

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.

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.

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.

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.

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.

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.

BANGKOK
February 23, 2018

Nisakorn Songmanee
Certified Public Accountant (Thailand)
Registration No. 5035
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

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

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE 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		64,228,197	66,143,887	4,900,459	4,972,799
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><u>16,782,292,046</u></u>	<u><u>12,667,324,468</u></u>	<u><u>9,351,328,618</u></u>	<u><u>8,588,058,200</u></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 FINANCIAL STATEMENTS		SEPARATE 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		27,423,728	15,748,987	-	-
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					
Authorized share capital	23				
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		8,266,127,954		8,266,127,954	
7,336,295,227 ordinary shares of Baht 1.00 each, fully paid			7,336,295,227		7,336,295,227
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>	<u>-</u>	<u>-</u>
		6,732,939,063	6,529,560,533	5,887,172,674	5,683,794,144
ACCUMULATED DEFICIT		(895,103,718)	(753,208,148)	(679,303,264)	(730,505,824)
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		<u>(277,685,843)</u>	<u>(204,951,184)</u>	<u>(55,251,234)</u>	<u>17,501,987</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		5,560,149,502	5,571,401,201	5,152,618,176	4,970,790,307
NON-CONTROLLING INTERESTS					
		<u>353,900,050</u>	<u>401,672,776</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>5,914,049,552</u>	<u>5,973,073,977</u>	<u>5,152,618,176</u>	<u>4,970,790,307</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u><u>16,782,292,046</u></u>	<u><u>12,667,324,468</u></u>	<u><u>9,351,328,618</u></u>	<u><u>8,588,058,200</u></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

UNIT : BAH

	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		<u>1,107,638,936</u>	<u>590,072,472</u>	<u>1,054,917,407</u>	<u>852,652,728</u>
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		<u>1,092,636,108</u>	<u>738,646,600</u>	<u>828,675,263</u>	<u>422,346,794</u>
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSE					
		15,002,828	(148,574,128)	226,242,144	430,305,934
FINANCE COSTS		<u>(211,390,676)</u>	<u>(205,201,452)</u>	<u>(177,969,465)</u>	<u>(197,786,059)</u>
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE		<u>(196,387,848)</u>	<u>(353,775,580)</u>	<u>48,272,679</u>	<u>232,519,875</u>
INCOME TAX REVENUE (EXPENSE)	16	<u>3,002,322</u>	<u>(2,041,101)</u>	<u>527,129</u>	<u>425,174</u>
NET PROFIT (LOSS) FOR THE YEAR		<u>(193,385,526)</u>	<u>(355,816,681)</u>	<u>48,799,808</u>	<u>232,945,049</u>

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 FINANCIAL STATEMENTS		SEPARATE 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		<u>(70,955,383)</u>	<u>(187,673,972)</u>	<u>(70,350,469)</u>	<u>43,373,218</u>
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		<u>(49,087,204)</u>	<u>(79,889,409)</u>	<u>-</u>	<u>-</u>
		<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		<u>(49,087,204)</u>	<u>(79,889,409)</u>	<u>-</u>	<u>-</u>
		<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	0.032
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

UNIT : BAHT

Notes	CONSOLIDATED FINANCIAL STATEMENTS												
	Owners of the parent										Non-controlling interests	Total shareholders' equity	
	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	Other components of shareholders' equity						Total owners of the parent
							Gain (loss) on remeasuring investments held as available for sale	Exchange differences on translating financial statements of foreign operations	Surplus from acquisition under common control	Total other components of shareholders' equity			
Beginning balance as at January 1, 2016	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	5,916,703,694
Increase in ordinary share capital	766	613	-	-	-	-	-	-	-	-	1,379	-	1,379
Increase in ordinary share capital from non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	593,434,282	593,434,282
Invest in a subsidiary with having non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	6,425,275	6,425,275
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	-	-	-	-	-	(275,229,692)	42,675,638	(231,047,190)	-	(188,371,552)	(463,601,244)	(79,889,409)	(543,490,653)
Ending balance as at December 31, 2016	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	401,672,776	5,973,073,977
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	401,672,776	5,973,073,977
Increase in ordinary share capital	23.3.1 929,832,727	92,983,273	-	-	-	-	-	-	-	-	1,022,816,000	-	1,022,816,000
Increase in ordinary share capital from non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,553,818	1,553,818
Business combination under common control	2.2.4 -	-	(819,437,470)	-	-	-	-	-	-	-	(819,437,470)	-	(819,437,470)
Completion of the liquidation of subsidiaries	-	-	-	-	-	-	-	-	623,476	623,476	623,476	(239,340)	384,136
Total comprehensive expense for the year	-	-	-	-	-	(141,895,570)	(72,753,221)	(604,914)	-	(73,358,135)	(215,253,705)	(49,087,204)	(264,340,909)
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	353,900,050	5,914,049,552

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

UNIT : BAHT

		SEPARATE FINANCIAL STATEMENTS					
	Notes	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 remeasuring investments held as available for sale	Total shareholders' equity
Beginning balance as at January 1, 2016		7,336,294,461	(1,652,501,696)	-	(964,148,453)	(25,173,651)	4,694,470,661
Increase in ordinary share capital		766	613	-	-	-	1,379
Total comprehensive income for the year		-	-	-	233,642,629	42,675,638	276,318,267
Ending balance as at December 31, 2016		7,336,295,227	(1,652,501,083)	-	(730,505,824)	17,501,987	4,970,790,307
Beginning balance as at January 1, 2017		7,336,295,227	(1,652,501,083)	-	(730,505,824)	17,501,987	4,970,790,307
Increase in ordinary share capital	23.3.1	929,832,727	92,983,273	-	-	-	1,022,816,000
Business combination under common control	2.2.4	-	-	(819,437,470)	-	-	(819,437,470)
Total comprehensive income (expense) for the year		-	-	-	51,202,560	(72,753,221)	(21,550,661)
Ending balance as at December 31, 2017		8,266,127,954	(1,559,517,810)	(819,437,470)	(679,303,264)	(55,251,234)	5,152,618,176

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

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 FINANCIAL STATEMENTS		SEPARATE 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		(287)	-	-	-
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,		1,058,519,636	1,253,622,159	682,876,677	204,558,559
Cash and cash equivalents as at December 31,	5	<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.

- 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	203,413,530
Liability	
Accrued expenses	<u>(35,000)</u>
Net assets	203,378,530
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.

- 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.

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.

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.

4. DISCLOSURES SUPPLEMENTARY OF CASH FLOWS INFORMATION

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

4.1 Fixed asset payables

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	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	(1,833,251,873)	(136,901,791)	(1,646,968,080)	(1,098,886)
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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	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	(1,331,679)	-	(1,331,679)	-
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	
	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	(175,166)	-
Short-term loans to related companies - carried forward as at December 31,	<u>839,943,371</u>	<u>1,256,913,586</u>

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	(261,934)	(101,518,753)
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	378,703	(50,079,458)
<u>Less</u> Realized gain on foreign exchange rate	(455,164)	(12,659,544)
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:

			(Unit : Baht)	
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	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	4,049,694	8,717,058	4,024,851	2,269,797
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>

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/ Carrying value	Fair value	Cost/ Carrying value	Fair value
Trading securities				
Debt securities				
Unit trust	-	-	802,598	820,707
<u>Add</u> Unrealized gain on remeasurement	-	-	18,109	-
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	
	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	-	5,353
Carrying value as at December 31,	<u>-</u>	<u>820,707</u>

	(Unit : Baht)	
	SEPARATE	
	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	-	5,353
Carrying value as at December 31,	<u>-</u>	<u>820,707</u>

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	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	(141,946,126)	(78,445,939)	-	-
Total trade receivables	13,153,965	13,072,153	-	-
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	3,650,012	462,508,124	-	-
Total trade and other current receivables	1,269,274,710	1,498,382,286	10,324,073	11,320,286

8. LAND AND COST OF PROJECTS UNDER CONSTRUCTION AND UTILITIES

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	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)	3,305,970,081	1,343,369,615	-	-
Total land and cost of projects under construction and utilities	3,465,740,032	2,028,039,895	159,769,951	684,670,280

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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	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		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	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:

	(Unit : Baht)			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		As at December 31, 2016	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2016	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	<u>(69,064,042)</u>	<u>-</u>	<u>21,877,484</u>	<u>-</u>
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>

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	(90,941,526)	53,344,548
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	4,351,980	7,562,291
<u>Less</u> Exchange differences from translation	(1,428,617)	(59,840,888)
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	CONSOLIDATED 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	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	1,063,844,249	961,522,453	-	-	2,025,366,702
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.

As at December 31, 2016

(Unit : Baht)

Type of assets	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2015	Additions	Disposals/ write off	Transfer in (out)	Balance as at December 31, 2016
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	844,168,144				1,240,285,268

For the years ended December 31,

2017 2016

Depreciation

79,771,229

87,781,949

As at December 31, 2017

(Unit : Baht)

Type of assets	SEPARATE FINANCIAL STATEMENTS				
	Balance as at December 31, 2016	Additions	Disposals/ write off	Transfer in (out)	Balance as at December 31, 2017
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	28,013,610	1,849,698,083	-	-	1,877,711,693
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	(16,269,931)	(5,658,877)	-	-	(21,928,808)
Total property, plant and equipment	11,743,679				1,855,782,885

As at December 31, 2016

						(Unit : Baht)
Type of assets	Balance as at December 31, 2015	SEPARATE FINANCIAL STATEMENTS			Balance as at December 31, 2016	
		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	<u>26,933,524</u>	<u>1,711,386</u>	<u>(631,300)</u>	<u>-</u>	<u>28,013,610</u>	
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	<u>(10,590,216)</u>	<u>(5,805,975)</u>	<u>126,260</u>	<u>-</u>	<u>(16,269,931)</u>	
Total property, plant and equipment	<u>16,343,308</u>				<u>11,743,679</u>	
						For the years ended December 31,
						2017 2016
Depreciation						<u>5,658,877 5,805,975</u>

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.

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	99,973,099	-	99,973,099

(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	99,973,099	-	99,973,099

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.

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	4,761,670			6,257,059
<u>Less</u> Accumulated amortization	(3,626,880)	(502,473)	-	(4,129,353)
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
Computer program	4,761,670	-	-	4,761,670
<u>Less</u> Accumulated amortization	(3,236,642)	(390,238)	-	(3,626,880)
Total other intangible assets	<u>1,525,028</u>			<u>1,134,790</u>

	For the years ended December 31,	
	2017	2016
Amortization	<u>502,473</u>	<u>390,238</u>

As at December 31, 2017

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS			
	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

(Unit : Baht)

	SEPARATE FINANCIAL STATEMENTS			
	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,
2017 **2016**

Amortization	<u>404,737</u>	<u>292,503</u>
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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:

(Unit : Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at December 31, 2016	Items as recognized in profit or loss revenue (expense)	Items recognized in other comprehensive income	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 revenue (expense)	Items recognized in other comprehensive income	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 revenue (expense)	Items recognized in other comprehensive income	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 revenue (expense)	Items recognized in other comprehensive income	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>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	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:

	CONSOLIDATED		SEPARATE	
	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	(527,129)	(425,174)	(527,129)	(425,174)
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:

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Before	Income tax	Net from	Before	Income tax	Net from
	income tax	expense	income tax	income tax	expense	income tax
		(revenue)			(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	(3,003,440)	600,688	(2,402,752)	(871,975)	174,395	(697,580)
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>

	SEPARATE FINANCIAL STATEMENTS					
	2017			2016		
	Before	Income tax	Net from	Before	Income tax	Net from
	income tax	expense	income tax	income tax	expense	income tax
		(revenue)			(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	(3,003,440)	600,688	(2,402,752)	(871,975)	174,395	(697,580)
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>

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.

17. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables consist of:

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

18. BILLS OF EXCHANGE

Bills of exchange consist of:

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

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	<u>61,848,959</u>	<u>43,062,097</u>	<u>19,483,563</u>	<u>11,126,719</u>

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	<p>Baht 868 million divided into</p> <ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
Current portion of long-term debentures	1,750,000,000	-	1,750,000,000	-
Long-term debentures	750,000,000	1,150,000,000	750,000,000	1,150,000,000
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	251,356	207,469
Total	<u>2,635,646</u>	<u>2,125,870</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	2,384,290	1,918,401
Interest cost	251,356	207,469
	<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>6,813,796</u>	<u>7,181,590</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

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	As at
	December 31,	December 31,
	2017	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	18,188,305	(10,668,910)
Ending balance	<u>(55,251,234)</u>	<u>17,501,987</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	As at
	December 31,	December 31,
	2017	2016
Beginning balance	(221,829,695)	9,217,495
Decrease during the year	(604,914)	(231,047,190)
Ending balance	<u>(222,434,609)</u>	<u>(221,829,695)</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:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		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:

	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>

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)	<u>(144,298,322)</u>	<u>(275,927,272)</u>	<u>48,799,808</u>	<u>232,945,049</u>
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	<u>542,614,715</u>	<u>224</u>	<u>542,614,715</u>	<u>224</u>
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	SEPARATE FINANCIAL STATEMENTS							
			Paid share capital	Paid share capital	Percentage of holding (%)		Cost method		Dividend income	
			As at	As at	As at	As at	As at	As at	For the years ended	
			December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	
			2017	2016	2017	2016	2017	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							1,496,380,151	1,496,380,151	-	224,908,913

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)
		SEPARATE FINANCIAL STATEMENTS				
	Nature of relationship	Balance as at December 31, 2016	Increase	Decrease	Balance as at December 31, 2017	Cost of intercompany loans policy
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		1,256,913,586	-	(416,970,215)	839,943,371	

						(Unit : Baht)
		SEPARATE FINANCIAL STATEMENTS				
	Nature of relationship	Balance as at December 31, 2015	Increase	Decrease	Balance as at December 31, 2016	Cost of intercompany loans policy
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		1,000,000,000	1,198,901,086	(941,987,500)	1,256,913,586	

- (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

		SEPARATE FINANCIAL STATEMENTS				(Unit : Baht)
	Nature of relationship	Balance as at December 31, 2016	Increase	Decrease	Balance as at December 31, 2017	Cost of intercompany loans policy
Subsidiary						
CGD Digital Partners Limited	Shareholder and common director	453,232,085	16,643,539	-	469,875,624	-
Total		<u>453,232,085</u>	<u>16,643,539</u>	<u>-</u>	<u>469,875,624</u>	

		SEPARATE FINANCIAL STATEMENTS				(Unit : Baht)
	Nature of relationship	Balance as at December 31, 2015	Increase	Decrease	Balance as at December 31, 2016	Cost of intercompany loans policy
Subsidiary						
CGD Digital Partners Limited	Shareholder and common director	-	740,880,000	(287,647,915)	453,232,085	-
Total		<u>-</u>	<u>740,880,000</u>	<u>(287,647,915)</u>	<u>453,232,085</u>	

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:

		(Unit : Baht)			
	Nature of relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2017	2016	2017	2016
Outstanding balances					
Subsidiaries					
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

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

		(Unit : Baht)			
	Nature of relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		For the years ended December 31,			
		2017	2016	2017	2016
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		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	16,861,939	-	(16,861,939)	-
	<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		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	246,553,781	-	(246,553,781)	-
	<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)	16,782,292,046
As at December 31, 2016	13,378,014,631	1,828,010,900	(2,538,701,063)	12,667,324,468
Total liabilities				
As at December 31, 2017	11,386,047,712	713,283,352	(1,231,088,570)	10,868,242,494
As at December 31, 2016	7,197,536,447	711,166,948	(1,214,452,904)	6,694,250,491

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	As at
	December 31,	December 31,
	2017	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		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2017	2016	2017	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		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2017	2016	2017	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.

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.

- 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.