718,740	-	8,718,740	7.00 % p.a.
Total		<u>1,000,000,000</u>	<u>1,198,901,086</u>	<u>(941,987,500)</u>	<u>1,256,913,586</u>	

(1) On February 17, 2014, the Company entered into a loan agreement with Landmark Holdings Co., Ltd. in the amount of Baht 100 million, duration of the drawdown loan within 12 months from signing date on the loan agreement. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 12 months from the first drawdown. Later, on February 17, 2015, the Company entered into an agreement to extend the repayment period for such loan by requiring the repayment within 12 months from signing date on the loan agreement.

Subsequently, on February 17, 2016, the Company made an amendment of the loan agreement to be repayable on demand. During the year ended December 31, 2017, the Company received full repayment of the loan.

- (2) On September 1, 2014, the Company entered into an additional loan agreement with Landmark Holdings Co., Ltd. in the amount of Baht 800 million, duration of the drawdown loan within 18 months from signing date on the loan agreement. The Company can be reimbursable by giving a written notice 15 days in advance. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 18 months from the first drawdown. Later, on March 1, 2016, the Company made an amendment of the loan agreement to be repayable on demand. During the year ended December 31, 2017, the Company received some portions of such loan in the amount of Baht 200 million.
- (3) On November 13, 2015, the Company entered into an additional loan agreement with Landmark Holdings Co., Ltd. in the amount of Baht 100 million, duration of the drawdown loan within 12 months from signing date on the loan agreement. The loan is unsecured and has interest rate at 9.25% per annum and repayable within 12 months from the first drawdown. Later, on November 12, 2016, the Company made an amendment of the loan agreement to be repayable on demand. During the year ended December 31, 2017, the Company received full repayment of the loan.
- (4) On September 23, 2016, the Company entered into a loan agreement with Leading Schools Partnership Limited (the “subsidiary”) in the amount of GBP 10.55 million, duration of the drawdown loan within September 30, 2016. The loan is unsecured and has interest rate at 7.00% per annum and repayable on demand. On that day, the subsidiary drew down the loan in the amount of GBP 10.55 million, or equivalent to Baht 472.82 million. Furthermore, the Company entered into a convertible loan agreement to convert the debt into equity of Baht 217.66 million resulting to the increase in investment in the subsidiary in the same amount.
- (5) On November 22, 2016, the Company entered into a loan agreement with HYUK Limited (the “subsidiary”) in the amount of GBP 19.50 million, duration of the drawdown loan within June 30, 2017. The loan is unsecured and has interest rate at 7.00% per annum and repayable on demand. As at December 31, 2017 and 2016, the subsidiary drew down the loan totaling GBP 0.20 million.

29.3 Short-term borrowings from a related company

	Nature of relationship	Balance as at December 31, 2016	SEPARATE FINANCIAL STATEMENTS			(Unit : Baht)
			Increase	Decrease	Balance as at December 31, 2017	
Subsidiary						
CGD Digital Partners Limited	Shareholder and common director	453,232,085	16,643,539	-	469,875,624	-
Total		453,232,085	16,643,539	-	469,875,624	
	Nature of relationship	Balance as at December 31, 2015	SEPARATE FINANCIAL STATEMENTS			(Unit : Baht)
			Increase	Decrease	Balance as at December 31, 2016	
Subsidiary						
CGD Digital Partners Limited	Shareholder and common director	-	740,880,000	(287,647,915)	453,232,085	-
Total		-	740,880,000	(287,647,915)	453,232,085	

On June 24, 2016, the Company entered into a borrowing agreement with CGD Digital Partners Limited in the amount of GBP 15 million. The borrowing is unsecured and no interest charge and repayable on demand. Subsequently, on June 30, 2016, the Company repaid the borrowing amounting to GBP 4.81 million by settling with dividend income from CGD Digital Partners Limited instead of cash repayment.

On June 22, 2017, the Company entered into an additional borrowing agreement with CGD Digital Partners Limited in the amount of GBP 0.38 million. The borrowing is unsecured and no interest charge and repayable on demand.

29.4 Other balances and transactions with related parties

A portion of the Group's and the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. These companies are related through common shareholders and directors both direct and indirect. The pricing policies for each transaction are as follows:

Transactions	Transfer pricing policies
Brokerage fees for purchase securities	At market price which is the same rate as general client
Fees and services income	Mutually agreed in accordance with the contract which is comparable to market price

Significant transactions with related parties consist of:

Outstanding balances	Subsidiaries		(Unit : Baht)			
			NATURE OF RELATIONSHIP		CONSOLIDATED	
			FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
			As at	As at	As at	As at
			December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Landmark Holdings Co., Ltd.						
Shareholder and common director						
Other receivables (see Note 7)			-	-	4,780,000	6,301,736
Accrued interest income (see Note 9)			-	-	182,845,890	204,778,786
CGD Data Limited						
Shareholder and common director						
Payable from purchase of investment in a subsidiary			-	-	477,204,057	477,465,991
CGUK 1 Limited						
Shareholder and common director						
Accrued interest income (see Note 9)			-	-	16,358,259	16,386,037
Leading Schools Partnership Limited						
Shareholder and common director						
Accrued interest income (see Note 9)			-	-	21,449,600	4,759,901
HYUK Limited						
Shareholder and common director						
Payable from purchase of investment in a subsidiary			-	-	42	42
Accrued interest income (see Note 9)			-	-	294,807	56,850

Nature of relationship	(Unit : Baht)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
Outstanding balances (continued)				
Related companies				
Country Group Securities PCL.	Common director			
Deposit at financial institution		5,478	50,125,977	5,478
Country Group Holdings PCL. ⁽¹⁾	Shareholder and common major shareholder			
Investment in ordinary shares		206,633,430	246,429,498	206,633,430
Warrants CGH-W1		179,282	3,406,364	179,282
Warrants CGH-W2		1,275,515	3,443,891	1,275,515
MF Holdings Co., Ltd.	Common director			
Bills of exchange		200,000,000	200,000,000	200,000,000
Prepaid interest expense		4,155,586	6,752,931	4,155,586
Related persons				
Mr. Sadawut Taechabul ⁽²⁾	Major shareholder			
Advance received		1,369,638	1,369,638	1,369,638
Mr. Ben Taechabul	Shareholder and director			
Advance received		11,000,000	11,000,000	-
Ms. Orawan Taechabul	Related person			
Advance received		18,178,879	18,178,879	-

(1) As at December 31, 2016, Country Group Holdings PCL. was a related company with the Company due to being as shareholder and having a common director.
(2) As at December 31, 2016, Mr. Sadawut Taechabul was a related person with the Company because he was a shareholder and director.

	Nature of relationship	(Unit : Baht)				
		CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2017	2016	2017	2016	
For the years ended December 31,						
Revenues and expenses						
Subsidiaries						
Landmark Holdings Co., Ltd.	Shareholder and common director					
Interest income	-	-	90,884,791	92,753,425		
Other service income	-	-	24,000,000	27,655,828		
Land sublease income	-	-	4,158,383	3,000,000		
CGD Digital Partners Limited	Shareholder and common director					
Dividend income	-	-	-	224,908,913		
CGUK1 Limited	Shareholder and common director					
Interest income	-	-	-	16,851,008		
Leading Schools Partnership Limited	Shareholder and common director					
Interest income	-	-	16,624,849	4,736,959		
HYUK Limited	Shareholder and common director					
Interest income	-	-	237,090	56,901		
Related companies						
Country Group Securities PCL.	Common director					
Interest income	306,256	476,930	306,256	476,930		
Debentures issuance fee	-	1,556,762	-	1,556,762		
Country Group Holdings PCL. ⁽¹⁾	Shareholder and common major shareholder					
Dividend income	4,245,934	7,040,843	4,245,934	7,040,843		
MF Holdings Co., Ltd.	Common director					
Interest expense	11,081,746	11,726,317	11,081,746	11,726,317		
Related person						
Mr. Sadawut Taechaubol ⁽²⁾	Major shareholder					
Revenue from sale of condominium	1,869,965	-	1,869,965	-		

(1) As at December 31, 2016, Country Group Holdings PCL. was a related company with the Company due to being as shareholder and having a common director.
(2) As at December 31, 2016, Mr. Sadawut Taechaubol was a related person with the Company because he was a shareholder and director.

30. FINANCIAL INFORMATION BY SEGMENT

The Group's operations involve various business segments, which are a holding company, and real estate business. The financial information by segment for the years ended December 31, 2017 and 2016, are as follows:

				(Unit : Baht)
	CONSOLIDATED FINANCIAL STATEMENTS			
	For the year ended December 31, 2017			
	Real estate business	Investment	Elimination	Total
	Real estate development Domestic	Investment property Foreign		
Revenues				
Revenue from external customers	1,050,722,411	56,916,525	-	1,107,638,936
Inter - segment revenues	<u>16,861,939</u>	<u>-</u>	<u>(16,861,939)</u>	<u>-</u>
	<u>1,067,584,350</u>	<u>56,916,525</u>	<u>(16,861,939)</u>	<u>1,107,638,936</u>
Expenses				
Cost of condominium sale	544,426,173	-	-	544,426,173
Direct operating expenses arising from investment property	-	3,187,394	-	3,187,394
Distribution costs	286,521,239	-	-	286,521,239
Administrative expenses	197,704,958	9,669,678	-	207,374,636
Directors and managements' remuneration	51,126,666	-	-	51,126,666
Total expenses	<u>1,079,779,036</u>	<u>12,857,072</u>	<u>-</u>	<u>1,092,636,108</u>
Profit (loss) before finance costs and income tax	(12,194,686)	44,059,453	(16,861,939)	15,002,828
Finance costs	197,674,836	30,957,293	(17,241,453)	211,390,676
Profit (loss) before income tax	(209,869,522)	13,102,160	379,514	(196,387,848)
Tax income	437,638	2,564,684	-	3,002,322
Net profit (loss) for the year	<u>(209,431,884)</u>	<u>15,666,844</u>	<u>379,514</u>	<u>(193,385,526)</u>

				(Unit : Baht)
	CONSOLIDATED FINANCIAL STATEMENTS			
	For the year ended December 31, 2016			
	Real estate business	Investment	Elimination	Total
	Real estate development Domestic	Investment property Foreign		
Revenues				
Revenue from external customers	474,677,845	115,394,627	-	590,072,472
Inter - segment revenues	<u>246,553,781</u>	<u>-</u>	<u>(246,553,781)</u>	<u>-</u>
	<u>721,231,626</u>	<u>115,394,627</u>	<u>(246,553,781)</u>	<u>590,072,472</u>
Expenses				
Cost of condominium sale	218,460,308	-	-	218,460,308
Direct operating expenses arising from investment property	-	1,209,030	-	1,209,030
Distribution costs	273,857,961	-	-	273,857,961
Administrative expenses	132,849,904	71,003,187	-	203,853,091
Directors and managements' remuneration	41,172,604	-	-	41,172,604
Loss on sale of investments held as available for sale	93,606	-	-	93,606
Total expenses	<u>666,434,383</u>	<u>72,212,217</u>	<u>-</u>	<u>738,646,600</u>
Profit (loss) before finance costs and income tax	54,797,243	43,182,410	(246,553,781)	(148,574,128)
Finance costs	202,264,283	25,050,806	(22,113,637)	205,201,452
Profit (loss) before income tax	(147,467,040)	18,131,604	(224,440,144)	(353,775,580)
Tax income (expense)	425,174	(2,466,275)	-	(2,041,101)
Net profit (loss) for the year	<u>(147,041,866)</u>	<u>15,665,329</u>	<u>(224,440,144)</u>	<u>(355,816,681)</u>

(Unit : Baht)			
CONSOLIDATED FINANCIAL STATEMENTS			
	Real estate business	Elimination	Total
	Real estate Development Domestic	Investment property Foreign	
Total assets			
As at December 31, 2017	17,490,506,209	1,845,407,718	(2,553,621,881)
As at December 31, 2016	<u>13,378,014,631</u>	<u>1,828,010,900</u>	<u>(2,538,701,063)</u>
	<u>13,378,014,631</u>	<u>1,828,010,900</u>	<u>12,667,324,468</u>
Total liabilities			
As at December 31, 2017	11,386,047,712	713,283,352	(1,231,088,570)
As at December 31, 2016	<u>7,197,536,447</u>	<u>711,166,948</u>	<u>(1,214,452,904)</u>
	<u>7,197,536,447</u>	<u>711,166,948</u>	<u>6,694,250,491</u>

31. SIGNIFICANT AGREEMENTS

- 31.1 On May 15, 2013, the Company entered into the Joint Venture Agreement with BCEG Thai International Co., Ltd. to let such company to jointly invest in Landmark Holdings Co., Ltd. (the “subsidiary”) for the purpose of mutually developing in the Chao Phraya Estate Project. Under this agreement BCEG Thai International Co., Ltd. shall contribute share subscriptions in total amount of USD 60 million in cash to the subsidiary and shall be used only for the development of the project. Subsequently, the subsidiary received the share subscriptions in full amount according to this agreement, and registered the increased share capital with the Department of Business Development, the Ministry of Commerce. After the increase in share capital, the Company and BCEG Thai International Co., Ltd. holds shares of Landmark Holdings Co., Ltd at 70% and 30%, respectively.
- 31.2 On October 1, 2014, the Company entered into the Operating Services Agreement with a subsidiary to provide management and operation services to such company. The fee computed on cost plus basis and the termination condition are specified in the agreement.
- 31.3 On November 19, 2014, Landmark Holdings Co., Ltd. which is the Company’s subsidiary entered into a license agreement with Four Seasons Hotel & Resorts Asia Pacific Pte Ltd. for using the “Four Seasons” name in connection with the ownership and operation of the residences and in the rendition of all necessary or appropriate services and activities associated with the operation of Chao Phraya Estate project from November 19, 2014 up to the closing of the sale. Four Seasons Hotel & Resorts Asia Pacific Pte Ltd. is entitled to receive license fee, which is computed on certain percentage of gross sale prices of the project.

32. COMMITMENTS AND CONTINGENT LIABILITIES

- 32.1 As at December 31, 2016, the Company had commitment in project development and construction in the amount Baht 3.91 million (as at December 31, 2017 : Nil).
- 32.2 As at December 31, 2017 and 2016, the Company has a letter of guarantee for guarantee payment of a subsidiary.

- 32.3 During 2017, the Company has entered into land purchase agreement amount of Baht 338.45 million and the Company paid deposit payment on contract date amount of Baht 20 million. Therefore, as at December 31, 2017, the Company has commitment on such contract of Baht 318.45 million (as at December 31, 2016 : Nil).
- 32.4 As at December 31, 2017 and 2016, Landmark Holdings Co., Ltd. (the “subsidiary”) entered into a contract with BCEG Thai International Co., Ltd. who is the contractor of Chao Phraya Estate Project (see Note 20.2). The remaining value of the contract is Baht 7,741.63 million and Baht 10,120.16 million, respectively.
- 32.5 As at December 31, 2016, a subsidiary had commitment to comply with agreement in the amount of GBP 0.50 million or equivalents to Baht 22.40 million. Such commitment was secured by the subsidiary’s deposit for performance guarantee of GBP 0.50 million which inclusively presented in other non-current assets in the consolidated statement of financial position as at December 31, 2016 in the amount of Baht 21.80 million. Subsequently, on June 2, 2017, the subsidiary had completely complied such agreement. As a result, the subsidiary had no obligation and received all deposit for performance guarantee.
- 32.6 The Company has commitments in land rental agreement used for office space and parking lot for Elements Project and land rental agreement for development of Chao Phraya Estate Project, office space lease and facilities agreement and car rental agreements. The Company had commitments to pay the rentals as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016
Within 1 year	12,662,146	11,345,744
Over 1 year but not over 5 years	53,071,106	48,801,492
Over 5 years	306,529,777	318,037,489

33. DISCLOSURE OF INFORMATION RELATING TO FINANCIAL INSTRUMENTS

33.1 Credit risk

Credit risk is the risk of uncertainty in payment received from sale and service under credit on accounts receivable which will affect the results of operations of the Group and the Company. The Company’s main business is the sale of residential condominium units. Therefore, there is no risk because if receivables do not get paid or the customers fail to pay the installment period, the Company will not transfer ownership of condominiums.

As at December 31, 2017 and 2016, the maximum exposures to credit risk of the Group and the Company are limited to the carrying amount of trade receivables less allowance for doubtful accounts.

33.2 Interest rate risk

Interest rate risk arises from fluctuations in interest rates, which affect the performance of the Group and the Company. However, the effect of fluctuations in interest rate did not materially affect to the Group and the Company due to most financial assets and liabilities have interest rate at fixed rate.

33.3 Foreign exchange rate risk

Foreign exchange risk arises from the change in foreign currency exchange rate to have an adverse effect on the Group and the Company.

As at December 31, 2017 and 2016, the Group and the Company have significant balances of financial assets and liabilities in foreign currencies as follows:

	(Unit : Million GBP)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	As at	FINANCIAL STATEMENTS	As at
	As at	As at	As at	As at
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Financial assets	21.10	21.01	6.39	6.38
Financial liabilities	9.66	10.10	21.31	20.93

	(Unit : Million USD)			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	As at	FINANCIAL STATEMENTS	As at
	As at	As at	As at	As at
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Financial assets	35.26	86.62	-	-
Financial liabilities	136.88	52.65	-	-

33.4 Fair values of financial assets and financial liabilities

As most of the Group's and the Company's financial assets and financial liabilities are short-term in natures with interest rate at fixed rate. Therefore, the Group's and the Company's management believe that the carrying amounts of the financial assets and liabilities such as cash and cash equivalents, current investments, trade and other current receivables, short-term loans to related companies, other current assets, deposits at bank used as collateral, investments held as available for sale, trade and other current payables, payables from purchase of investment in subsidiaries from related companies, short-term borrowings, bills of exchange, and current portion of long-term debentures, approximate to their fair values. Long-term financial liabilities such as construction payables, long-term borrowings and debentures are presented at carrying values which are not significantly different from the estimated fair values.

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However, certain assets of the Group and the Company are measured at fair value at the end of reporting period. The following tables give information about how the fair values of these assets are determined.

CONSOLIDATED FINANCIAL STATEMENTS					
Assets	Fair value (Baht) As at December 31, 2017	Fair value (Baht) As at December 31, 2016	Fair value hierarchy	Valuation techniques and key inputs use in fair value measurements	Significant unobservable inputs
1. Investment in investment units registered in the Stock Exchange of Thailand	99,000,000	150,000,000	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
2. Investment in ordinary shares and warrants registered in the Stock Exchange of Thailand	208,088,227	253,279,753	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
3. Investment in investment units	-	820,707	Level 2	Net asset value of investment units of the last working day of the reporting period	N/A
4. Investment property	845,666,309	842,742,946	Level 3	Discounted cash flow using income approach appraised by the independent professional appraisers. Information used in fair value measurement are expected revenues and discount rate.	Projected cash flows and discount rate

SEPARATE FINANCIAL STATEMENTS					
Assets	Fair value (Baht) As at December 31, 2017	Fair value (Baht) As at December 31, 2016	Fair value hierarchy	Valuation techniques and key inputs use in fair value measurements	Significant unobservable inputs
1. Investment in investment units registered in the Stock Exchange of Thailand	99,000,000	150,000,000	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
2. Investment in ordinary shares and warrants registered in the Stock Exchange of Thailand	208,088,227	253,279,753	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand	N/A
3. Investment in investment units	-	820,707	Level 2	Net asset value of investment units of the last working day of the reporting period	N/A

34. EVENTS AFTER REPORTING PERIOD

On February 23, 2018, the Board of Director's Meeting of the Company No. 2/2018 passes the significant resolutions as follows:

- 34.1 To propose the Annual General Meeting of Shareholders to consider and approve the reduction of the Company's registered share capital from Baht 8,966,127,954 to Baht 8,266,127,954, by cancelling 700,000,000 unsold ordinary shares with a par value of Baht 1.00 per share and the amendment of Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the registered capital.
- 34.2 To propose the Annual General Meeting of Shareholders to consider and approve the issuance of warrants under the Employee Stock Option Plan No. 2 (ESOP) by issuing non-transferrable stock warrants which specify the names of the holders. The Company will allocate 40,000,000 warrants to the directors, executives, and employees of the Company and/or its subsidiaries.
- 34.3 To propose the Annual General Meeting of Shareholders to consider and approve the increase of the Company's registered share capital by Baht 866,000,000 from the existing registered share capital of Baht 8,266,127,954 to Baht 9,132,127,954 by issuing 866,000,000 new ordinary shares, with a par value of Baht 1.00 per share which divided into 2 parts as follows:
 - 34.3.1 The increase of the Company's registered share capital is by means of General Mandate at amount Baht 826,000,000 by issuing 826,000,000 newly issued ordinary shares, with a par value of Baht 1.00 per share, for the allotment of newly issued ordinary shares to Private Placement for the General Mandate.
 - 34.3.2 The increase of the Company's registered share capital of 40,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share is to support the issuance of warrants under the Employee Stock Option Plan No. 2 to the directors, executives, and employees of the Company and/or its subsidiaries.
- 34.4 To propose the Annual General Meeting of Shareholders to consider and approve the allocation of 866,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share as follows:
 - 34.4.1 The allocation of 826,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share, is to offer to private placement, as per the Announcement of the Capital Market Supervisory Board No. Tor. Jor. 72/2558.

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- 34.4.2 The allocation of 40,000,000 newly issued ordinary shares, at a par value of Baht 1.00 per share is to support the issuance of warrants under the Employee Stock Option Plan No. 2 allocated to the directors, executives, and employees of the Company and/or its subsidiaries.

35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved for issue by the authorized directors of the Company on February 23, 2018.

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