



**PRUKSA**

**PRUKSA REAL ESTATE PUBLIC COMPANY LIMITED**



**ANNUAL REPORT**  
**2017**

A man in a dark suit is seen from behind, looking towards a bright, hazy horizon. The image features a double exposure effect where a city skyline, including several tall skyscrapers, is superimposed over the man's silhouette. The background is a soft, out-of-focus cityscape with a strong light source creating a lens flare effect. The overall tone is optimistic and forward-looking.

Power of Trust in  
**Innovation for Sustainable Growth**



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## Message from Chairman of the Board and Chief Executive Officer

Last year 2017, Pruksha Real Estate Public Company Limited has still given precedence to product and service development for quality residential delivery to its customers, focusing on work development in every dimension and application of new innovation for High Value Added Products. It is the product value addition for customer benefits both in term of quality and utilization function up to service improvement in order that Pruksha is the number one brand in the customers' minds. It has been another time that Pruksha has been accepted from the world stage by being awarded for "Platinum International Star for Quality Award 2017" at Geneva, Switzerland due to the Company's remarkableness in continual and professional corporate culture promotion regarding quality with extensive accepted achievements and ongoing application of new innovation and technology in the organization in every work process, resulting in ability to deliver quality houses to its customers.

Apart from product and service development, the Company also always emphasizes on business operation under transparency and anti-corruption. The internal systems therefore have been improved and systemized to have reliable and verifiable procedures in accordance with the principle of corporate governance until being one of the leading national organizations which was granted for admiration award of "NACC Integrity Awards 2017" organized by the Office of the National Anti-Corruption Commission as transparent organization for 2017.

According to overall operation in 2017 despite of non-fully recovery of Thai economy, the Company has still generated sales volume on continuous growth basis about 7% when compared with 2016. In last year, it has been the first year of the Company's commencement on clear separation of business operation in value business and premium business groups to respond the Company's formulated strategy regarding core business expansion in real estate to the base of new income earning customer group. The products in premium business group have been well accepted from customers and can generate sales volume above setting target. Several projects can create the great number of total reservations in short period of time such as The Reserve Thonglor Project, Chapter One Shine Bangpo Project, and The Reserve Phahol-Pradipat Project, etc.

In 2018, the continual growth of the residential market in Bangkok Metropolitan Region has still been anticipated at 5-10% whereas investment factor of transportation infrastructure development is the key driving factor of Thai economy and growth support of real estate segment. Moreover, the obvious driving policy of EEC Special Economic Zone and the progress of various projects will result in growth of the related industrial sector and real estate business. The large number of residential demands has been expected due to afflux of incoming labors to work in the said area. Therefore, the Company has planned to launch new projects in Rayong, Chon Buri and Chachoengsao where are the zone of Eastern Economic Corridor (EEC) Project.

The year of 2018 is the 25<sup>th</sup> anniversary year of business operation of Pruksha Real Estate Public Company Limited. We remain ceaselessly develop on continual basis through the will of work process improvement for best product and service delivery to customers, and operate business under social responsibility and concern on all groups of stakeholders with expecting intent to be the deliverer...of best quality of life to the customers accordingly.



Dr. Pisit Leeahtam  
Chairman of the Board



Mr. Piya Prayong  
Chief Executive Officer, Pruksha Real Estate



## Policy and Overview of Business Operation

### I. Vision, Mission and Goal

#### **Pruska Vision**

Pruksa aims to be the number one residential real estate business brand in customers' minds and step upward to become a top ten real estate business brand in Asia by creating high value homes for families to experience happiness, warmth and better life every day.

#### **Pruska Mission**

We are willful to assist all customers to fulfill every dream of owning a valuable home for joyful life of every family.

#### **Goal and Strategy of Business Operation**

According to strategy in 2017, we remain mainly emphasize on development of horizontal projects since it is the market with real demand and continuous growth, under purpose of customer group base expansion to increasingly cover all segments. We operate our business aiming at development and creation of new innovation in every process whether being construction process for more standard quality homes, and add service channel which is corresponding to the customer's lifestyle in digital era so that Pruksa is the number one brand in the customers' minds under ability of sustainable growth.

### 2. Significant Change and Development

#### **2.1 Background**

Pruksa Real Estate Public Company Limited ("Company") was founded on April 10, 1993 with the initial registered capital of Bt 50.0 M. It engages in the business of real estate project development for single-detached houses, townhouses and condominium in Bangkok Metropolitan Region and potential provinces. The investments are also expanded to foreign countries such as India. On April 27, 2005, the Company converted itself into a public limited company and entered into the first trading in Stock Exchange of Thailand (SET) on December 6, 2005 under the ticker "PS". On November 30, 2016, the Company revoked from being listed security in SET.

The Company is the first developer in Thailand that has applied modern technology from foreign countries in residential construction and construction management by itself, resulting in the ability to effectively control standard quality of works, control construction period as plan, and manage construction cost throughout the past period. The Company also aims at continuous developing construction technology and innovation for delivery of quality and impressive products and services to customers.

## 2.2 Significant Development during the Past 5 Years

Year	Significant Development
2013	<ul style="list-style-type: none"> <li>The Company announced its new vision that “Pruska aims to be the number one residential real estate brand in customers’ minds, and step upward being a top ten residential real estate in Asia by creating valuable homes for every family to experience happiness, warmth and a better life every day”. The Company has restructured its organization management so that business operation satisfies customer needs of each segment and each level. The executive responsibilities are divided based on housing segment under focus on innovative creation in construction of quality houses and excellent services for management flexibility to be corresponding to varying competitive situation of real estate market all the time. In this year, it has been deemed to be the golden year of PS huge success whether in the matter of highest record-breaking sales volume, total ownership transfers, number of transferred units.</li> </ul>
	<ul style="list-style-type: none"> <li>The Company developed prefabricated bathroom in condominium project (starting the installation in 2014) for higher quality and attractive design, abatement of subsequent usability problem, and ability of quick delivery, abatement of labor shortage and unskilled labor problem.</li> </ul>
	<ul style="list-style-type: none"> <li>The Company developed the Fully Precast System for constructing an eight-storey condominium project (Low Rise). This is the Company’s strength that reduces business cycle time and simultaneously solves labor shortage problem, and changes in quality of site operation to be factory manufactured prefabrication. The knowledge has been extended from the Company’s expertise in townhouse/single-detached house, under the period of integration of REM Management System with the said new construction technology, and analysis of AIT on earthquake-resistance of that structure.</li> </ul>
	<ul style="list-style-type: none"> <li>The Company advanced the application of BIM (Building Information Management) as an aid in three-dimensional drawing. BIM in technical language is abbreviated from Building Information Modeling. BIM has also reduced drawing conflict that will cause problem during construction procedure, and aided in complete estimation of material quantities and reduced various work procedures to be computerized calculation system.</li> </ul>
	<ul style="list-style-type: none"> <li>For growth support under the Company’s business plan, the Company has invested Bt 2,300m to purchase 130 Rais of land at Navanakorn Industrial Estate in Pathum Thani Province for constructing additional two Pruska Precast Concrete Factories (PCF6 and PCF7). PCF6 is Fully Automated Carousel System Plant which is the Carousel Plant being imported from Germany and having highest production capacity of Bearing Wall of the world, applying computer system in control of every production process. PCF7 is the Pre-stressed concrete Slab &amp; Beam Factory applying Long Bed System as production system which is also the modern technology from Germany.</li> </ul>
	<ul style="list-style-type: none"> <li>The new Pruska Precast Factory at Navanakorn is the first Green Factory in Thailand that contributes to abatement of pollution arising from noise, dust, and waste water. The world most advanced technology and machinery from Germany are applied in this factory. Robot is employed in the production process in order to reduce manpower shortage problem In the production process, the automated system is computer-controlled, resulting in ability to produce above-general standard quality work pieces. In addition, concrete recycling system is applied in order to reuse waste water and concrete debris from working process in the production process once again, resulting in no material leftover from the production and environmental friendliness.</li> </ul>



Year	Significant Development
<b>2013</b>	<ul style="list-style-type: none"> <li>The Company increased the registered capital from Bt 2,213.2m to Bt 2,222.8m from exercise right under warrant for purchase of common shares.</li> <li>The Company increased the registered capital from Bt 2,250.8m to Bt 2,265.8m by issuing additional common shares to support the exercise of right under warrant for purchase of common shares of Prukso Real Estate Pcl. in total of 15,000,000 shares at par value Bt 1 per share.</li> </ul>
<b>2014</b>	<ul style="list-style-type: none"> <li>The “I-Inspection II” program is initially launched to test in the townhouse projects under the brand of “Prukso Ville” in February in order to increase the effectiveness of home-delivery inspection for the customers through tablet instrument. The delivery of home has become faster and satisfactory. Thus, the application of such program has been expanded to other brands within the Company.</li> <li>The Customer-base expansion strategy is applied to other product segments for more coverage. In March, premium single detached house project was launched under “The Palm” brand on Phatthanakan Road, at price range between of Bt 9-25m per unit. Precast has been used at the premium house and well accepted by the customers. The first phase was sold out within a short period of time.</li> <li>Cost management has become more effective. Prukso Precast Technology and Prukso REM (Real Estate Manufacturing) has been applied, contributing to cost control, reduction of business cycle time for low-rise housing from 146 days to 87 days in 2013 resulting in quick house transfer to customers and revenue recognition on target. Moreover, the Company can perform more worthwhile selling pricing than other entrepreneurs that produce the same level of products but with 10 - 15% higher price than Prukso Real Estate Pcl.</li> <li>PCF2 changed its primary production from fence and parapet to produce Bathroom Pad Factory which was started its production in May 2014 under production capacity of 4,000 units/year.</li> <li>The company has used prefabricated bathroom in condominium projects such as Plum Condo Bangyai and Plum Condo Rama 2. The use of Precast bathroom for low-rise projects has also been under study of the Company. This can contribute to shortening of the construction period and better quality bathroom.</li> <li>Two Prukso Precast Factories (PCF) - Navanakorn, PCF6 and PCF7, have partially started its production of Bearing wall, Pre-stressed concrete slab &amp; beam since September 2014 under total approximate production capacity of 480 units/month. After combination with five existing factories at Lamlookka under production capacity of 640 units/month, the Company's total production capacity is high up to 1,120 units/month which is consistent with the launching plan of new project and delivery plan of increasing quality houses to customers in each year.</li> <li>The Company increased the paid-up registered capital according to the exercise right under warrant for purchase of common shares from Bt 2,222.8m to be Bt 2,226.7m.</li> <li>The Company decreased the registered capital by cutting off unsold stock of PS in total of 10,513,200 stocks at par value Bt 1.00 per share and registered for amendment of Memorandum of Association in Clause 4 with Ministry of Commerce to be consistent with decrease of registered capital from Bt 2,265.8m to be Bt 2,255.3m.</li> </ul>

Year	Significant Development						
2014	<ul style="list-style-type: none"> <li>The Company increased the registered capital to support the issuance and offering for sale of warrant in total of 15,000,000 shares from the registered capital amount of Bt 2,255.3m to be Bt 2,270.3m at par value Bt 1 per share.</li> </ul>						
2015	<ul style="list-style-type: none"> <li>In 2015, the company has started its slogan of "Create Value for Customer" to reflect the promotion of Pruksha Value in the area of creative innovation invention for clear application within the organization since the core business is "Creative thinking" behind the valuable products and services which are generally useful for customers and society. The devotion and advancement of ongoing innovation development has caused confidence and acceptance of the consumers on the Company's residences. In 2015, the Company was ranked as the number one in real estate business segment in the area of "Innovative creativity" from BrandAge Magazine and Company Magazine from research "Thailand's Most Admired Company 2015".</li> <li>Due to the Company's customer group expansion plan by focusing on home model to be distinguished from the competitors in the market and support increasing land prices. The Company therefore has firstly developed the 3 storey single detached premium house brand project named "The Plant Elite" on Phatthanakan road with starting price of Bt 9.7m. This project has been well accepted from the customers.</li> <li>The Company increased the paid-up registered capital from the exercise of right under warrant to buy common stock from Bt 2,226.7m to be Bt 2,231.1m.</li> <li>The Company increased registered capital to support the issuance and offering for sale of warrant to buy common stock of the Company to the Company's directors and executives for 15,000,000 units from registered capital of Bt 2,270.3m to be Bt 2,285.3m at par value of Bt 1 per share.</li> </ul>						
2016	<ul style="list-style-type: none"> <li>The Company established holding company under the name of "Pruksha Holding Public Company Limited". The main objective is to increase flexibility of business expansion to new business that can generate continuous revenue and profit in long term Pruksha Holding Public Company Limited will be the listed company in the Stock Exchange of Thailand in the category of real estate business. The Company's securities will be simultaneously delisted from SET and remain mainly operating real estate business under governance of the Board that manages under good governance like nowadays. Three core driving strategies for 5 years ahead to attain the objective of business creation with continuous and sustainable growth are as below: 1. To maintain the leader in real estate market for low to middle income (Value), 2. To increase market share in upper residence market (Premium), and 3. To find the opportunity of new business operation by focusing at the business with continuous secure and sustainable recurring income generation.</li> <li>The Company has developed product brands to satisfy customer demand in all customer groups categorized by product group. In 2016, the Company has adjusted its brand building strategy under emphasis on building strong and potential brand for long-term development as follows:</li> </ul> <table> <tr> <td>Product Brand of Townhouse Group :</td><td>Baan Pruksha, Pruksha Ville, The Connect, Patio</td></tr> <tr> <td>Product Brand of Single Detached House :</td><td>Passorn, The Plant, The Palm</td></tr> <tr> <td>Product Brand of Condominium Group :</td><td>Plum Condo, The Tree, Chapter One Condo, Urbano, IVY</td></tr> </table>	Product Brand of Townhouse Group :	Baan Pruksha, Pruksha Ville, The Connect, Patio	Product Brand of Single Detached House :	Passorn, The Plant, The Palm	Product Brand of Condominium Group :	Plum Condo, The Tree, Chapter One Condo, Urbano, IVY
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Product Brand of Condominium Group :	Plum Condo, The Tree, Chapter One Condo, Urbano, IVY						

Year	Significant Development
<b>2016</b>	<ul style="list-style-type: none"> <li>• The Company has mutually developed modern innovation for residence construction with the expertise of residence innovation from Germany and developed Model Project of “Pruksa Plus House” at The Plant Estique-Phatthanakan 38 to meet the residence demand in all of 4 Consumer Mega Trends consisting of 1. Safety Home 2. Healthy Home which is the home that cares for health and elders and indoor function is designed to facilitate the elders such as slope for wheelchair 3. Green Home where alternative energy is used such as installation of solar cells, Ice Storage / Hot Water Storage System and 4. Smart Home where application is used in control of on-off switch of air-conditioner and indoor CCTV on smart phone, etc.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Due to the Company’s emphasis on applying innovation for quality home, the Company was then awarded for “International Quality Crown Awards 2016” at London, UK. The said award was organized by Business Initiative Directions (B.I.D) which is the organization that gives precedence to and aims at quality and innovation. Pruksa is the only company in Thailand which was awarded for the said award because of remarkableness in applying new innovation and technology in every work process, Pruksa therefore can deliver quality homes to its customers. This was deemed as guarantee of Pruksa residence construction quality in global level stage.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• The Company entered to be the member of “Collective Action Coalition Against Corruption Council” and granted for membership certificate for Thailand’s Private Sector Collective Action Coalition Against Corruption. The Company also organized “Pruksa Corporate Governance Day” or Pruksa CG day 2016 to build self-consciousness to all levels of personnel for transparent operation under good governance by adhering to three following aspects: 1. Governance consisting of good governance responsibility, fairness preservation with all parties, and anti-corruption in all forms, 2. Growth consisting of contribution to corporate creation for sustainable growth, and 3. Process consisting of valuable creative work process and transparent and fair management for every party, and accountability.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• The Company has responded to the government policy by joining “Baan Pracharath” Program through offer of quality houses and condominiums in total value of Bt 4,700m both in Bangkok Metropolitan Region and upcountries to help people have their own residences.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• In community and social responsibility, the Company donated 144 Rais of land in Khlong Sam Sub-district, Khlong Luang District, Pathum Thani Province, to meet the royal speech of Her Royal Highness Princess Maha Chakri Sirindhorn, in extension of the result of Reservoir Rama IX Royal Initiative Project”, to be utilized as Kaem Ling Project to assist the agriculturalists in draught encountering period and to be water catchment place for disaster problem alleviation.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• The Company increased paid-up registered capital according to exercise of right under warrant for purchase of common stock from Bt 2,231.1m to be Bt 2,232.7m.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• The Company decreased the registered capital by cutting off unsold stock of PS in total of 52,616,800 stocks at par value Bt 1.00 per share and registered for amendment of Memorandum of Association, Clause 4 with the Ministry of Commerce to be consistent with decrease in registered capital from Bt 2,285.3m to be Bt 2,232.7m.</li> </ul> <hr/>

Year	Significant Development
<b>2016</b>	<ul style="list-style-type: none"> <li>The Meeting of Shareholders approved on amendment of the requirement on right and duty of debenture issuer and debenture holder according to restructuring plan under the following details: (1) to cancel the requirement of the Company's duty in preserving as the listed company in Stock Exchange of Thailand, and (2) to increase coupon rate of each tranche of related debenture in the rate of 0.1% whereas calculation is started from (and including) delisting date of the Company's common shares from being listed company in Stock Exchange of Thailand.</li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li>To maintain leadership in real estate business and satisfy consumer demand which is changing all the time, the Company therefore has formulated "Pruksa 4.0 Strategy", emphasizing on applying four perspectives of new innovation such as 1) Smart - Product in product development for value addition such as design of indoor function for more customer convenience, 2) Smart - Marketing under marketing basis using Digital Marketing for consistency with life style of customers in digital age, 3) Smart - Home Application where Home Service Application is developed to gather complete services apart from home services such as car wash, beauty salon and laundry services, etc., 4) Smart - Construction where world modern construction innovations of "Pruksa Precast Innovation" and "Pruksa REM (Real Estate Manufacturing) System Construction Innovation" are applied.</li> <li>The Company operates according to a key corporate strategy which is core business expansion in real estate for sale, and base expansion toward customer base group with new income. In this year, the launch of five projects in premium market such as The Reserve Thong Lor, Chapter One Shine Bangpo, The Reserve Phahol-Pradipat, The Reserve Sukhumvit 61, and HOW Phahol - Vibhavadi, has been commenced.</li> <li>The Reserve and Privacy have been reused for condominium project development to extend success. According to launch for sale of this brand in last year and product development in new brand for customer base expansion and townhouse segment penetration in premium market, "HOW" brand has been launched to focus new generation customer group that is interested at residence in the style of Modern Luxury Shophouse.</li> <li>The Company has rebranded Pruksa brand to upgrade brand image level to be fashionable and more styled under "Live Inspired" Concept as your own living model and entirely adjusted the usage guideline of advertising media.</li> <li>The Company was granted for Green Building Standard Certification from German Sustainable Building Council (DGNB) which is the institute of Germany that supervises on green building assessment. "Pruksa Plus House" Home Model at The Plant Estique-Phatthanakan was certified by the Company. Pruksa Real Estate is the first real estate company in Asia that was granted for Energy Conservation Home Certification according to standard of platinum level world institute standard which is the maximum standard of the institute.</li> <li>The Company mutually signed in Memorandum of Understanding with CP All to establish 7-Eleven Convenience Food Store inside all single detached house, townhouse and condominium projects of Pruksa in value business group to facilitate Pruksa customers. The first three 7-Eleven stores are Pruksa Ville 92 Onnut- Suvarnabhumi, Delight Circle - Watcharapol, and Scenery Soi Kaew-In 25.</li> </ul>



Year	Significant Development
<b>2017</b>	<ul style="list-style-type: none"> <li>• “International Star for Quality Award 2017” in class of Platinum was awarded at Geneva, Switzerland due to remarkableness of the Company in corporate cultural promotion in the matter of continuous quality, professionalism and extensive accepted achievement. This was deemed as residence construction quality guarantee of Prukso in global level stage.</li> <li>• “Prukso Family Privilege” Project was launched to offer the customers discount and privilege in the matter of residence that meets the customer needs for every lifestyle under cooperation with more than 108 leading brands of hotel, resort, furniture, furnishings, electric appliances, and restaurant, to offer maximum discount up to 70% and many privileges.</li> <li>• “NACC Integrity Awards” organized by Office of the National Anti-Corruption Commission was granted due to transparent business operation, anti-corruption, and accountability to be in line with the principle of good governance.</li> <li>• Product brands were developed to satisfy demand of all groups of customers under classification of product group.</li> <li>• In 3 February 2017, the Company issued two tranches of debentures in total of Bt 5,000m dividing into 2.9 years and 26 days in value of Bt 2,400m and 3.5 months and 28 days in value of Bt 2,600m and maturity date of debentures is in 2019 and 2020, respectively.</li> <li>• In 15 June 2017, the Company issued one tranche of debenture in value of Bt 2,500m for 3.5 years and 5 days duration and maturity date of debenture is in 2020.</li> <li>• In 19 September 2017, the company issued one tranche of debenture in value of Bt 2,000m for 3.6 years duration and maturity date of debenture is in 2021.</li> </ul>

### 3. Shareholding Structure of the Companies

Pruksa Real Estate Public Company Limited (“Company”) was founded on April 20, 1993 by Mr. Thongma Vijitpongpun under the name of Pruksa Real Estate Company Limited to engage in the real estate development business in type of townhouse, single detached house and condominium. The business has been continuously expanded both in the country and overseas.

#### 3.1 Subsidiaries

The subsidiaries and/or joint ventures are classified into domestic and overseas (particularly those have already been registered for the company establishment).

As on December 31, 2017

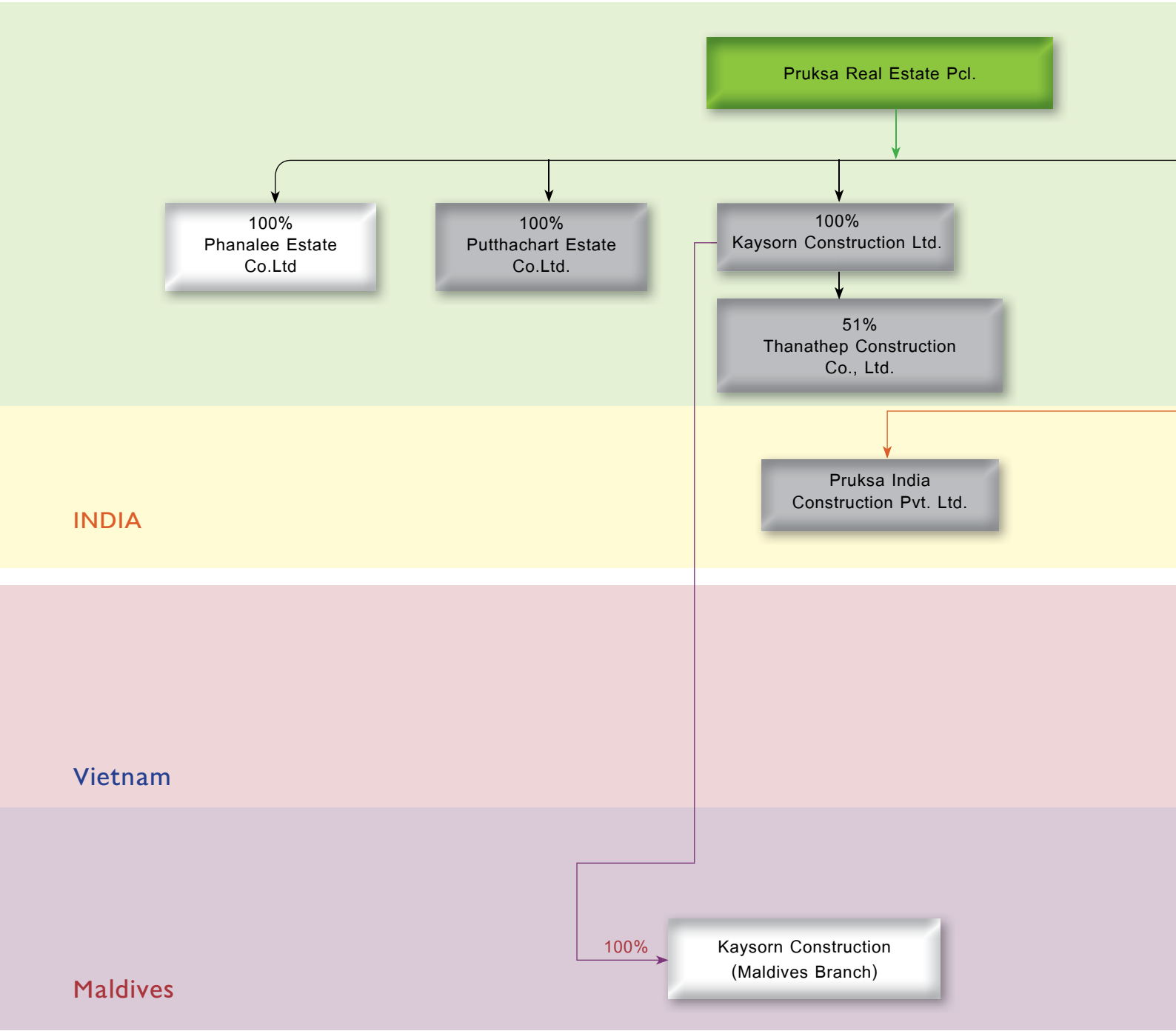
No.	Founding Year	Name of Company / Joint Venture	Location	Registered Capital	Paid-Up Registered Capital	Share Premium	Shareholding Proportion
1.	2005	Kaysorn Construction	Bangkok	Bt100m	Bt100m	-	100%
2.	2006	Puttachart Estate	Bangkok	Bt1,000m	Bt800m	-	100%
3.	2006	Phanalee Estate	Bangkok	Bt1,000m	Bt800m	-	100%
4.	2008	Pruksa Overseas	Bangkok	Bt600m	Bt500m	-	100%
5.	2009	Pruksa International	Bangkok	Bt1,000m	Bt1,000m	-	100%
6.	2009	Pruksa India Housing	Bangalore, India	Equivalent to USD0.6m	Equivalent to USD0.4m	Equivalent to USD19.6m	100%
7.	2010	Pruksa Overseas Services <sup>3</sup>	Bangkok	Bt10m	Bt2.5m	-	100%
8.	2010	Pruksa India Construction	Bangalore, India	Equivalent to USD0.03m	Equivalent to USD0.02m	Equivalent to USD0.09m	100%
9.	2010	Pruksa-Luxora Housing	Mumbai, India	Equivalent to USD1.2m	Equivalent to USD0.01m	Equivalent to USD0.006m	50%
10.	2010	Pruksa - HDC Housing	Maldives	Equivalent to USD10m	Equivalent to USD5m	-	80%
11.	2010	Kaysorn Construction <sup>1</sup>	Maldives	-	-	-	100%
12.	2013	Pruksa Vietnam <sup>2</sup>	Haiphong, Vietnam	Equivalent to USD10m	Equivalent to USD3.56m	-	85%
13.	2013	Thanatthep Engineering and Construction <sup>3</sup>	Bangkok	Bt5m	Bt5m	-	51%

Remark : 1 : It is a branch of Kaysorn Construction Co., Ltd.

2 : The shareholding in Pruksa Vietnam Co., Ltd. was shown according to the shareholding proportion under the agreement which is 85:15 upon completion of shareholding.

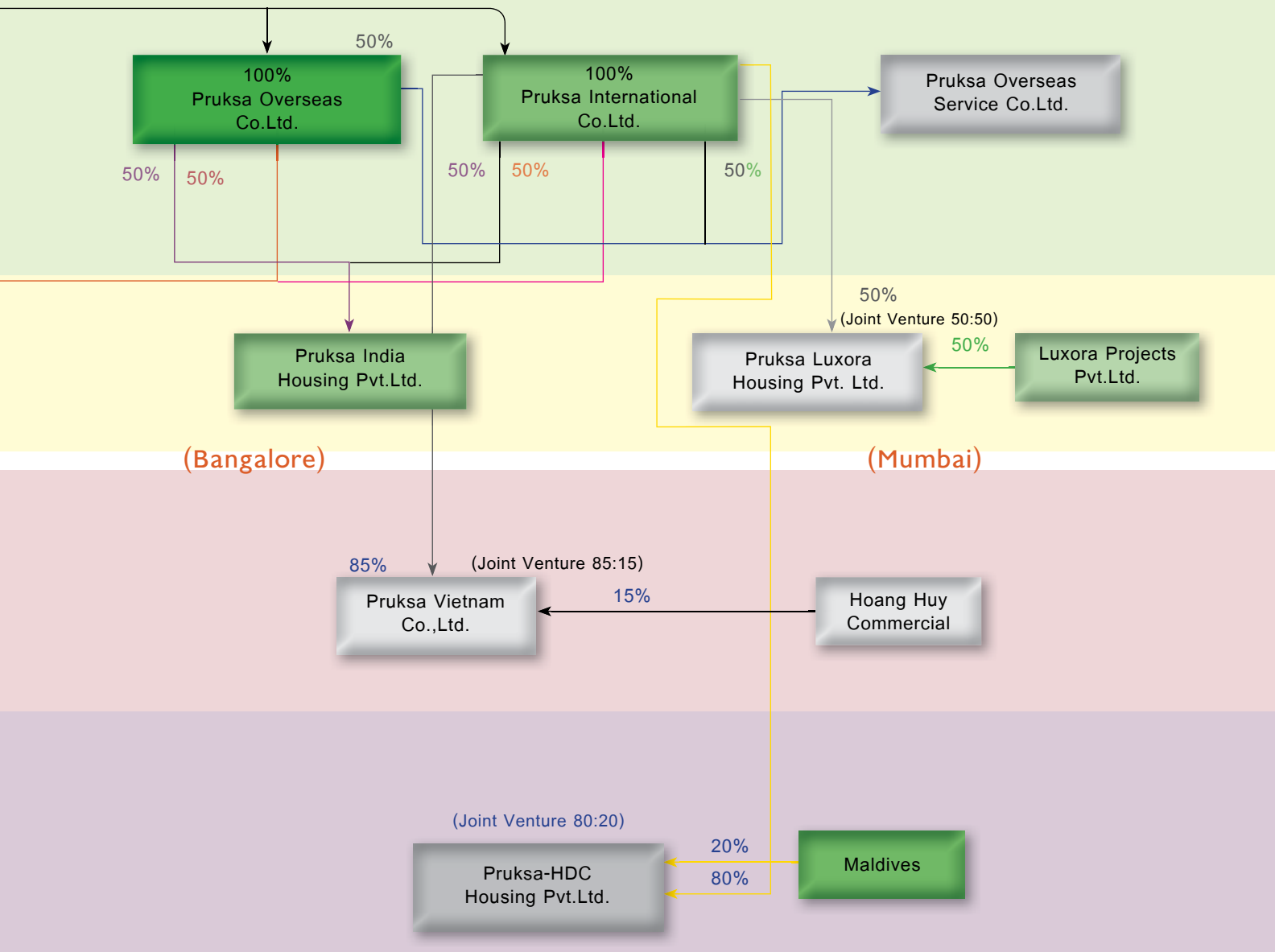
3 : It has been under liquidation.

Subsidiaries Structure



As of December 31, 2017

THAILAND





## Nature of Business Operation

### I. Product Attribute

Pruksha Real Estate PCL (“Company”) operates the real estate development business for residence in three types including single detached house, townhouse/twin house and condominium, under emphasis on project development in every area of Bangkok Metropolitan Region and Central Bangkok District in the locations with high potential and growth. In 2010, the Company started selling projects in upcountry such as Nakhonpathom, Chonburi and Phuket. In 2011, it launched the first project in Khon Kaen and additional project in Phuket for sale. Furthermore, during 2014-2015, the Company expanded low rise products in market with higher price level and improved brand image in order to clearly manage each business group for sustainable and continuous growing business and maintenance of secure financial status. In 2016, the Company developed product brands by adjusting strategy in building strong and potential brand for long-term development. However, the Company has added premium housing market share to cover all customer groups.

Currently, Pruksha Real Estate PCL classifies its core business operation into two groups consisting of Value Business Group and Premium Business Group, which is the real estate development business for sale.

#### Pruksha Real Estate - Value Business

In conclusion, the projects of Pruksha Real Estate - Value Business have been opened for sales under the following names (brands).

Townhouse/Commercial Building	Single Detached House	Condominium
Baan Pruksha	Passorn	Plum Condo
Pruksha Ville	The Plant	The Tree
The Connect	The Palm	The Privacy
Patio		

#### I.1 Townhouse/Twin House/Commercial Building

Pruksha Real Estate - Value Business constructs and develops townhouse projects under different brands and house styles. Townhouse pricing is from 1-5 million Baht and target group of townhouse group product is customer group with low-middle income. The Company has also expanded to quite high income earners who need to own their residences without for speculation, and expanded the projects in upcountries through increase in number of projects to respond economic expansion.

Markets of townhouse, commercial building and twin house have been approximately 20% of housing market from registered house units. The income ratio of Value Business Group from townhouse has been about 50% of income from real estate of Value Business Group.

#### I.2 Single Detached House

The price level for target group of single detached group product of Value Business Group is the customer in core group at price level of 3-7 million Baht. Therefore, the policy of Value Business Group emphasizes on both architectural and engineering design of single detached house by adding innovations and construction techniques to obtain quality house under more effective cost management, enabling to construct houses faster and save cost. The customer then can buy house in more worthwhile price.

Furthermore, Value Business Group has also expanded single detached house market in the market with price from 10 million Baht in addition to the existing project (The Palm). The project development plan has been additionally expanded to 10 million Baht and more of house and land value in 2018.

Furthermore, Pruksha Real Estate PCL also expanded single detached house market with price starting from 10 million Baht additional from the same project (The Palm) which is The Plant Elite. It has been responded so well. Pruksha Real Estate PCL has a plan to expand business with premium projects including house and land with value at least 10 million Baht additionally from 2016. Furthermore, it also expands projects in Bangkok and upcountry by increasing the number to respond needs if the market and to increase growth of Pruksha Real Estate PCL.

The size of single detached market has been approximately 28% of total housing market of registered house units. The income ratio of Value Business Group from single detached house has been approximately 20% of real estate income of Value Business Group.

### 1.3 Condominium

Value Business Group has adjusted marketing strategy and income structure from foreseeing the rapid change of residence need in Bangkok Metropolitan Region together with change of public transportation system such as sky train projects. This has resulted in considerable increase in residence needs of condominium since 2007 with target group of customers who earn low-middle income. Value Business Group has developed project model under the aforesaid brands with price range from 0.7 million Baht to 5 million Baht. After 2012, the economy started to recover from great flood situation, people increasingly needed residence along the routes of sky train, needed second house for occasional habitation, and increasingly travelled to work in Bangkok Metropolitan Region. Value Business Group therefore has entered into customer group under emphasis on location in downtown zone or location nearby sky train or future sky train line such as Sathorn, Saphankwai, Kasetsart University, Charan Sanit Wong Road, etc. Value Business Group will focus on condominium projects with price range of 1-2 million Baht and 2-3 million Baht since the tendency of condominium projects with such price range is the market with continuous high rate of expansion tendency. Moreover, Value Business Group will expand condominium project market in price range of 3-5 million Baht with location nearby sky train line.

The size of condominium market in Bangkok Metropolitan Region has been 51% of total housing market from registered house units. The income ratio of Value Business Group from condominium has been approximately 30% of real estate income from Value Business Group.

### Pruska Real Estate - Premium Business

In conclusion, the projects on sale by Pruska Real Estate - Premium Business under the following brands are as follows.

High Rise (Condominium)	Low Rise (Single Detached House/Twin House, Townhouse, Commercial Building)
The Reserve	The Palm
Chapter One	How*

Note: \*new brand

Prukka Real Estate - Premium Business develops both high rise and low rise premium projects and target group of products is customer group with quite high income earners both for residence and for investment.

The size of the current premium product market has been approximately 30% of total housing market value in Bangkok Metropolitan Region. With premium market potential, the growth of Pruska Real Estate - Premium Business has been considered as the growth of new business that will drive future growth of the Company. Even though, the first market entry has been commenced in 2017, five new projects could be launched and generated total sales of Business Group up to 8,000 million Baht or in the proportion of 17% of total sales of the Company whereas market share was estimated to be 7% of total sales of premium market in Bangkok Metropolitan and Region and total revenue recognition of Business Group was 1,866 million Baht. In the future, project launch has been continuously planned.

Prukka Real Estate - Premium Business uses its strength of project development ability under the following principle.

- To focus on selling point in each project based on location and life style of the consumer (Product Differentiation)
- To control project size and investment for investment distribution and risk abatement to be consistent with the existing marketing gap in each project and area.

The aforesaid strategy is for coping with change of market and competitors which are large entrepreneurs in the same business and outside the business, and Joint Venture (JV) Group and mix used projects that have been emerged nowadays and in the future.

Pruksha Real Estate - Premium Business has developed both high rise and low rise projects. High rise projects have been developed under “The Reserve” brand which is the premium product and “Chapter One” brand which is the mass premium product for middle class group. The character design is performed based on consumer group with different selling point of project pattern. The low rise project has been developed under “The Palm” brand which is premium single detached house in the style of Modern Luxury under project launching plan in 2018, and “How” brand which is the brand in the style of Modern Luxury Shophouse that can satisfy the customer need both in term of commerce and residence under Soft Launch at the end of 2017 with well acceptance.

### Active projects for the Company

Existing residential housing projects as of December 31, 2017 consisted of 181 projects which details are follows;

Active project as of December 31, 2017	No. of projects	Total project Value		Revenue		Backlog		Sold		Unsold	
		Units	(Bt m)	Units	(Bt m)	Units	(Bt m)	Units	(Bt m)	Units	(Bt m)
Baan Pruksha	35	14,002	27,158	5,594	10,797	178	385	5,772	11,182	8,230	15,975
Patio	7	1,517	6,644	485	1,969	28	137	513	2,106	1,004	4,537
Pruksha Lite	1	267	582	166	336	10	25	176	362	91	221
Pruksha Town	10	3,194	9,172	1,284	3,381	35	119	1,319	3,500	1,875	5,672
Pruksha Village	3	375	900	232	550	12	31	244	580	131	319
Pruksha Ville	38	11,221	29,978	4,162	10,347	378	1,090	4,540	11,437	6,681	18,541
The Connect	16	4,657	13,406	2,061	5,935	71	215	2,132	6,150	2,525	7,257
The Plant	2	763	2,977	582	2,189	10	45	592	2,234	171	743
Villette	1	390	961	151	363	-	0	151	363	239	598
<b>Total Townhouse</b>	<b>113</b>	<b>36,386</b>	<b>91,777</b>	<b>14,717</b>	<b>35,868</b>	<b>722</b>	<b>2,047</b>	<b>15,439</b>	<b>37,915</b>	<b>20,947</b>	<b>53,862</b>
Passorn	13	3,582	16,364	1,769	7,308	131	626	1,900	7,934	1,682	8,430
Pruksha Village	12	3,303	12,474	1,124	4,160	46	197	1,170	4,356	2,133	8,117
The Palm (Value Business)	1	120	1,234	25	256	3	32	28	288	92	946
The Plant	15	3,363	15,010	1,612	7,316	118	587	1,730	7,903	1,633	7,107
Pruksha Town	3	568	2,668	226	1,048	3	17	229	1,064	339	1,604
Pruksha Nara	1	300	1,038	181	642	-	0	181	642	119	396
<b>Total Single Detach House</b>	<b>45</b>	<b>11,236</b>	<b>48,787</b>	<b>4,937</b>	<b>20,730</b>	<b>301</b>	<b>1,458</b>	<b>5,238</b>	<b>22,187</b>	<b>5,998</b>	<b>26,600</b>
Fuse	1	815	1,587	681	1,209	7	16	688	1,225	127	363
Plum Condo	8	13,770	21,426	5,022	5,707	3,811	8,001	8,833	13,708	4,937	7,718
Privacy	2	1,655	4,711	-	0	670	1,994	670	1,994	985	2,717
The Tree	5	2,927	8,664	1,008	2,670	1,295	3,846	2,303	6,516	624	2,148
Urbano	1	325	1,367	-	0	157	697	157	697	168	670
<b>Total Condominium (Value Business)</b>	<b>17</b>	<b>19,492</b>	<b>37,755</b>	<b>6,711</b>	<b>9,585</b>	<b>5,940</b>	<b>14,554</b>	<b>12,651</b>	<b>24,139</b>	<b>6,841</b>	<b>13,616</b>
Chapter One	2	2,478	7,381	0	0	1,680	5,058	1,680	5,058	798	2,323
The Reserve	3	556	6,205	0	0	329	3,674	329	3,674	227	2,531
How	1	55	461	0	0	7	62	7	62	48	399
<b>Total Premium Business</b>	<b>6</b>	<b>3,089</b>	<b>14,047</b>	<b>0</b>	<b>0</b>	<b>2,016</b>	<b>8,794</b>	<b>2,016</b>	<b>8,794</b>	<b>1,073</b>	<b>5,253</b>
Almost Closed						66	180				
<b>Grand Total</b>	<b>181</b>	<b>70,203</b>	<b>192,367</b>	<b>26,365</b>	<b>66,183</b>	<b>9,045</b>	<b>27,033</b>	<b>35,344</b>	<b>93,035</b>	<b>34,859</b>	<b>99,331</b>

## 2. Revenue Structure

As of Year 2015-2017 the Company's revenues are divided as follows:

Product Type	Consolidated financial statements					
	Year 2015		Year 2016		Year 2017	
	Bt m	%	Bt m	%	Bt m	%
Townhouse (Thailand)	23,023	44.8	23,529	49.9	22,694	51.4
Single-detached house (Thailand)	10,135	19.7	9,413	20.0	9,159	20.8
Condominium (Thailand)	17,236	33.5	13,849	29.4	12,068	27.4
International	278	0.5	129	0.3	13	0.0
<b>Total</b>	<b>50,672</b>	<b>98.5</b>	<b>46,920</b>	<b>99.5</b>	<b>43,935</b>	<b>99.6</b>
Other revenue <sup>(1)</sup>	568	1.1	6	0.0	0	0.0
<b>Revenue from sale of real estate</b>	<b>51,240</b>	<b>99.6</b>	<b>46,926</b>	<b>99.5</b>	<b>43,935</b>	<b>99.6</b>
Other income	198	0.4	247	0.5	178	0.4
<b>Total revenue</b>	<b>51,438</b>	<b>100.0</b>	<b>47,173</b>	<b>100.0</b>	<b>44,113</b>	<b>100.0</b>

Remark : (1) Other revenue is composite of revenue from sales of raw lands and revenue from construction

## 3. Marketing and Competition

### 3.1 Marketing Policy

The Company formulates a policy and strategy to promote distribution as follows.

**Product Strategy:** In 2017, the Company is unceasingly determined to develop residence to meet consumer behavior in every era, and communicate with consumers via “Invisible Care” campaign that “even though it is unseen by you but we have never overlooked” due to the Company’s foresight beyond basic demand of the consumers and attention on small issues that may be unseen or overlooked by the house buyers in order to be new standard of habitation. Various people may give precedence to house style and design but forget important matter that should be mostly careful. The said matter is house structure that must be strong and safe. However, the Company constructs with Safety Home Innovation for house strength and safety with increase of pile length at the back of house, contributing to strong house without collapse risk. The company has created Green Home, the energy-saving home, with increase of Sky lights, contributing to delivery of natural light into house and resulting in non-pitch-dark house, reduction of electricity consumption, saving of electricity bill, and also saving of our world. Due to the Company’s understanding on living, easiness is increased with Smart Home Innovation that can control function of indoor electric appliances and check indoor movement by burglar alarm system equipped with surveillance camera unit via everyone’s mobile phone with comfort despite of not staying at home. Today’s consumers have given precedence to health care, the Company therefore uses construction materials and allocation of common area inside the project until becoming Healthy Home Innovation. It is the health care home that contributes to heat extraction, humidity reduction, and bad smell reduction, and has bicycle lane and racetrack which is actually usable, resulting in quality habitation and more healthiness upon long habitation.



**Price Strategy:** The Company is aware of purchasing power of the consumer group with low to medium income which is the main basis of Thailand and the group of main customers of the Company who are unsure and concerned about their insecurity of financial stability in purchasing their residences. The Company therefore gives precedence to construction cost management as the leader of technology and construction management process with Precast System and REM (Real Estate Manufacturing) and enable to set selling lower price than general entrepreneurs about 10-15% for townhouse and single detached house.

**Advertisement and PR Strategy:** The Company has improved the clarity of Brand Vision for advancement to cope with Business Move under brand target from 'Top Sales Brand' in Mass Market Segment to be 'Top of Mind Brand' in every target group. Mind and emotional value addition is extended from the Company's ability to continuously carry mass market's favors from brand with utility strength for market base expansion both in image and sales through Communication Design Concept. As at Prukso..., we do not build house just for living but we build inspiration area for better living of everyone, and communicate the matter of inspiration creation to the group of people in different context (Communicate INSPIRING content certain Living Content) by key communication message which is Live INSPIRED. A Drive for BETTER Living fulfills inspiration for driving better living.

The said concept was developed to be three stories of motion pictures in advertising for communication with three groups of target customers that differently perceive value of life such as Be Stable Group, Be Myself Group, and Be Wealthy Group. This campaign (Inspirer) communicates to demonstrate that house can be inspiring place and trigger off the resident's dream to do what he/she desires to do, and create living model by him/her. However, the story and atmosphere of motion pictures in advertising are presented to reflect new image (Mood&Tone) for distinctness and change in the existing Prukso Brand Personality.

Both offline and online communication channels have been integrated in order that each media can perform function of access to all three groups of target customers in creating awareness in broad area and creating content understanding to be consistent with the interest of each group for maximum effective spending of communication budget and extension of communication channels via public relations.

**Distribution Strategy:** The Company launched three campaigns of sales promotion activities such as (1) "Best Buy Moment" (Lucky draw to win gold) for the fourth time, (2) "Big Luck Big Life" (Big happiness to be granted for right of lucky draw to win 10 cars) and (3) "Prukso Wonder move" (Bt 1 m of maximum discount for ready house for living) so that the consumer has chance to consider selecting house which is proper for his/her demand and also has chance to win the grand prize. The customer can visit to select and purchase via distribution channel at sale office of the Company more than 160 projects throughout campaign period. According to the consequence evaluation on all three campaigns, the Company found that the said campaigns could promote sales and total transfers on target under effective budget spending management.

In addition, the Company also participated in the events organized by real estate association such as house and condo expo at Queen Sirikit Convention Center, etc., along with campaigns of sale promotion by giving privileges for employees of private companies, financial institutions and government sectors that signed as an ally with the Company to extend customer base and increase more competitiveness. For other distribution channels, the Company also selected houses being offered for sale in special price of "Hot deal" on website of Prukso.

## 3.2 Market Situation and Competition Condition

### Summary of Thai Residential Market Situation in 2017

In 2017, the continuous recovery of the world economy has affected recovery of Thailand export sector, continuous expansion of consumption and investment of private sector particularly in the group of automotive industry, satisfactory expansion of tourism sector, and clear progress of infrastructure investment policy. All of which has been considered as main driving force of economy in last year while purchasing power of most household has still decelerated to be the obstacle of spending from high level of increasing accumulated household obligation as well as tendency of stagnant household income from non-increasing tendency of the price of agriculture goods and wage of non-agricultural sector.

The aforesaid resulted in less growth of overall residential market of the whole nation in 2017 except Bangkok Metropolitan Region market with high growth up to 19%.

The value of ownership transfer for Thai residence in 2017 was approximately 636,380 million Baht under the proportion of Bangkok Metropolitan Region for 63% in maximum, eastern region for 12%, southern region for 8%, northern region for 7%, central and northeastern region for 5% in each region.

**Table 1 : Value of ownership transfer for Thai residence in 2017 categorized by regions**

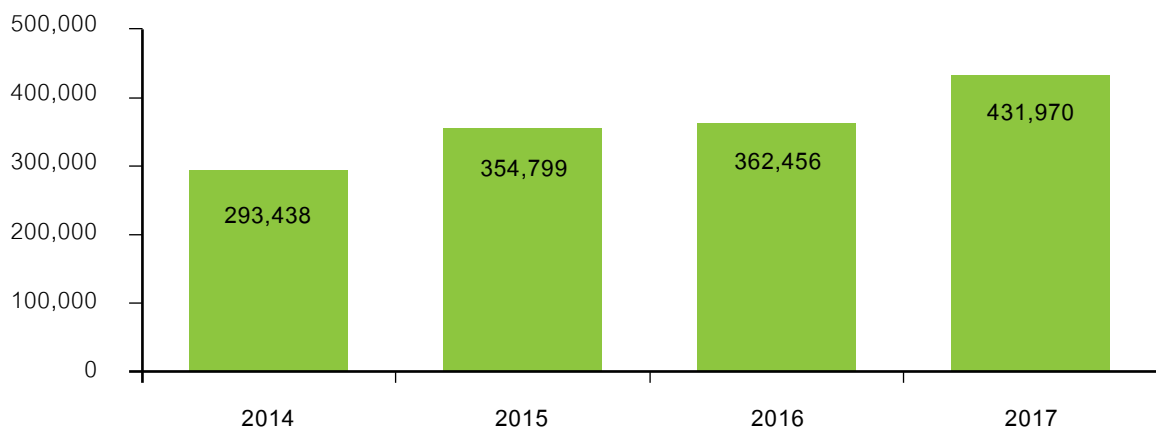
Year	North	Northeast	Central	East	South	Bangkok Metropolitan Region	Nationwide
2017	44,940	32,074	30,886	79,527	48,411	400,542	636,380
Proportion in Percentage	7	5	5	12	8	63	100

Source: Analysis by New Business Development and Strategy Line, Pruksha Real Estate Public Company Limited

#### Residential Market Situation in Bangkok Metropolitan Region

The residential market in Bangkok Metropolitan Region in 2017 from existing high level of household debt affected middle-low class customer groups, resulting in adjustment of strategy by the entrepreneurs in deceleration of project launches in the said price levels and focus on middle-high end level project launches, sales promotion program for customer group with good financial potential, and continuous expansion into customer group which is foreign investor group. The aforesaid resulted in increase of overall residential purchasing power for 19% when compared with 2017 with value of 431,970 million Baht.

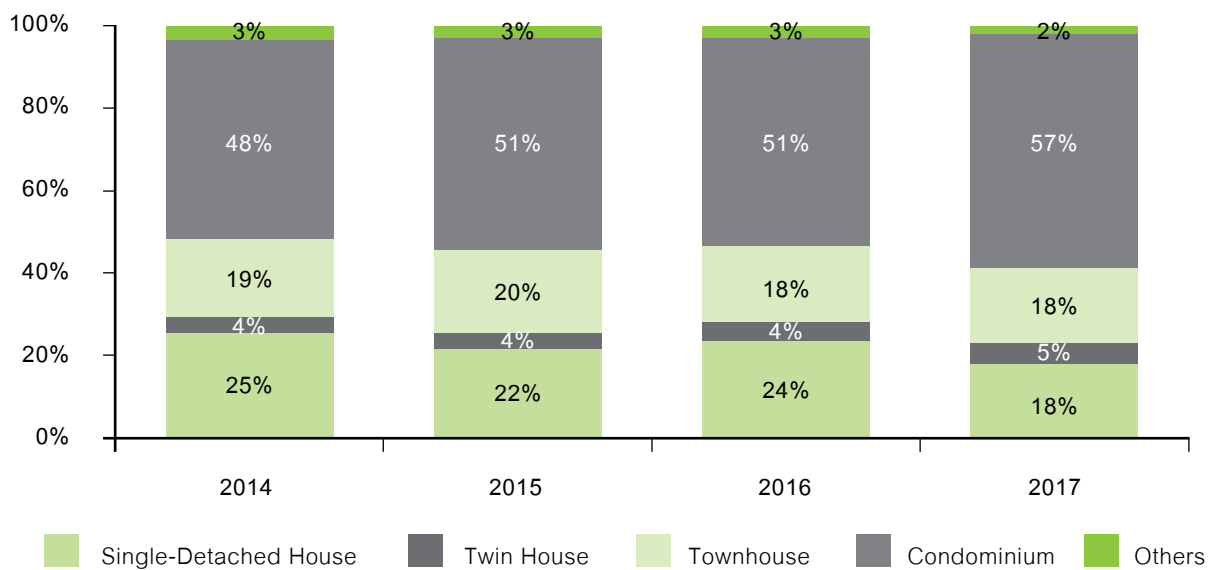
**Diagram 1 : Value of residential market in Bangkok Metropolitan Region during 2014-2017**



Source: New Business Development and Strategy Line, Pruksha Real Estate Public Company Limited

The proportion of condominium and twin house market increased for 57% and 5% (respectively). The proportion of townhouse market was equal to the proportion in 2016 at 18% and the proportion of single-detached house decreased to be 18%.

Diagram 2 : Proportion of residence type in Bangkok Metropolitan Region during 2014-2017

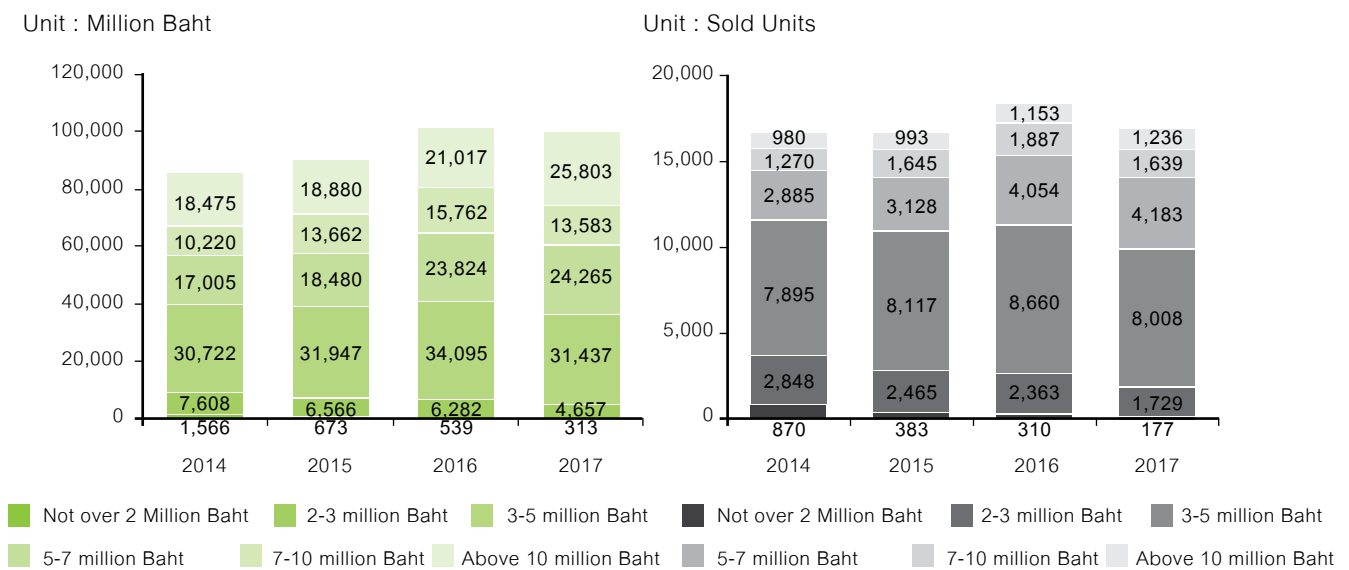


Source : New Business Development and Strategy Line, Pruksa Real Estate Public Company Limited

#### Single-Detached House (including Twin House) in Bangkok Metropolitan Region

The value of single-detached market (including twin house) in Bangkok Metropolitan Region in 2017 was 100,059 million Baht, decreasing for 1% from 2016 due to deceleration in price level of 7-10 million Baht and price level of below 5 million Baht, and decrease in price level of below 2 million Baht and price level of 2-3 million Baht for 42% in maximum and 26% (respectively). The market proportion of price level of 3-5 million Baht was highest at 31% of total single-detached market (including twin house) value.

Diagram 3-4 : Market value and sales (number of units) for single-detached house (including twin house) in Bangkok Metropolitan Region during 2014-2017



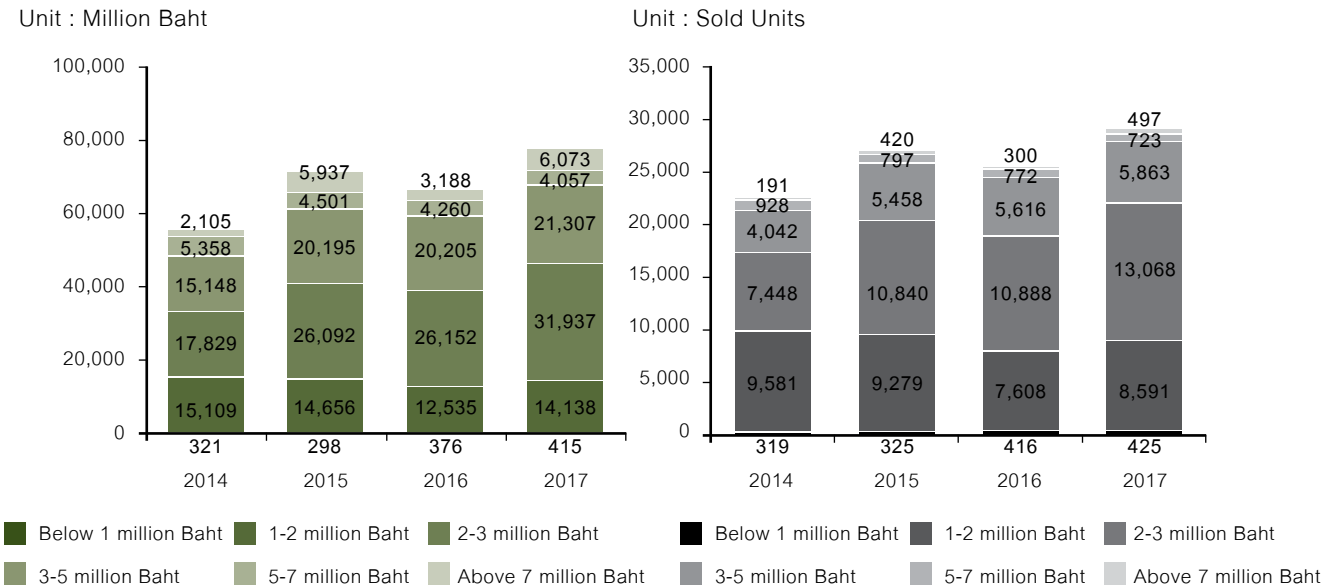
Source : New Business Development and Strategy Line, Pruksa Real Estate Public Company Limited

When compared with average sale price in 2017, average sale price increased for 7% at 5.9 million Baht (in 2016, average price was at 5.5 million Baht) due to increase in price of single-detached house (including twin house) of the newly launched projects.

#### Townhouse Market in Bangkok Metropolitan Region

The value of townhouse market in Bangkok Metropolitan Region in 2017 was 77,927 million Baht with increasing growth for 17% from 2016. Pruksa Real Estate Public Company Limited has still maintained market share at 23% and still dominated highest market share as the leader of townhouse market at price level not over than 5 million Baht with proportion at 87% of total townhouse market.

Diagram 5-6 : Market value and sales (number of units) of townhouse in Bangkok Metropolitan and Region during 2014-2017



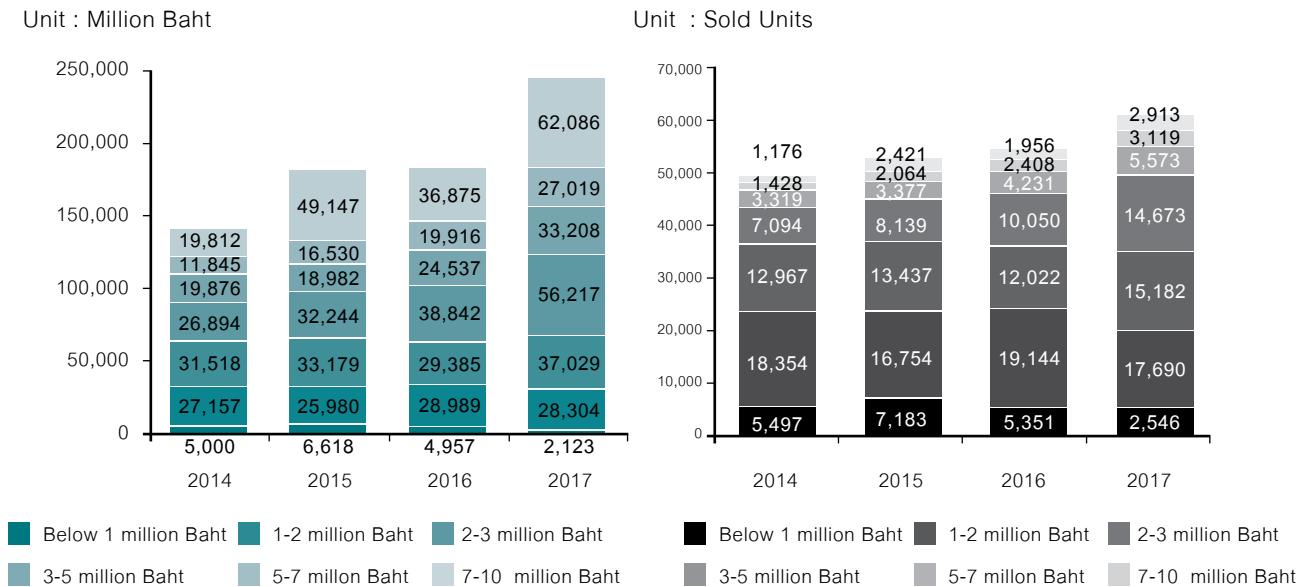
Source: New Business Development and Strategy Line, Pruksa Real Estate Public Company Limited

When compared with average sale price in 2017, average sale price slightly increased to be 2.7 million Baht (in 2016, average sale price was at 2.6 million Baht) due to slight increase in price of townhouse of the newly launched projects.

#### Condominium Market in Bangkok Metropolitan Region

The household debt and NPL problems have still continuously been in high level since 2016, affecting middle-lower class purchasing power in applying for housing loan and resulting in commencement of deceleration signal in the rate of absorption of newly launched projects in 2017 in the price level below 3 million Baht. Risk from transfer has been exposed by several entrepreneurs by starting to encounter the problem of transfer which is below target, resulting in strategic adjustment of the entrepreneurs to develop condominium projects in order to support demand of middle-high end class customers in the locations of downtown, business center, luxury residential are, and skytrain area where are always the districts with demand. In addition, the entrepreneurs have continuously expanded customer base to be the foreign investor group, resulting in increase in growth of the overall condominium market for 34% from 2016 with value of 245,985 million Baht.

Diagram 7-8: Market value and sales (number of unit) of condominium in Bangkok Metropolitan Region during 2014-2017



Source: New Business Development and Strategy Line, Pruksha Real Estate Public Company Limited

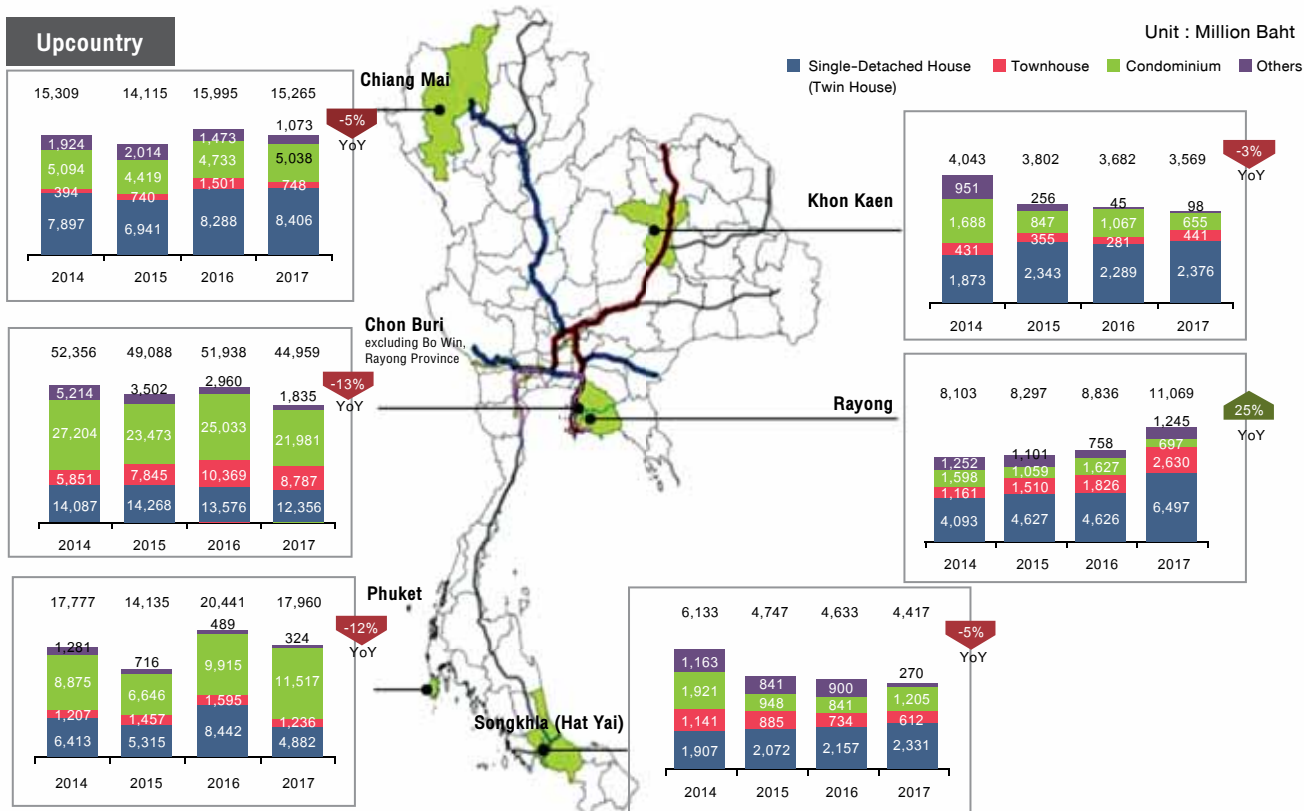
When compared with average sale price in 2017, average sale price increased for 20% at 4.0 million Baht (in 2016, average price was at 3.3 million Baht) since most of condominium projects were launched at sale price over than 3 million Baht which have been large number of luxury projects.

#### Residential Market Situation in Upcountry

Due to agricultural sector impact from decline in price of agriculture goods and high level of household debt problem, it resulted in slight deceleration of the overall residential purchasing power in five main provinces such as Chiang Mai, Chon Buri, Khon Kaen, Phuket, and Songkhla (Hat Yai) in 2017. However, it was found that the growth of condominium market in tourism sector provinces such as Phuket, Chiang Mai and Chon Buri which were the provinces with slight growth was mainly from foreign investor group.

For Rayong, the residential market particularly in low-rise residence has been affected from clearness of Eastern Economic Corridor (EEC) Area Development Policy to be increased for 42% or estimated value of 2,675 million Baht. Total value of residential market of main six provinces in 2017 was at 97,239 million Baht.

Diagram 9: Value of residential market in 6 major provinces during 2014-2017



Source: New Business Development and Strategy Line, Pruksa Real Estate Public Company Limited



### 3.3 Trend of Real Estate Development Business for 2018

The following table is the summary of key economic indicators of Thailand in 2014-2018.

Significant Information of Thai Economy	2014	2015	2016	2017F	2018F
Growth Rate of Gross Domestic Product (YoY%)	0.8	2.8	3.2	3.9	3.6-4.6
Gross Domestic Product for the Current Year (Trillion Baht)	12.91	13.67	14.37	15.26	16.26
Average Inflation Rate (%)	1.9	-0.9	0.2	0.7	0.9-1.9
Policy Interest Rate (%)	2.00	1.50	1.50	1.50	1.50
1 Year-Term Bank Deposit Interest Rate in average of five big banks (%)	1.73	1.40	1.40	1.40	N.A.
Minimum Loan Rate (MLR) in average of five big banks (%)	6.94	6.68	6.43	6.32	N.A.
Average Baht Value (Baht per USD)	32.48	34.29	35.29	34.00	34.0-35.0
Forex Reserves (Thousand Million USD)	157.11	156.51	171.85	202.56	196.00

Source: IMF, World Bank, Bloomberg, Office of the National Economics and Social Development Board, Bank of Thailand

The expansion on the overview of Thai economy in 2017 was anticipated to be 3.9% consisting of the expansion in export value at 8.6%, private consumption and total investment at 3.2% and 2.0%, respectively, average general inflation rate at 0.7% and surplus current account at 10.4% of GDP.

The Office of the National Economics and Social Development Board anticipated the trend of Thai economy in 2018 that it will be expanded at 3.6-4.6% whereas the important supporting factors being continual from 2017 included (1) expansion of the world economy in satisfactory criteria, (2) driving force from public sector investment with accelerating trend according to the progress of the significant investment projects and increase in investment budget framework, (3) improved adjustment of private investment, (4) expanding trend of significant economic fields in continual satisfactory criteria, and (5) adaptation of employment and income base of people in economic system in better direction. However, the expansion was anticipated in export value of goods at 5.0%, private consumption and total investment at 3.1% and 5.5%, respectively, average general inflation rate in the interval of 0.9-1.9%, and surplus current account at 8.1% of GDP.

#### Thai economy supporting factors in 2018

1. The economic direction in 2018 from continuous satisfactory expansion of world economy and export has resulted in upward acceleration of industrial sector and more economic promotion, along with progress of government investment in important investment projects and framework of increasing investment expenditure budget.
2. The rate of production capacity utilization of the export industry sector has been continuously increased due to interest of the foreigners to invest in Eastern Economic Corridor (EEC) Projects and due to entry of e-commerce business group to penetrate into Thai consumer markets, leading to investment demand in various areas such as transportation, goods storage and distribution, data collection and analysis, etc.

3. Private sector investment has gained supporting factors from investment promotion policies whether BOI, Eastern Economic Corridor (EEC), and Public Private Partnership (PPP), and being the companies in the industry with tendency of satisfactory growth in service category such as communication and telecommunication, construction of big projects, and industry category such as automobile, electronics and petrochemical.
4. Tourism sector has still tended to be expanded in satisfactory criteria according to recovery of the world economy both in main economic countries and important countries in Asia, and government promotion measure.
5. It was anticipated that the interest rate under the policy of Bank of Thailand has not yet been increased and remained at 1.5%, contributing to well stimulation of consumption sector and real estate sector.

#### Risk factors that may affect Thai economy in 2018

1. Household income has tended to be decelerating due to declining price of agriculture goods. The agricultural sector has been affected after cancellation of agriculture goods subsidy measure in accompany with draught state in the previous period that has caused output lesser than expectation, resulting in income impact and increase in obligation of agriculturalists. The price of agriculture goods was anticipated to be steady in low level.
2. The existing high level of household sector debt has restricted new debt incurrence and the financial institution has still been strict to loan granting, affecting access of people to housing loans.
3. Increase in minimum rate of labor wage has affected increase in labor cost for 2.6%, resulting in higher cost burden of business sector and industrial sector that directly utilizes labor such as construction business, retail and wholesale business, textile business, and agricultural sector, etc.

#### Tendency of Residential Market in 2018

According to supporting factors of residential market, the Company anticipated tendency of Thai economy in 2018 as follows:

- 1) The 44 transportation investment projects with approximate investment value of 1.9 trillion Baht will result in the tendency of continuous expansion of government investment in term of infrastructure of transportation such as double-track railway, electric train in urban area, and motorway connected with big city projects.
- 2) Eastern Economic Corridor (EEC) Infrastructure Investment Project in the limit of 1 trillion Baht and promulgation plan for Eastern Economic Corridor Act within the first quarter of 2018 will contribute to enhancement of confidence to investors that will enter to invest in the said area.
- 3) Ministry of Finance anticipated growth rate of GDP at 3.8% and approximate increase in general inflation rate for 1.4.
- 4) Tourism sector has still tended to be expanded in satisfactory criteria according to recovery of world economy both in major economic countries and important countries in Asia, and government promotion measure.
- 5) The investment of private sector and export has tended to be continuously expanded. Due to the said factor, it has reflected good signal of economic expansion of the country.

At the time that the challenge of real estate sector has been high level of household debt level and Non-Performing Loan (NPL) level factors, the said challenge has resulted in strictness of financial institution in granting housing loan. Therefore, it was anticipated that the tendency of residential market in Bangkok Metropolitan Region in 2018 will be expanded for 10% with approximate market value of 474,000 million Baht. The average sale price of low-rise residence has been increased and fluctuated according to increase in land cost, construction cost and labor cost. While condominium market has still dominated highest market proportion for 55-60%, the residential market in upcountry where are the main provinces will be steady equaling to 2017. Except main provinces in tourism sector and industrial sector, it was anticipated for continuous expansion in 2018.

#### 4. Product or Service Provision (All Products)

##### **Land Purchase**

If Pruska Real Estate PCL (“Company”) is interested in construction and land development in any area, it will conduct feasibility study of the project by surveying market situation and competition situation, as well as needs of customers in target area where project will be implemented. After that, the Company will negotiate land purchase by buying land from the owner or agent of land for further development. The Company will compare land price with estimated price or market price to ensure that the purchasing land is not too expensive.

##### **Construction Material**

As the Company manages construction in projects by itself, it purchases construction materials after purchase division receives details of construction material required for use in projects. Mostly, purchase division contacts construction material manufacturers directly to check price of construction materials which will be purchased. The Company will get quite high discount due to purchase of construction materials in large amount. Upon agreement on quantity and price of construction material with the manufacturers, the Company orders construction materials via manufacturer agents to deliver them to projects directly. The Company’s credit term of construction material payment is in the range of 30-60 days. Furthermore, after 2006, the Company reduced risk of construction material by changing the way of purchasing main materials in construction such as cement, steel, tile and cable, etc. under bidding and long-term price agreement such as 1 year or 3-6 months. This resulted in the Company’s reduction of risk in price fluctuation. Good relationship between the Company and construction material distributors causes the Company enable to order construction materials in required quantity without problem of construction material shortage. However, the Company particularly relies on none of any construction material distributors and it also created the system of planning on usage requirement for every type of important main materials in consistency with business expansion plan to ensure that the Company has sufficient materials for continual usage and plans to search the major and minor trade partners of materials effectively.

In addition, the Company developed the trade partner searching and assessing process for transparency and acquisition of potential trade partners to support works. It also implemented e-Auction system for fair quotation for trade partners and for acquisition of reasonable prices.

##### **Construction Contractor**

The Company is one of few real estate developers that can manage construction by themselves. In operating project, it defines the project pattern and design detail in part of project construction. The Company manages construction works by itself without dividing works such as foundation work, cement work, building part installation, flooring work, tiling work and roof work, etc. The Company employs the contractor with specific expertise to be in charge of such works and controls construction by itself through sending the Company’s employees which are engineer and foremen to inspect according to determined specification and standard. However, the Company supplies construction materials by itself so it could manage construction cost effectively.

##### **Production Technology**

The Company applies construction technology to support house construction. In part of townhouse, two structure systems are applied including: 1. Cast-In Situ Load Bearing Wall using Tunnel Technology, and 2. RC Load Bearing Wall Prefabrication using Precast Technology for construction of two-storey townhouses. For single detached house, it applies RC Load Bearing Wall Prefabrication Technology or Precast Technology which is the application of fully precast load bearing wall structure system. In part of large and small condominium projects, the Company applies Full Precast System which is its strength for constructing the entire project. Besides elements produced from modern factory are quality both in attractiveness and strength, they can effectively contribute to accurate and rapid construction process, reduction of error caused from operation during construction due to skilled labor, as well as mitigation of labor shortage problem in the market.

In 2014, the Company applied prefabricated bathroom innovation in construction process particularly in low rise condominium construction and the first project was “Plum Condo”. The use of the said bathroom can reduce duration and complicated procedures in constructing bathrooms in condominium, improve quality in particular, with exquisite and valuable style in the customer perception, resulting in creating maximum customer satisfaction.

In 2015, the Company conducted research and development of prefabricated bathroom innovation for townhouse and single detached house projects by hiring an expert consultant from foreign country to join the test and design of prefabricated bathroom factory with automatic production process. According to production of prefabricated bathroom from factory and installation in work site, quality, cost and beautiful model of bathroom in every house can be controlled for delivery of highest quality houses to its customers.

In 2016, the Company firstly implemented Fully Precast System and prefabricated bathroom for high rise condominium construction with 38-storey Plum Condo Central Station Project. The said system contributes to considerable reduction of construction duration, and strong attractive styled, and good quality, and valuable products, resulting in creation of maximum customer satisfaction.

In 2017, the Company extended the implementation of Fully Precast System in low rise construction in townhouse business group for all new projects and single detached house business group, contributing to considerable reduction of construction duration, and strong attractive styled and good quality, and valuable products, resulting in creation of maximum customer satisfaction.

With above production technology and construction process development, the Company can adjust business operation cycle (from reservation date to transfer date) to be continuously faster. In 2013 - 2016, the Company's business operation cycle was from reservation date to transfer date as follows.

Units: Day	2013	2014	2015	2016	2017
Townhouse and Single Detached House	146	87	79	77	73
Condominium	780	817	739	631	619

## Environmental Impact

The residences and public utilities of the project are constructed under control of the Notification of Ministry of Natural Resources and Environment such as specification of principles, methods, regulations and guidelines of making environmental impact assessment report issued by virtue of National Promotional and Reserved Environment Act B.E. 1992. Under such notification, the company that develops estate for residence or commercial business in at least 500 plots or space more than 100 Rai must prepare environmental impact assessment to propose in procedure of asking for permission of estate development according to Estate Development Law. Before starting construction, such report shall be submitted to Office of Natural Resources and Environment Policy and Planning. In this part, the Company has already prepared EIA Report in accordance with the law and such report is prepared by external experts.

Moreover, in constructing residence especially single detached house that may have environmental impact. The most important thing is wastewater treatment system. The Company therefore provides wastewater treatment system for each house and central wastewater treatment system so as to prevent impact on public water sources.

Every condominium project of the Company shall prepare Environmental Impact Assessment (EIA) Report by external expert and submit the said Report to the Office of Natural Resources and Environment Policy and Planning before construction commencement. The environmental expert shall collect data to conduct public hearing, analyze impact as the result of project from the period of construction and building opening for use, determine environmental control measure in accordance with the criteria of the Office of Natural Resources and Environment Policy and Planning and senior professional level from relevant government agencies.

In part of the Precast Concrete Factory, it is under control of Factory Act B.E. 1992 and the Company has set standard and method of emission control for waste, pollution and anything affecting environment as a result of the said factory business operation. The Company has formulated control measure in the matters of environmental impacts as the result of the said factory business operation to create confidence that the Company operates with environmental responsibility.

Three types of the Company's pollution control measures include: (A) wastewater from concrete production process is controlled to flow into precipitation sump before stone and sand sorting for reuse. Such wastewater is reused for production without emission of wastewater to the community or public land; (B) air pollution is controlled by spraying water in the area of concrete mixing factory while adding stone and sand to the stock pile, and also spraying water during rinsing stone and sand in order to enter into concrete mixing process to prevent dust that disturbs nearby community and in the factory. In addition, the production process is also installed with dust collector and floor cleaning machine to reduce dust left in building. For all road surfaces in factory area, they are sprinkled with water before sweeping to prevent dust diffusion; (C) noise pollution is controlled whereas the said noise pollution is mostly originated from concrete compaction machine. In 2008, the Company installed Noise Barrier to absorb noise occurred from production and later ordered new concrete compaction machine using Shaking System instead of Vibrating System which was the old system. The new system can reduce intensity of sound substantially. Moreover, the Company also measures sound loudness level both inside the factory and nearby community every year.

In 2014, the Company constructed Prukha Precast Factory in Navanakorn which is the first Green Factory (Precast Concrete Factory) of Thailand. It implemented environmentally-friendly production system consisting of: (A) Wastewater Management System for wastewater of Batching Plant, rinsed water in precast concrete production process, as well as concrete scraps that has high alkalinity, causing intoxication to environment. The Company thus constructed precipitation sump and used Concrete Recycling Machine to recycle treated water from precipitation process into concrete production process again. Stone and sand that which are separated can be reused as ingredients of concrete, resulting in no material scraps left from production; (B) Dust Protection System was installed with Dust Collector, Shuttering Cleaner with Dust Collector, and Pallet Cleaner with Dust Collector. Close-System Batching Plant (Tower Plant) was selected whereas Conveyor conveys stone, sand and cement in close-system to prevent diffusion of dust from stone, sand and cement that may occur from production process; (C) noise impact protection and mitigation using Shaking System instead of Compacting System (Concrete Shaker) to prevent noise pollution in the factory.

In 2015, Prukha Precast Factories including factories in Lamlookka and Navanakorn were certified for Green Industrial (GI) Level 2 from Ministry of Industry. The factories started implementing Solar Cell System with Lighting System and Water Pump System to reuse water for watering trees and garden care in the area of the factories to reduce electricity resource consumption, and to worthily consume water resource.

In 2016, Prukha Precast Factory in Lamlookka implemented Wastewater Management System with wastewater of Batching Plant, rinsed water in precast concrete production process, as well as fresh steel scraps. The Company constructed precipitation sump and used Concrete Recycling Machine to recycle treated water from precipitation process in concrete production process again. The sand and stone which are separated can be reused as ingredients of concrete again, resulting in no material scraps left from production. The Company invested in construction for 20 million Baht in total and the construction was completed in December 2016.

In 2016, Prukha Precast Factories including factories in Lamlookka and Navanakorn were certified for Green Industrial (GI) Level 3 from Ministry of Industry. Both factories operate their production under systematic environmental management, continuous monitoring and assessment, and review. In the meantime, Solar Cell Lighting System was invented for Wastewater Treatment System of the project and juristic person office. Clean natural energy is consumed using solar energy to substitute electrical energy in primary form, enabling to effectively reduce electrical energy consumption and to be environmentally friendly. However, the Company formulated the policy that the said project will be implemented in every new project.

## 5. Production Management

- Most materials are cement, stone, and steel that can be generally purchased from nationwide manufacturers and distributors. Since 2006 onwards, the Company used the selection strategy for construction material sellers through bidding method in a year or possibly shorter period as deemed proper for constant construction cost of the Company all year long.
- There are approximately 2,500 contractors in the system of the Company.
- The Company develops relationship with the contractor in major works that are needed in market such as piling works, or building construction contracting works to be trade ally to support expansion of the Company according to future plan.

### 5.1 Construction Management - Townhouse

Pruksa Real Estate PCL divides the construction management into 2 management divisions as follows:

- Construction Management Division performs duties to supervise and operate the construction of every construction project to be in accordance with specified plan and patterns. It also monitors expenditures to be within budget and coordinates with Budget Division of the Company.
- Quality Assurance Division performs duties to inspect quality of each constructed house to meet the specified standard.

In addition, the Company also has central support division in managing construction works with duties to support in part of townhouse and single detached house. Such division includes

- Contractor Recruitment Division performs duties to recruit a specialized contractor and labors to support construction works in required amount of each project.
- Purchase Division performs duties to purchase materials used in construction to support more flexible and effective construction management. In 2013, the Company restructured internal management by transferring the following support divisions to be managed by each business unit.
- Research and Development Division performs duties to adapt suitable technology in design and construction.
- Engineering Division performs duties to design and solve technical problems.
- Project Development Division performs duties to coordinate and mutually develop residence designing in projects.

*House Designing:* In designing houses of each project, the marketing and sale department will coordinate with project development division to define approaches, attributes and conceptual design of the houses to be constructed in each project as well as budget and technique for house construction. After that, Project Development Division assigns an architect to design houses according to the said approaches, attributes and conceptual design. When Project Development Division deems that the house drawing designed by the architect is suitable, the architect will carry out detailed design for complete house drawing before construction startup of the Company.

In constructing townhouse, the Company divides construction works into production line. Each production line can construct approximately 21 two-storey townhouses per month. In each project, there may be more than one production line depending on size of the project. The Company will send about 10 employees/production line to supervise construction works. Those employees consist of project manager as project supervisor, project engineers, field engineers and construction controllers that supervise construction works in each stage of works and supervise and control the specialized contractor employed by the Company to perform works which are minor details such as piling work, foundation work, building member installation,

roof work, architectural work, electricity and water supply works. However, the Company employs a specialized contractor and day laborers in the quantity deemed proper in each production line. During construction, Quality Control Division will periodically inspect quality of houses and inspect quality when houses are completely constructed before offer for sale or delivery to customers.

The Company can build this type of house in lower price than other entrepreneurs but with equivalent quality and more utility spaces than houses with similar model, size and location constructed by other entrepreneurs. Apart from the Company's ability to manage construction works by itself as aforementioned, there is another important reason that the Company uses production technology that can reduce construction duration, resulting in cost and labor cost saving with good quality elements. The Company uses technology of Cast-In Situ Load Bearing Wall Structure System for houses in Baan Prukha Project and technology of precast load bearing wall which is the technology used by the Company in constructing single detached houses for use in construction of houses in Prukha Ville and The Connect Projects.

In the initial period of townhouse construction, the Company has used construction technology using Cast-In Situ Load Bearing Wall Structure System which is purchased by the Company from France. This technology is called by us as "Tunnel Technology". This system uses wall to bear load instead of post and beam. The construction procedure begins from construction by assembly and installation of wall steel and upstairs floor layout in the same procedure. After that, structural steel is simultaneously knotted and cemented. The following procedure is to build wall and install roof structure to acquire complete exterior work in very shorter duration than conventional construction. The said technology has been applied with townhouse construction for Prukha, Prukha Ville, and The Connect.

Later, the Company constructed Precast Concrete Factory using modern technology from Germany for construction of single detached house. After a certain period of production, the Company can properly manage and control cost. RC Load Bearing Wall Prefabrication Construction Technology or called "Precast Technology" by us then was initiated for implementation with townhouse construction. This is the modern technology and good quality elements due to control of work piece production quality from factory. The Company formulated the policy for entire adaptation of townhouse construction from Tunnel Technology construction to be Precast Technology with Prukha, Prukha Ville, The Connect, and Patio Projects.

*House Construction Technology using Cast-In Situ Load Bearing Wall Structure System.* Please see additional details in topic of single detached house construction management.

## **5.2 Construction Management - Single Detached House**

The construction management of single detached house takes place in the same way of construction management of townhouse project. However, in part of construction of each project, the Company will allocate the employees to be responsible for each project instead of division of production line because the units of single detached house projects are fewer than the units of townhouse projects. Nevertheless, the Company shall send 30-40 employees of the Company to supervise construction in each project and employ a specialized contractor and day laborers in the number deemed as appropriate by the Company for each project.

*RC Load Bearing Wall Prefabrication Technology.* Initially, the Company mutually cooperated with Asian Institute of Technology to use methods of construction with RC Load Bearing Wall Prefabrication or shortly called "Precast" by casting prefabricated load bearing wall in area of each project. Later in 2004, the Company constructed Precast Concrete Factory by purchasing such technology from Germany whereas Semi-Automated Pallet Circulating System is used. The said system is the most modern production system in Thailand at that moment. Furthermore, this type of construction technology has



been used for two-storey single detached house due to variety of wall patterns in single detached house. In a house, there are approximately 30 - 60 pieces of members. This type of construction technology is casting each work piece in the factory before transportation for assembly as a house in construction project.

However, strength of this type of technology apart from similar strength of house construction technology with Cast-In Situ Load Bearing Wall Structure System, also includes other significant strengths such as no waste of space between beam and post resulting in more utility space, highly-fire-resistant wall, and more dullness than the construction using redbrick or autoclaved aerated brick, as well as high resistance to water absorption. Moreover, such technology requires low maintenance because it is prefabricated structure, resulting in low insurance payment by the residents since the house constructed with reinforced concrete structure, is highly resistant to fire, strong and durable. The Company conducted study on the construction with this system and mutually developed with AIT until the system can be resistant to force derived from 7-richter earthquake.

Houses that are constructed with this technology can be finished within 30-45 days. If it is constructed with conventional construction method, it will take around 180 days.

The Company also has a factory producing prefabricated fences and posts using production technology of Battery Mold System to produce fences and posts. In production process, steel mold is patterned and controlled by hydraulic system in pushing and removing steel formwork to tail and separate with each other. After the steel mold is tailed with proper distance, concrete will be filled in the steel mold. After that, the steel mold was removed and fences and posts are used to construct houses. The production capacity for fences of such factory is 12 units/day and it increased production of house fence and post, project fence of single detached house and townhouse projects, and model post and Parapet of townhouse.

In 2007, the Company entered to penetrate condominium market and then formulated the policy to build PCF3 to produce exterior wall members of condominium. The interior wall and main structure have still been the old construction system. Later in 2010, the Company formulated Fully Precast System Construction Policy, resulting in inadequacy of PCF3 production capacity. Therefore, it constructed PCF4 to support condominium works. For PCF3, factory was modified to produce Pre-stress concrete slab to support the plan to respond increasing need of single detached houses.

In 2010, the Company had more market share of single detached house, resulting in inadequacy of the factory production capacity. Therefore, it constructed PCF4 and PCF5 with investment fund of 1,050 million Baht and started test run in the mid of December 2010. PCF5 could produce houses for 400 units/ month. When combining with current production capacity of PCF1, total house production capacity is 640 units/month. The newly-constructed PCF5 was a precast concrete factory with highest production capacity in Thailand at that moment.

In 2011, PCF4 and PCF5 that started test run in the end of 2010 could expand its full production capacity in the mid of 2011. Later in the ending period of October 2011, the great flood occurred in Bangkok Metropolitan Region but the factory was safe from such disaster. However, it had to stop production because it could not transport materials to the projects. The factories returned to produce again in January 2012.

In 2013, the Company modified the townhouse construction system from Cast-In Situ Load Bearing Wall Structure System to be RC Load Bearing Wall Prefabrication System. It also had more market share of single detached house. So, in the second half of the year, production capacity of PCF1-PCF5 was used over 100%. It had a plan to construct PCF6 and PCF7 to support growth of the Company according to its business plan and the Company purchased 130 Rai of land in Navanakorn, Pathumthani Province.

In 2014, the Company constructed two new Prukha Precast factories in Navanakorn consisting PCF6 and PCF7 with investment fund of 2,300 million Baht. PCF6 produces precast concrete wall with production capacity of 480 units/month and started production in September. PCF7 produces Pre-Stressed Concrete Slab by implementing Long Bed System whereas machine was installed in September and production was commenced in the beginning of 2015.

New Prukse Precast factory uses most modern technology and machines from Germany and uses automatic system controlled by computer in every step of production, resulting in higher quality elements above general standard. Furthermore, it also used Robot to reduce labor and increase productivity and also used Concrete Recycling System to recycle wastewater and concrete scraps in production process again. This system also sorts stone and sand for reuse without any material scraps left from production. It is environmentally-friendly and considered as the first Green factory of Thailand that implemented this system in Precast Concrete manufacturing industry.

The Company has increasingly expanded into condominium market. It then formulated a policy to use prefabricated bathroom to reduce construction time and modify PCF2 Factory previously from fence production to be prefabricated bathroom production instead. It started production in May 2014 with prefabricated bathroom production capacity of 4,000 units/year.

In 2015, PCF7 Factory started production in February, resulting in total production capacity of 1,120 units/month or 5.2 million square meter/year. It has been considered as factory with highest production capacity in the country.

In 2016, the Company expanded the construction of low rise and high rise condominium projects, resulting in the increasing demand of prefabricated bathrooms. PCF2 then improved production process, resulting in increasing production capacity of prefabricated bathroom to be 7,200 units/year.

In 2017, construction method was modified from Flat Slab of downstairs floor to be Precast downstairs floor (Ground Beam + Slab 1), resulting in the factory's increase of products in production at PCF3 and PCF7. The stair work construction system for townhouse was modified from steel structure stair to be precast concrete stair, resulting in increase of stair products produced at PCF3 for production capacity of 900 units/month.

Table for Brief Summary of Precast Factory

Location	Factory	Production System	Product	Monthly Production Capacity
Lamlookka	PCF1 (Carrousel I)	Semi-Automated Carrousel System	Bearing Wall (House/Condo Wall)	700,000 Sq.m.
	PCF2		Bathroom Pods (Prefabricated Bathroom)	Prefabricated Bathroom for 7,200 Pods
	PCF3	Pre-stressed Long Line System	Pre Stressed Concrete Slab, Stair, Ground Beam	600,000 Sq.m.
	PCF4	Battery Mould system	Special Element, Bearing Wall (Condo High Rise), Bathroom Pods, Back Fence of townhouse	400,000 Sq.m.
	PCF5 (Carrousel II)	Fully Automated Carrousel System	Bearing Wall (House/Condo Wall)	1,300,000 Sq.m.
Navanakhon	PCF6	Fully Automated Carrousel System	Bearing Wall (House/Condo Wall)	1,500,000 Sq.m.
	PCF7	Pre-stressed Long Bed System	Pre stressed concrete Slab Ground Beam	700,000 Sq.m.

## 6. Investment Promotion from Board of Investment (BOI) - Townhouse and Condominium

Criteria of Old Investment Promotion	Criteria of New Investment Promotion for 1 Million Baht BOI (Condominium)	Criteria of New Investment Promotion for 1.2 Million Baht BOI (Row House or Single Detached House)
<ul style="list-style-type: none"> <li>There must be not less than 150 residence units for District 1 and not less than 75 units for District 2 and 3</li> </ul>	<ul style="list-style-type: none"> <li>There must be not less than 50 residence units for every District.</li> </ul>	<ul style="list-style-type: none"> <li>There must be not less than 50 residence units for every District.</li> </ul>
<ul style="list-style-type: none"> <li>Unit space must not be less than 31 square meter.</li> </ul>	<ul style="list-style-type: none"> <li>Unit space must not be less than 28 square meter for District 1 and not less than 31 square meter for District 2 and 3</li> </ul>	<ul style="list-style-type: none"> <li>Unit space must not be less than 70 square meter for District 1.</li> </ul>
<ul style="list-style-type: none"> <li>It must be sold in unit price of not over 600,000 Baht (including land price).</li> </ul>	<ul style="list-style-type: none"> <li>It must be sold in unit price of not over 1 million Baht (including land price) for District 1 and not over 600,000 Baht for District 2 and 3</li> </ul>	<ul style="list-style-type: none"> <li>It must be sold in unit price of not over 1.2 million Baht (including land price) for District 1 and not over 600,000 Baht for District 2 and 3.</li> </ul>
<ul style="list-style-type: none"> <li>It must be permitted for construction according to Building Control Act or other relevant laws.</li> </ul>	<ul style="list-style-type: none"> <li>It must be permitted for construction according to Building Control Act or other relevant laws.</li> </ul>	<ul style="list-style-type: none"> <li>It must be permitted for construction according to Building Control Act or other relevant laws.</li> </ul>

Note: 1) Project in District 1 includes 6 provinces including Bangkok, Samutprakarn, Samutsakorn, Pathumthani, Nonthaburi and Nakhonpathom.

2) Project in District 2 includes 10 provinces including Chonburi, Chachoengsao, Samutsongkhram, Nakhonnayok, Saraburi, Ayutthaya, Ratchaburi, Angthong, Suphanburi and Kanchanaburi.

3) Project in District 3 includes other remaining provinces and Laemchabang Industrial Estate.

### Environment Impact Mitigation Measure for Condominium Work

Environmental impact mitigation measure is divided in 2 phases as follows.

1. During construction
2. During operation

However, measures in 2 phases are mostly similar whereas the detail of measure during construction is not much different in each project and measure during operation is partially derived from building design that is different part in each project.

Measure	During Construction	During Operation
1. Air Quality	/	/
2. Noise	/	/
3. Vibration	/	-
4. Landslide	/	-
5. Using Water	/	/
6. Swimming Pool	-	/
7. Wastewater	/	/
8. Water Drainage	/	/
9. Solid Waste Management	/	/
10. Electricity System	/	/
11. Energy Conservation	-	/
12. Fire Protection System	/	/
13. Traffic	/	/
14. Occupational Health and Safety	/	/
15. Landscape	-	/
16. Sunlight and Wind Block	-	/
17. Radio and Television Wave Block	-	/

### Samples of Compliance with Measure

1. Air Quality Measure
  - The project installs thick canvas from lower to upper floors around the building to prevent dust diffusion.
  - The project sprinkles water on roads inside the project to reduce dust as a result of travel in construction site.
  - The project arranges officers from the project to meet nearby residents and ask them about impacts from building construction.

**2. Noise Measure**

- The project sets the working hours causing noise at daytime to avoid disturbance to neighbor houses.
- The project constructs foundation with bore pile and Jack in pile to reduce impact of vibration to nearby community.
- The project repeats the contractor not to do activities that cause noises at the same time to prevent excessive noise.

**3. Landslide Measure**

- The project constructs retaining wall along the area of public canal boundary line to prevent bank collapse.
- The project constructs retaining wall around the project to prevent landslide that can damage nearby houses.
- It pounds Sheet Pile and makes Bracing to prevent landslide. During removing the retaining pile, the project must immediately fill the hole occurred from removing the said retaining pile and solidly compact soil to prevent soil movement.

**4. Wastewater Measure**

- The project has instant aerobic wastewater treatment tank to treat wastewater before draining into the sanitary sewer aside the road of the project.

**5. Water Drainage**

- The project is designed water drainage system in accordance with specified regulation for water drainage so that water drainage from the project will not cause trouble to neighborhood during construction and during operation.

**6. Solid Waste Management Measure**

- The project prepares the solid waste containing tank in construction site area and collects at many points so that the solid waste collecting truck can collect and transport for disposal.

**7. Traffic Measure**

- The project sets up publicity board of the project according to the determined measure so that nearby residents can contact us in case of troubles and the signboard of the project name is clearly visible. .
- The project provides security guards to conveniently and safely facilitate car access in the project in order not to obstruct the traffic.

**8. Occupational Health and Safety**

- The project installs strong and noticeable fences around it to prevent commuters around the project to enter the construction site area.
- The project installs publicity signboard in front of the construction site so that nearby residents can be informed in case of trouble from construction site.
- The project arranges Safety Talk everyday morning to educate workers about personal sanitation care.

## Risk Factors

### I. Risk from Core Business Operation of the Company

Pruksa Real Estate Public Company Limited ("Company") has risk factors that may occur and affect core business under the following details.

#### I.1) Risk from land selection for development

- *Risk from inadequate supply and purchase of land for demand according to target or business plan*

The channel of most potential land acquisition for development is land broker and the other channel is from the land owner who offers for sale to Pruksa. Therefore, proactive plan is determined to stimulate or persuade the brokers who are existing alliances and new group of brokers to explore and propose maximum lands situated in targeted locations as quick as possible. In the event that the land owner offers for sale, there is quicker selection and decision process. However, the selection and decision process for purchase remains focus on transparent, clean and fair process for land owner whether the source of land is derived from any means or channels. In addition, Pruksa has also determined preventive and eliminating measure for benefit exploitation which is the cause of higher cost of land.

- *Risk from error in land purchasing decision such as land without exit, land with inadequate element for applying the development permission, and land that may affect community during construction, etc.*

The most careful and circumspect preventive action without problem from the said risk is to arrange land physical survey working team with knowledge and high experience in survey and inspection on every plot of land before making purchasing decision, hire external independent appraisal company to survey and appraise price, and procure the area measurement and relocation of boundary, and ground level measurement and others.

In addition, if doubt is raised in the aspect of width of right of way or public existence, or the aspect of the official prohibited rules, a separated work unit shall perform duty in communication and coordination to apply warranty from government agencies covering colorful plan, expropriation range, road connection and all of other related aspects.

- *Risk from purchase of excessively expensive land or purchase of land in the vicinity of non-purchasing power vicinity or low demand*

With circumspect process before purchasing decision, the business unit shall collect marketing data, conduct feasibility study and analysis on investment, study market and competitor, compare market price of targeted land, price of the plot of land in comparison with the appraisal price of the official, and appraisal price of the independent appraiser to be supplementary data for preparation of feasibility study report of the project and audit by Finance Division. Therefore, it is abatement of risk that will cause damage from project development and then non-salability as planned or loss from development.

Moreover, land selection and purchase process shall be performed in form of the committee consisting of top executive who is specialized whether in the fields of land and land development, business, finance, law, and official requirement, risk control, and others, so as to ensure that Pruksa can purchase land in the appropriate period of time and number of plots so that Pruksa can generate revenues according to the business plan.

#### I.2) Risk from result of change in credit granting policy of commercial banks

According to high level of household debt situation in the country, the entire system of commercial banks has still been strict to credit facilitation to consumers. 90% of customers who will buy houses and lands from Pruksa have been also affected due to mortgage loan rejection from commercial banks in credit facilitation, resulting in inability of the customers to find source of fund to support house and land cost. This will limit purchasing power of the customer and directly affect revenues of Pruksa. In this regard, Pruksa therefore has issued the form for salesperson to fill the important primary data of the house buyer upon expression of intention to reserve house and apply loan, and deliver the said data to the bank for pre-approval by the bank within 7 working days whether the customer can be granted for mortgage loan so that risk of both house buyer and Pruksa will be reduced. In addition, the considerable number of houses of Pruksa has been at variety of price ranges and cheap price for selection. The customer can select cheaper house to be consistent with criteria or policy of the each commercial bank in each period of time.

Prukسا has currently established working group to monitor economy and adjust strategy to be consistent with change in situation and policy of each commercial bank and government bank; and also applied information technology to support and facilitate customers for applying credit with the bank, and provide measure to support for quick credit approval. The strategic partners are 12 commercial banks and government banks for selection by the customers of Prukسا to use their service.

### **1.3) Risk from high competition situation**

At present, real estate development business has been highly competitive. This could be seen from the increasing large number of new project launches, affecting rapid increase in supply of real estate. Several large developers have significantly adapted by applying modern residential technology and innovation to drive business operation in order to create remarkableness and difference in property development.

Prukسا is the large well-known developer in the market for long time in real estate development and accepted and trusted by the customer group. Prukسا Real Estate develops lands in various locations, meets living lifestyles of various customer groups, and focuses on distribution of development in every price level, resulting in access to wider customer group. In addition, Prukسا has continuously developed construction quality by applying Real Estate Manufacturing (REM) innovation of construction quality. The contractor shall focus on only the construction works within his field of expertise such as tiling work or painting work. In the said work process, the construction working team of Prukسا shall work in part of its own responsibilities in the existing type until skill and expertise area developed. It is certain that house which is constructed by specialized craftsman will be quality, strong and durable under construction quality control in every procedure by Quality Improvement Team together with Quality Construction Service in entering to inspect and handle occurred problem during construction throughout construction period before the customer's house inspection and acceptance. All of the said elements are therefore mutually assembled to be the key that makes Prukسا houses quality and strong to satisfy the demands of all customer groups and all lifestyles.

### **1.4) Risk concerning construction cost and construction material shortage**

Most of the Company's property sales are pre-sale before house construction whereas cost plus basis is applied for Prukسا selling pricings. Hence, any fluctuations in the prices of construction materials or change in the rate of labor wage after selling pricing by the Company and customer reservation for purchase of land and house, the Company's cost of sale will be higher, causing decrease in its gross profit margin.

Construction materials are considered as essential construction cost. The prices of main construction materials such as steel and oil have been increased while the price of concrete has been slightly declined due to demand and supply and world economic situation, affecting higher cost of production and cost of transportation, and higher cost of land will result in higher cost of house and land accordingly. The Company may be unable to immediately increase selling price, or in the event where selling price is adjusted in consistent with the said higher total costs, possibly affecting sales volume. The said cause will affect financial position and overall operation of the Company.

Moreover, the increasing number of construction projects may lead to inadequacy of construction material quantity for demand. If such circumstance occurs, the Company may have to pay more expensive material costs or must wait for materials until it is unable to completely carry out construction in deadline, this will affect business, financial position, and overall operation of the Company as well.

However, the quick construction process of the Company that can complete the construction of low-rise houses within 73 days contributes to reduction of risk in a certain level. The Company is able to fix the prices of construction materials required for use in 2-3 months period in advance, allowing it to adjust selling price according to the said cost. Moreover, the Company formulates the policy on sale of more houses during construction period in order to mitigate risk from change in cost of build-to-order houses. In part of condominiums, the Company is still facing with risks due to extended construction period. Nevertheless, for risk prevention, the Company has still applied the strategy of selecting the vendors of main construction materials from all major categories of construction materials through bidding method since 2006 onwards to ensure that the Company has fixed construction cost throughout the year. For prevention of material shortage problem particularly main essential materials, the Company formulates the policy on creation of strategic partners by defining clear cut procedures from selection, supervision and evaluation as well as guideline of mutual operation. In addition, the Company holds the monthly meeting to report the change in prices of main construction materials and calculates to find impact on cost of sale for consideration on adjusting selling price or supplying alternative materials.



### 1.5) Risk from labor shortage

The construction labor shortage problem has still been the major issue in real estate sector due to the current large number of construction projects from several developers and stricter new issue of alien labor law promulgated by the government, resulting in confrontation of skilled labor shortage problem in some projects. Even Prukسا, it has also confronted with this problem. If Prukسا fails to supply specialized contractors and skilled labors to carry out the projects of Prukسا, construction works may be delayed and unable to transfer the units within the deadline, possibly resulting in poor quality of construction work.

Prukسا therefore has invented low-rise properties construction method which is designed to have process of on-construction site installation system whereas Precast Concrete Panel is the main structure. Prukسا manages main construction works of the projects by itself under construction work supervision by the construction engineer and foreman of Prukسا, and hires the specialized contractors or labor contractors for construction in each part of work such as foundation work, building element installation work, tiling work to roofing work and painting work, etc. The construction is under supervision by Prukسا. For condominium projects, Prukسا began to hire turnkey contractors to carry out construction of high-rise buildings or condominiums since 2009 and forms the partnerships with high quality contractors for reduction of risk resulting from production capacity or construction expansion to support Prukسا business.

To reduce its reliance on workforce as well as the number of working hours and ensure the use of limited existing workforce in the most worthwhile manner, Prukسا has applied a construction technology “Real Estate Manufacturing (REM)” to control the entire low-rise housing construction step-by-step to ensure the quality of houses. REM is the system that helps promoting efficient use of construction labor by allowing the contractor to focus on only the works within his field of expertise such as tiling work or painting work. This manufacturing process is similar to that of automobile industry. In 2017, Prukسا could manage its business cycle time from house reservation to house receiving by the customer at an average of 73 days for low-rise properties projects.

Moreover, Prukسا has studied new innovation whether being new construction management system technology or search of materials or prefabricated compositions such as prefabricated bathroom, contributing to reduction of workforce dependence and construction period, and increase in work quality.

### 1.6) Risk from reliance on knowledgeable and specialized personnel in operation

Prukسا is the company that constructs houses with prefabricated load bearing wall which is the latest construction technology requiring specialized and experienced employees in specific fields such as designer, construction team, selling team and marketing team. Prukسا designs the system to retain and stimulate those people with working expertise to ensure that the employees can effectively perform their works and achieve the determined goals both in the current and future position.

Prukسا realizes on the factor of specialized employees and preparedness in coping with this risk by developing complete specialized personnel for all work sections to ensure that they can replace working among them. Moreover, Prukسا determines the policy in relation to encouragement of career progress of the employees by giving the opportunity of equal growth under creation of career path instrument and system together with support system, building of preparedness for career growth of the employees together with corporate business growth, such as continuous personnel training and development, Succession Planning, Promotion, Talent Management, Leadership Opportunity Matching (LOM), and Leadership Competency Development. However, the policy of Prukسا is to grant proper welfare and reward to these specialized personnel, resulting in the ability of Prukسا to reduce the said risk.

### Personnel Development

Prukسا Real Estate Public Company Limited aims at continuous developing higher personnel potential and competence so that the employees can effectively work and achieve the setting goals both in the current and future positions under 70:20:10 development model of the Company or in other words as follows.

- **70 Experiential Learning.** It is the form of development derived from work experiences and problem solving thinking through actual working both derived from daily working or may be derived from assignment of new work or new project, resulting in requirement of learning and training of various skills for work success such as being project leader of the innovation project, being project leader of improvement project, being the change agent and being the team leader in solving problems, etc.

- **20 Learning from Others.** It is the learning derived from all surrounding things such as coaching from supervisor, feedback acquisition from superior, mentor or from related person in working, observing other persons, request for peer reviewing, shadowing from expert, learning from internet, or sometimes, the team meeting can be applied for mutual learning in working team. These methods are considered as learning from surroundings.
- **10 Formal Learning.** It is the learning which is standard form familiar by us such as learning from attending trainings and seminars both in classroom training, workshop training, attending trainings as determined by the Company and attending external training.

### **1.7) Risk from business operation under restricted laws**

Pruksha Holding Public Company Limited operates the business in the nature of Holding Company by holding shares in Pruksha since 2016. The core business is real estate development, residential construction in type of townhouse, single house and condominium for sales. In consistent business operation, Pruksha observes regulations of laws, rules, regulations and requirements of government agencies all the time, and build customer confidence that all types of Pruksha products are in line with laws, properly permitted by related government agencies, and complies with advice or order of the government agencies or other clearinghouse organizations in the event of doubts or complaints from third parties, to ensure customer confidence and problem solving for our customers.

However, Pruksha Holding Public Company Limited is assured that Pruksha business operation applies the principle of good corporate governance enabling to develop product, and effective, transparent and accountable purchase of materials and equipment or procurement of contractor. Pruksha Holding Public Company Limited therefore is confident and believes in availability of principle of good corporate governance is for full retention of interest of the Company itself and for shareholders. Thus, illegal risk from business operation has not been exposed at all.

### **1.8) Risk from crisis affecting danger of the construction project**

As core business of Pruksha is the residential construction in type of townhouse, single house and condominium for sales, the important thing under concern according the nature of this type of business is contingent occupational accident. Each time of accident occurrence may cause invaluable loss of life and property. However, Pruksha considerably realizes and gives significance to care of the employee's life and property safety by organizing occupational safety-related training courses to all new employees before work commencement with Pruksha, determination of practical guideline for use of safety devices for operating employee in construction site areas, arrangement of regular professional safety officer for each project to randomly audit the operation of the contractor and construction workers according to safety practice, as well as improvement of international standard accommodation for construction workers. However, Pruksha has been accredited for Occupational Health and Safety Management System Standard OHSAS 18001:2007 in high rise projects. Thus, it is assured of Pruksha international standard safety care.

## **2. Other Risk Factors of the Company**

### **2.1) Risk from operating under control of major shareholder group.**

As at 31 December 2017, the largest major shareholder group is Pruksha Holding Plc. that holds shares in the Company for 2,185,857,580 shares or 97.90% of total paid-up capital of the Company. However, this major shareholder group has still been able to control votings of the shareholders in the important matters which are prescribed by law or regulation to gain majority vote of total votes of the shareholders who attend the meeting and have voting rights.

As at 31 December 2017, the major shareholder group of Pruksha Holding Plc. is Vijitpongpun Group that holds 1,650,251,749 shares or 75.46% of total paid-up capital of Pruksha Holding Plc. However, this major shareholder group has still been able to control votings of the shareholders in the important matters which are prescribed by law or regulation to gain majority vote of total votes of the shareholders who attend the meeting and have voting rights.

Furthermore, Mr. Thongma Vijitpongpun, who is one of the shareholders in the major shareholder group of Pruksha Holding Plc., holding 1,314,009,986 shares or 60.09% of total paid-up capital of Pruksha Holding Plc., has still held the position of Chief Executive Officer of the Group and authorized signatory director of Pruksha Holding Plc. Therefore, other shareholders are unable to gather votes for checks and balances of power of the major shareholder group.

## Assets Used in Business Operation

### 1. Major Fixed Assets of the Company and its Subsidiaries

Pruksa Real Estate Public Company Limited ("Company") as of December 31, 2017, net book value of fixed assets has been Baht 3,663 million, and as of December 31, 2016, net book value of fixed assets has been Baht 3,683 million, respectively as per the following details.

Unit : Million Baht

Consolidated Financial Statements		
Items of Fixed Assets	31 December 2016	31 December 2017
1. Property and Plant	2,018	2,038
2. Machinery and Equipment	1,527	1,353
3. Office Furniture, Fixtures and Equipment	82	139
4. Vehicle	8	8
5. Work under Construction and Machinery and Equipment under Installation	48	125
<b>Total Net Book Value</b>	<b>3,683</b>	<b>3,663</b>

As of 31 December 2017, the Company's obligation has incurred through security from assets and real estate projects under development as follows.

Unit : Million Baht

Consolidated Financial Statements		
Items	31 December 2016	31 December 2017
Property, Plant and Equipment of Precast Concrete Plant	1,344	1,267
Real Estate Projects under Development (Lands and Structures)	4,301	3,305
<b>Total</b>	<b>5,645</b>	<b>4,572</b>

As of December 31, 2017, the credit lines guaranteed by assets have guaranteed by the Company as follows.

- (a) Limit of bank loan in the amount of Baht 1,197 million for the Group of Companies
- (b) Limit of overdraft in the amount of Baht 50 million for the Group of Companies
- (c) Limit of letter of guarantee issued by the bank in the amount of Baht 5,911 million and USD 4 million and INR 65 million for the Group of Companies
- (d) Limit of promissory note issued by the bank for in the amount of Baht 10,856 million for the Group of Companies
- (e) Limit of other credits in the amount of Baht 605 million for the Group of Companies

### 2. Inventory in the Projects

As of December 31, 2017, the Company's inventory in 181 projects (excluding the projects which have not yet been launched for sales and lands waiting for development) as per the following details.

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
1	Baan Pruksa 38/3 Chaiyaphruek-Wongwaen	Owner	19-1-87.50	249.83	36.85	97.18	104.91	Letter of Guarantee	Yes
2	Baan Pruksa 74/2	Owner	5-3-26.20	N/A	37.00	37.47	74.98	Letter of Guarantee	Yes
3	Baan Pruksa 84/1	Owner	10-3-97.10	N/A	355.65	273.55	173.75	Letter of Guarantee	Yes
4	Baan Pruksa 86/3 Prime Lat Krabang-Suvarnabhumi	Owner	14-1-34.10	N/A	153.01	165.18	112.55	Letter of Guarantee	Yes
5	Baan Pruksa 96/2 (Rangsit - Klongluang 2)	Owner	16-2-40.70	N/A	-	84.13	110.53	Letter of Guarantee	Yes
6	Baan Panali 95/1	Owner	8-1-98.80	N/A	235.02	159.42	60.23	Letter of Guarantee	Yes
7	Baan Pruksa 95/2	Owner	15-0-32.50	245.19	325.74	235.43	173.86	Letter of Guarantee	Yes
8	Baan Pruksa 99	Owner	17-2-76.30	N/A	279.34	184.35	158.79	Letter of Guarantee	Yes
9	Baan Pruksa 100 Pamaiuthid	Owner	7-1-4.60	N/A	235.10	152.64	116.22	Letter of Guarantee	Yes
10	Baan Panali 87/2 Sri Nakharin-Bang Na	Owner	17-1-68.70	N/A	192.83	310.74	127.64	Letter of Guarantee	Yes
11	Baan Pruksa 101 (Rarm Intra-Khu Bon)	Owner	9-1-49.60	N/A	205.17	180.32	91.23	Letter of Guarantee	Yes
12	Baan Pruksa 102 Salaya-Boromarajonani	Owner	30-3-36.70	N/A	194.98	249.38	270.26	Letter of Guarantee	Yes
13	Baan Pruksa 103 (Samrong-Pu Chao)	Owner	17-1-33.30	N/A	311.71	235.66	64.57	Letter of Guarantee	Yes
14	Baan Pruksa 107 (Tiwanon-Rangsit)	Owner	22-2-82.10	N/A	154.19	193.89	162.27	Letter of Guarantee	Yes
15	Baan Pruksa 106/1 (Bang Pu-Tamru)	Owner	14-1-0.70	N/A	166.92	154.06	46.28	Letter of Guarantee	Yes
16	Baan Phutthachad 108 Sahapat-Laem Chabang	Owner	6-3-8.70	N/A	77.94	77.58	21.82	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
17	Baan Prukha 109 (Pratu Nam Phra in 2)	Owner	18-1-89.00	N/A	66.07	87.69	58.43	Letter of Guarantee	Yes
18	Baan Prukha 110 Chaengwattana-Ratchaphruek	Owner	21-1-58.30	N/A	37.75	190.87	133.37	Letter of Guarantee	Yes
19	Baan Prukha 112	Owner	17-1-80.70	N/A	0.11	250.08	283.36	Letter of Guarantee	Yes
20	Baan Prukha 111 (Rangsit-Bang Phun2)	Owner	18-0-76.70	N/A	-	95.15	60.51	Letter of Guarantee	Yes
21	Baan Prukha 115 (Rangsit-Khlong 3)	Owner	22-3-69.20	N/A	-	169.58	190.08	Letter of Guarantee	Yes
22	Baan Prukha 117 Phetkasem 91	Owner	13-0-28.00	N/A	-	144.67	190.26	Letter of Guarantee	Yes
23	Baan Prukha 116 (Rangsit-Thanyaburi)	Owner	15-2-80.00	N/A	-	98.63	109.56	Letter of Guarantee	Yes
24	Baan Prukha 118 Liap Wari	Owner	20-2-0.30	N/A	-	210.89	259.22	Letter of Guarantee	Yes
25	Baan Prukha 121 Sahapat-Laem Chabang	Owner	19-1-23.20	N/A	-	154.22	207.88	Letter of Guarantee	Yes
26	Baan Prukha 122 Amata-Bypass	Owner	19-1-59.50	N/A	-	130.33	197.98	Letter of Guarantee	Yes
27	Baan Prukha 120 Kantana- Kanchana	Owner	22-2-98.00	N/A	-	150.79	258.35	Letter of Guarantee	Yes
28	Baan Prukha 119 (Rangsit-Khlong 2)	Owner	19-0-53.60	N/A	-	150.47	222.16	Letter of Guarantee	Yes
29	Baan Prukha 123 (Phahonyothin-Khlong Luang)	Owner	13-2-14.40	N/A	-	80.24	150.97	Letter of Guarantee	Yes
30	Baan Prukha 114/2 (Thepharak-Mueang Mai)	Owner	17-3-64.50	N/A	-	100.74	165.56	Letter of Guarantee	Yes
31	Baan Prukha 124 (Rangsit-Khlong 4)	Owner	20-0-52.50	N/A	-	56.92	150.89	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
32	Baan Panali 114/1 (Thepharak-Mueang Mai)	Owner	21-2-73.90	N/A	-	96.97	141.16	Letter of Guarantee	Yes
33	Baan Pruksa 127 Setthakit-Rama II	Owner	15-2-22.20	N/A	-	-	125.95	Letter of Guarantee	Yes
34	Baan Pruksa 126 (Thepharak-King Kaeo)	Owner	22-1-95.40	N/A	-	-	207.48	Letter of Guarantee	Yes
35	Baan Pruksa 125 Ladkrabang-Suvarnabhumi 3	Owner	18-0-18.80	N/A	-	-	118.00	Letter of Guarantee	Yes
36	Pruksa Ville 8/1 (Donmuang)	Owner	14-3-51.00	186.75	160.79	161.66	162.90	Letter of Guarantee	Yes
37	Pruksa Ville 63/2 (Rama V-Wong Sawang)	Owner	4-1-89.30	N/A	178.48	99.29	61.51	Letter of Guarantee	Yes
38	Pruksa Ville 64 (Sai Mai)	Owner	10-0-83.20	N/A	383.02	235.30	194.05	Letter of Guarantee	Yes
39	Pruksa Ville 68	Owner	10-0-85.30	347.69	453.95	328.14	275.82	Letter of Guarantee	Yes
40	Pruksa Ville 71/2 (Laem Chabang)	Owner	12-1-6.70	N/A	202.14	162.39	139.46	Letter of Guarantee	Yes
41	Pruksa Ville 71/1 (Laem Chabang)	Owner	5-2-15.90	N/A	228.31	139.64	87.14	Letter of Guarantee	Yes
42	Pruksa Ville 66/2 Bangna Nam Daeng)	Owner	16-0-8.00	N/A	309.14	282.50	77.31	Letter of Guarantee	Yes
43	Pruksa Ville 76	Owner	14-2-89.50	407.34	508.69	415.56	395.30	Letter of Guarantee	Yes
44	Pruksa Ville 77	Owner	7-2-30.70	N/A	321.18	154.52	65.34	Letter of Guarantee	Yes
45	Pruksa Ville 75 (Chiang Mai)	Owner	6-3-52.40	223.10	203.75	194.62	163.92	Letter of Guarantee	Yes
46	Pruksa Ville 80	Owner	7-0-95.50	N/A	278.35	157.27	138.42	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
47	Prukse Ville 81	Owner	5-2-32.40	N/A	109.85	202.07	148.47	Letter of Guarantee	Yes
48	Prukse Ville 82/1	Owner	9-1-60.70	N/A	179.36	229.34	117.22	Letter of Guarantee	Yes
49	Prukse Ville 83	Owner	12-2-76.90	N/A	90.64	219.64	44.37	Letter of Guarantee	Yes
50	Prukse Ville 84 Phahonyothin (Bangkok University)	Owner	13-1-26.00	N/A	134.38	229.76	113.35	Letter of Guarantee	Yes
51	Prukse Ville 88	Owner	17-1-87.30	N/A	192.06	297.89	263.54	Letter of Guarantee	Yes
52	Prukse Ville 86 (Si Racha-Bo Win)	Owner	24-1-96.90	N/A	100.74	178.38	167.64	Letter of Guarantee	Yes
53	Prukse Ville 89 (Ramintra-Wongwaen)	Owner	10-2-46.70	N/A	9.74	194.91	158.40	Letter of Guarantee	Yes
54	Prukse Ville 90	Owner	7-2-66.30	N/A	51.13	128.55	95.10	Letter of Guarantee	Yes
55	Prukse Ville 92 (On Nut- Suvarnabhumi)	Owner	31-3-58.90	N/A	17.70	273.88	239.68	Letter of Guarantee	Yes
56	Prukse Ville 87/1	Owner	26-2-31.20	N/A	303.30	421.80	307.09	Letter of Guarantee	Yes
57	Prukse Ville 93 (Nakhon In-Ratchaphruek)	Owner	7-2-56.20	N/A	0.26	184.96	221.56	Letter of Guarantee	Yes
58	Prukse Ville 94	Owner	8-3-89.00	N/A	0.04	135.28	165.39	Letter of Guarantee	Yes
59	Prukse Ville 85	Owner	26-0-56.80	N/A	-	417.84	513.58	Letter of Guarantee	Yes
60	Prukse Ville 96	Owner	11-1-68.50	N/A	-	156.18	136.89	Letter of Guarantee	Yes
61	Prukse Ville 95	Owner	15-1-12.30	N/A	-	212.86	167.90	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
62	Pruksa Ville 97	Owner	26-1-58.30	N/A	-	315.98	371.03	Letter of Guarantee	Yes
63	Pruksa Ville 100 (Phahonyothin-Khlong Luang)	Owner	13-3-42.80	N/A	-	2.35	142.00	Letter of Guarantee	Yes
64	Pruksa Ville 66/4 (Bangna Nam Daeng)	Owner	4-1-34.30	N/A	-	83.52	19.57	Letter of Guarantee	Yes
65	Pruksa Ville 99	Owner	18-0-84.90	N/A	-	153.56	250.68	Letter of Guarantee	Yes
66	Pruksa Ville 91/1	Owner	9-3-27.90	N/A	-	121.88	127.54	Letter of Guarantee	Yes
67	Pruksa Ville 98 (Rama V-Bang Kruai 23)	Owner	10-2-8.40	N/A	-	61.58	193.83	Letter of Guarantee	Yes
68	Pruksa Ville 102 (Bangna-ABAC)	Owner	10-0-8.70	N/A	-	2.38	125.79	Letter of Guarantee	Yes
69	Pruksa Ville 103	Owner	23-0-90.70	N/A	-	0.03	320.60	Letter of Guarantee	Yes
70	Pruksa Ville 104	Owner	19-1-81.90	N/A	-	-	258.42	Letter of Guarantee	Yes
71	Pruksa Ville 106 (Rangsi Khlong 2)	Owner	25-3-70.00	N/A	-	-	338.47	Letter of Guarantee	Yes
72	Pruksa Ville 105/1 (Ramintra-Phraya Suren)	Owner	12-0-82.60	N/A	-	-	141.83	Letter of Guarantee	Yes
73	Pruksa Ville 108	Owner	17-0-16.50	N/A	-	-	177.09	Letter of Guarantee	Yes
74	THE CONNECT 24 (UP3 Chaloem Phrakiat)	Owner	1-1-10.00	N/A	237.85	123.82	63.38	Letter of Guarantee	Yes
75	THE CONNECT 30 (UP3 Phetkasem 48)	Owner	4-2-59.80	175.67	199.79	223.85	151.94	Letter of Guarantee	Yes
76	THE CONNECT 32 (UP3 Ladprao 126)	Owner	6-1-31.40	N/A	391.16	279.64	225.60	Letter of Guarantee	Yes



No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
77	THE CONNECT 33 (On Nut-Wongwaen 1)	Owner	11-0-17.20	225.61	405.27	285.62	158.50	Letter of Guarantee	Yes
78	THE CONNECT 34 (On Nut-Wongwaen 2)	Owner	11-0-79.50	N/A	379.08	267.05	106.91	Letter of Guarantee	Yes
79	THE CONNECT 37 (Laksi- Donmuang)	Owner	23-2-56.00	N/A	579.03	422.34	219.90	Letter of Guarantee	Yes
80	THE CONNECT 39 (Rattanaibet-Ratchaphruek)	Owner	7-1-62.00	N/A	100.29	154.04	102.57	Letter of Guarantee	Yes
81	THE CONNECT 41 (Chaengwattana-Tiwanon)	Owner	7-2-5.50	N/A	241.11	240.10	113.31	Letter of Guarantee	Yes
82	THE CONNECT 42 (Suvannabhumi 3)	Owner	8-2-63.30	N/A	120.57	103.17	64.18	Letter of Guarantee	Yes
83	THE CONNECT 43 (Wongwaen Ramintra 2)	Owner	9-2-28.60	N/A	118.83	158.04	123.13	Letter of Guarantee	Yes
84	THE CONNECT 45	Owner	23-2-60.90	N/A	-	177.25	165.60	-	No
85	THE CONNECT 44 (Kanchana-Kantana)	Owner	18-1-16.50	N/A	-	127.90	199.72	Letter of Guarantee	Yes
86	THE CONNECT 47 (Suvannabhumi 4)	Owner	22-2-68.60	N/A	-	9.59	337.21	Letter of Guarantee	Yes
87	THE CONNECT 48 (Rama V- Nakhon In)	Owner	7-3-98.00	N/A	-	0.06	169.36	Letter of Guarantee	Yes
88	THE CONNECT 49 (At-Rangsit)	Owner	23-0-75.50	250.25	-	-	193.35	Letter of Guarantee	Yes
89	THE CONNECT 51 (Thepharak-Mueang Mai)	Owner	22-1-31.20	N/A	-	-	149.71	Letter of Guarantee	Yes
90	The Plant CITI (Nawamin)	Owner	5-2-51.10	N/A	177.80	117.65	49.50	Letter of Guarantee	Yes
91	The Plant CITI (Chaengwattana)	Owner	11-0-1.60	N/A	366.61	274.68	154.99	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
92	PATIO Rama 2	Owner	8-3-51.00	N/A	376.73	332.24	299.22	Letter of Guarantee	Yes
93	Pruksa Village 43/1	Owner	12-0-96.60	N/A	154.54	117.84	66.07	Letter of Guarantee	Yes
94	Pruksa Village 28/1	Owner	1-3-28.40	N/A	3.59	40.18	15.13	Letter of Guarantee	Yes
95	Pruksa Town (Next On Nut-Rama IX)	Owner	6-0-87.65	N/A	171.08	152.87	105.41	Letter of Guarantee	Yes
96	Pruksa Town (Privet Ratchada-Ramintra 2)	Owner	0-3-43.20	N/A	72.07	54.44	15.76	Letter of Guarantee	Yes
97	Pruksa Town (Privet Ramintra 117)	Owner	3-2-80.10	N/A	158.80	111.09	60.85	Letter of Guarantee	Yes
98	Natura Trend Srinakharin	Owner	12-2-61.70	107.54	245.61	170.51	94.84	Letter of Guarantee	Yes
99	The Gallery&Natura Trend (Rattanathibet)	Owner	26-3-81.30	N/A	312.16	369.29	281.91	Letter of Guarantee	Yes
100	Natura Trend Prachauthit 90	Owner	31-1-24.40	N/A	262.24	310.92	338.69	Letter of Guarantee	Yes
101	The Plant Pinklao Phutthamonthon	Owner	34-2-55.60	N/A	190.42	310.12	313.99	Letter of Guarantee	Yes
102	The Plant Wongwaen-Lamlukka Khlong 5	Owner	30-2-78.10	N/A	125.07	199.61	239.66	Letter of Guarantee	Yes
103	Baan Pruksa Prime Wongwaen-Lamlukka Khlong 5	Owner	15-0-72.10	N/A	59.19	103.50	120.73	Letter of Guarantee	Yes
104	The Plant (Rangsit-Khlong 2)	Owner	19-0-22.00	N/A	0.21	128.14	215.01	Letter of Guarantee	Yes
105	How (Phahol- Vibhavadi)	Owner	3-3-17.49	N/A	-	-	27.50	-	No
106	Pruksa Lite Lox Rattanathibet	Owner	7-3-55.90	N/A	150.92	149.97	128.39	Letter of Guarantee	Yes
107	Patio Srinakharin-Rama IX	Owner	11-3-74.90	N/A	540.25	449.14	396.17	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
108	Villette Lite (Rattana Thibet)	Owner	14-3-6.20	296.52	413.48	330.11	280.62	Letter of Guarantee	Yes
109	Patio Ngamwongwan	Owner	3-3-16.10	N/A	250.26	152.79	63.22	Letter of Guarantee	Yes
110	Patio Vibhavadi Songprapa	Owner	7-3-25.70	N/A	191.71	232.80	193.14	Letter of Guarantee	Yes
111	Patio Ramintra Project 1/1	Owner	6-2-32.10	N/A	-	696.82	305.35	Letter of Guarantee	Yes
112	Patio Bangna-Wongwaen	Owner	20-2-79.90	N/A	-	404.44	482.17	Letter of Guarantee	Yes
113	Patio Phahonyothin	Owner	7-0-87.20	N/A	-	174.01	267.04	Letter of Guarantee	Yes
114	Prukha Village 7, (Prachauthit 90)	Owner	1-3-60.10	N/A	-	8.73	16.41	Letter of Guarantee	Yes
115	Baan Prukha 80 (Pattaya)	Owner	20-1-15.80	N/A	236.71	153.67	119.21	Letter of Guarantee	Yes
116	Baan Passorn 26 (Ratchaphruek-Tiwanon)	Owner	24-1-31.60	N/A	345.97	221.14	135.07	Letter of Guarantee	Yes
117	Baan Passorn 29 (Rangsit-Nakhon Nayok Road)	Owner	12-2-15.30	N/A	175.71	123.61	104.52	Letter of Guarantee	Yes
118	The Plant Light (Bang Kadi)	Owner	19-1-73.80	N/A	230.23	170.52	81.41	Letter of Guarantee	Yes
119	The Plant Resort (Rama V-Kanchanaphisek)	Owner	5-0-89.60	N/A	111.31	107.66	50.70	Letter of Guarantee	Yes
120	Baan Passorn 39 (Rama V Sirindhorn)	Owner	19-2-93.60	N/A	333.13	311.20	282.79	Letter of Guarantee	Yes
121	The Palm Kathu-Patong	Owner	23-2-26.20	N/A	349.43	412.47	382.21	Letter of Guarantee	Yes
122	The Plant Phuket (Kathu-Patong)	Owner	12-1-57.70	N/A	219.72	129.78	75.24	Letter of Guarantee	Yes
123	The Plant Chiang Mai Mahidol-Charoen Mueang	Owner	22-3-74.00	262.10	307.19	263.82	237.35	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
124	The Plant Srinakharin-Nam Daeng	Owner	11-1-26.90	N/A	277.37	122.71	53.82	Letter of Guarantee	Yes
125	Passorn Pride Chiang Mai (Mahidol Charoen Mueang)	Owner	10-3-6.80	N/A	146.90	113.31	93.12	Letter of Guarantee	Yes
126	Baan Passorn 51 (Pinklao-Wongwaen)	Owner	27-2-15.60	325.06	341.11	303.83	287.43	Letter of Guarantee	Yes
127	The Plant Simpls (Phaholyothin-Sai Mai)	Owner	23-1-88.80	449.86	437.00	371.10	292.63	Letter of Guarantee	Yes
128	Baan Passorn 49 (Srinakharin-Nam Daeng)	Owner	15-2-55.60	N/A	314.72	129.07	54.35	Letter of Guarantee	Yes
129	Passorn Pride Srinakharin-Thepharak	Owner	18-1-80.00	149.76	227.03	141.17	91.28	Letter of Guarantee	Yes
130	The Plant Elite Pattanakarn	Owner	7-2-63.70	N/A	274.14	172.91	115.37	Letter of Guarantee	Yes
131	Baan Passorn 57 Prestige Pinklao-Phetkasem	Owner	32-3-56.50	522.55	587.50	511.61	491.05	Letter of Guarantee	Yes
132	The Plant Exclusique Pattanakarn	Owner	11-0-23.30	N/A	417.04	258.01	120.62	Letter of Guarantee	Yes
133	Baan Passorn 61 Prestige Luxe-Pattanakarn 44	Owner	14-1-66.10	N/A	258.66	205.50	99.30	Letter of Guarantee	Yes
134	The Plant Phaholyothin Rangsit	Owner	22-2-42.40	N/A	140.63	183.97	180.21	Letter of Guarantee	Yes
135	The Plant Ayutthaya	Owner	42-3-32.20	N/A	108.41	181.79	195.10	Letter of Guarantee	Yes
136	Passorn 65 Thepharak	Owner	34-1-44.20	N/A	204.57	276.61	224.61	Letter of Guarantee	Yes
137	The Palm Bangna-Suvarnabhumi	Owner	31-1-11.30	N/A	490.86	601.55	542.83	Letter of Guarantee	Yes
138	The Plant Rangsit-Khlong 3	Owner	34-3-51.20	N/A	164.86	221.39	242.52	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
139	Baan Passorn 69 Prestige Chatuchot-Watcharapol	Owner	23-2-42.50	N/A	0.09	230.08	231.75	Letter of Guarantee	Yes
140	Baan Passorn 70 (Koh Kaew)	Owner	16-1-35.40	N/A	-	138.35	164.76	Letter of Guarantee	Yes
141	The Plant (King Kaeo-Thepharak)	Owner	22-1-92.00	N/A	-	166.61	197.34	Letter of Guarantee	Yes
142	The Plant (Pakkred)	Owner	10-2-24.10	N/A	-	126.23	154.19	Letter of Guarantee	Yes
143	Baan Passorn 74 (Thepharak-Bangna)	Owner	56-0-8.70	N/A	-	2.28	279.20	-	No
144	The Plant Rangsit-Khong Luang	Owner	15-0-31.90	N/A	-	-	130.31	Letter of Guarantee	Yes
145	Prukha Village 6	Owner	28-1-7.40	N/A	71.24	139.48	118.90	Letter of Guarantee	Yes
146	Prukha Village 37	Owner	10-2-8.20	N/A	205.30	129.76	97.91	Letter of Guarantee	Yes
147	Prukha Village 42	Owner	24-3-70.90	N/A	438.13	314.15	187.05	Letter of Guarantee	Yes
148	Prukha Village 43/2	Owner	32-0-87.60	N/A	312.31	224.89	131.81	Letter of Guarantee	Yes
149	Prukha Village 44	Owner	8-3-88.30	N/A	250.34	165.07	86.94	Letter of Guarantee	Yes
150	Prukha Village 45	Owner	26-1-13.50	N/A	239.46	226.75	200.19	Letter of Guarantee	Yes
151	Prukha Village 46	Owner	12-0-32.00	N/A	0.27	101.93	131.84	Letter of Guarantee	Yes
152	Prukha Village 47	Owner	38-3-15.90	N/A	-	180.10	262.27	Letter of Guarantee	Yes
153	Prukha Village 48	Owner	24-2-49.10	N/A	-	177.84	274.28	Letter of Guarantee	Yes
154	Prukha Village 50	Owner	33-1-19.60	N/A	-	182.35	235.49	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (rai-ngan-wah)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
155	Pruksa Village 49	Owner	51-3-97.90	N/A	-	280.77	349.61	Letter of Guarantee	Yes
156	Pruksa Village 51 (The Plant Rangsit-Khlong 5)	Owner	35-2-53.40	N/A	-	0.03	134.31	Letter of Guarantee	Yes
157	Pruksa Gallery Pinklao-Phutthamonthon	Owner	7-2-38.60	N/A	237.24	167.34	130.01	Letter of Guarantee	Yes
158	Natura & The Gallery Rama 2 Wongwaen	Owner	25-3-7.60	N/A	322.06	359.93	341.12	Letter of Guarantee	Yes
159	The Plant Rama 2-Phetkasem	Owner	21-1-68.70	N/A	112.45	216.81	238.78	Letter of Guarantee	Yes

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (square meter)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
160	The Tree Rio at Bang-Aor Station	Owner	47,556.50	1,749.53	938.45	1,969.02	880.17	-	No
161	Plum Condo Phaholyothin 89	Owner	72,629.03	N/A	2148.84	1,671.22	1,214.39	Letter of Guarantee	Yes
162	URBANO SIRINDHORN STATION	Owner	11,817.00	N/A	178.85	209.16	400.55	-	No
163	Chapter One : Eco Ratchada Huai Khwang	Owner	49,461.10	N/A	-	1,272.22	1,698.62	-	No
164	Chapter One Shine Bangpo	Owner	17,674.75	N/A	-	265.27	314.96	-	No
165	The Reserve Thonglor	Owner	7,123.12	N/A	-	397.80	402.56	-	No
166	The Reserve Pradipat	Owner	8,316.95	N/A	-	356.74	407.03	-	No
167	The Reserve Sukhumvit 61	Owner	11,150.88	N/A	-	677.14	772.27	-	No
168	Condo FUSE SENSE Bang Khae	Owner	12,435.32	N/A	671.83	550.17	246.59	-	No

No.	Name and Location of the Project	Nature of Ownership	Remaining Selling Area (square meter)	Cost Appraisal (Million Baht) As at Dec, 2017	Book Value As at Dec, 2015	Book Value As at Dec, 2016	Book Value As at Dec, 2017	Obligation As at Dec, 2017	
169	The Tree Sukhumvit 64	Owner	5,672.30	N/A	-	138.90	326.36	-	No
170	The Tree Sukhumvit 71-Ekkamai	Owner	28,279.35	N/A	-	419.43	609.21	-	No
171	The Tree Charan Sanit Wong 30	Owner	9,306.65	N/A	-	238.64	304.61	-	No
172	Plum Chaengwattana-Phase 2	Owner	24,277.50	N/A	276.68	380.53	409.05	-	No
	Plum Chaengwattana-Phase 3	Owner	29,611.93	N/A	279.95	350.45	476.12	-	No
173	Plum Condo Central Station-Phase 1	Owner	32,371.00	N/A	229.09	669.44	403.76	-	No
	Plum Condo Central Station-Phase 2	Owner	26,580.25	N/A	162.49	356.33	922.41	Letter of Guarantee	Yes
174	Plum Condo Pinklao Station	Owner	26,231.00	N/A	527.71	584.45	830.99	-	No
175	The Privacy Thapra-Interchange	Owner	21,325.50	N/A	-	497.14	523.97	-	No
176	Plum Samakkhi	Owner	16,135.56	287.28	496.69	425.48	163.00	-	No
177	Plum Condo Ram 60 Interchange	Owner	23,919.20	N/A	-	-	389.87	-	No
178	Plum Condo Ramkhamhaeng Station	Owner	26,293.00	N/A	357.43	479.16	747.52	-	No
179	The Privacy Rama IX	Owner	23,142.75	N/A	-	330.52	326.24	-	No
180	Plum Condo On Nut Station	Owner	4,530.75	N/A	-	144.78	172.56	-	No
181	Plum Condo Chok Chai 4	Owner	12,645.00	N/A	-	219.12	447.34	-	No

Remark :

\*\* Cost appraisal of the project value on October – December, 2017 by Agency For Real Estate Affairs Company Limited

### 3. Intangible Assets

As of December 31, 2017 and as of December 31, 2016, the Company's intangible assets are software copyrights in total of net book value for Baht 332 million and Baht 334 million, respectively.



## Legal Disputes

At 31 December 2017, Pruksa Real Estate Public Company Limited and its subsidiaries has had none of legal disputes which have not yet been terminated, possibly affecting assets of Pruksa Real Estate Public Company Limited and its subsidiaries in the amount which is higher than 5% of shareholders' equity.





## Research and Development

Pruksa Real Estate Public Company Limited (“Company”) aims at products that meet sustainable consumption plan, house quality development, improvement of residential standard with Pruksa Quality Standard, differentiation and innovation creation for maximum customer satisfaction. New value addition-based product innovation has been continuously invented at every price level whether being townhouse, single detached house and condominium to differentiate the Company’s residence project from other entrepreneurs in design or usability function. It is determined to be Pruksa Quality Standard to have same standard quality without consideration just on basic customer demand but we pay attention on all details even it is trivial matter which may be overlooked by customer (Invisible care). With Pruksa Quality Standard, the customers are assured that they will obtain quality houses equipped with new innovation that life will be easier.

Pruksa Quality Standard is deemed as another stage of innovation. The word of Pruksa House includes Safety Home (strong and safe home) through addition of pile length at backyard to be equal to house to support usability as future multi-purchase area, use of Pruksa Precast Stair for enhancement of strength and durability, CCTV System for house surveillance and comfortable feeling all the time; Healthy Home (health care home) through indoor air ventilation system contributing to indoor temperature reduction, toilet ventilator, and slope to support the elder’s wheelchair; Smart Home (modern home) through Home Automation System in simple controlling the function of electric appliances just by fingertip via smart phone, car parking without fear of sun with steel and canvas structural garage roof; Green Home (energy saving home) through Skylight roof contributing to increase in indoor lighting, LED electrical system for the entire house, and use of solar cells in common area of the project contributing to reduction of expense from electricity consumption, etc.

Due to the Company’s intent of customer satisfaction creation, the Company therefore gives precedence to continuous research and development so that residence which will be delivered to customer is perfect and consistent with maximum demand of customer. At present, Consumer Research Department and Innovation Management Center have mutually coordinated the operation for survey, research and analysis on consumer insight in each customer segmentation, survey of all residence projects in market (supply) covering nationwide areas and ample database for recognition of number and demand in residence market of the consumers under classification of residence type, style, location and price level. However, the Company will further use the said survey result to supplement the development of new projects in the future.

In developing house construction technology, the Company has continuously developed house construction since 1993 using modern technology with Cast-In Situ Load Bearing Wall Structure by Tunnel Technology for townhouse. Later in 2004, the construction technology of RC Load Bearing Wall Prefabrication was developed for some types of single detached house and townhouse. Precast Concrete Factory was constructed at Lamlookka District, Pathumthani Province, on the area of 190 rai. At present, the Company has five factories starting from the first factory which is Semi-Automated Carousel System for production of Precast Bearing Wall for house. Later in 2005, the Company developed and started using production with Fixed Mould System at the second factory to produce Fence and Parapet with Fixed Mould System. Now, the said factory was modified to be (concrete) prefabricated bathroom factory. The third factory produces Precast Concrete Slab & Special Elements, and Prefabricated Bearing Wall for House. The fourth factory produces Prefabricated Bearing Wall for Condominium and Townhouse Facade. In 2010, the Company developed system and expanded five factories which are Fully-Automated Carousel System to be Carousel Plant with maximum production capacity of the world for production of Precast Concrete Wall Panel. In production, automatic machines and computer system for production control in all procedures such as Shuttering Robot, Automated Mesh Plant, and Automatic Concrete Pouring Machine, etc., are utilized. Those machines and technology are most modern in the world, resulting in output of high standard and quality concrete panel. Precast Bearing Walls for houses were produced under total production capacity at that time for 640 units/month. At the end of 2013, the Company expanded investment and started constructing Pruksa Precast Factory that produces with Fully Automated Carousel System to be Carousel Plant with maximum production capacity of the world for production of Precast Concrete Wall Panel. In production, automatic machine is used and controlled by computer system in every production procedure. The location is at Khlong Nueng Sub-district, Khlong Luang District, Pathumthani Province, nearby Navanakhon Industrial Estate on 130 rai of area consisting of two factories, office building, material warehouse, logistic Hub, canteen and dormitory of employees, with approximate investment budget of 2,300 million Baht to support production capacity at 1,120 units/month.

Moreover, the Company also continuously conducts survey and research by different research methodology but consistency with target group customers about satisfaction and demand of the Company's customers in each area starting from reservation, sale and ownership transfer procedures, house quality, service, as well as material or product with new innovation for inspection and review in order to meet customer demand before actual usability. This can lead to improvement of service and delivery of quality residence of the Company accordingly.

In the past, the Company has continuously conducted research and development of residence construction technology by internal development and mutual development with strategic partners. The occurred achievements are as follows.

1. Development of townhouse facet elements to be prefabricated elements, resulting in quicker construction process and improved standard construction works.
2. Development of new construction technique with Load Bearing Wall with Composite Slab Technique which is the new integrated technique between construction using Tunnel Form Technology and Precast Slab Production Technique which was imported from foreign country, resulting in our acquisition of appropriate construction technique particularly with 8-storey condominium building construction and easily and quicker construction by the Company. The Company has currently applied this technology with 8-storey condominium building of the Company in all projects.
3. Development of Precast Wall Panel and Slab Erection System for single detached house within 2 days erection completion which is deemed to be new statistics of precast work erection.
4. Development of Knock Down Home Model in previous years by research and development team that was successful in home model development on ability to entirely complete construction and other decorations within 30 days. At present, conventional construction of single detached house which is delivered to customer must take around 75-90 days. The success of this Knock Down Home Model will be the beginning point for us to reduce house construction duration for customer delivery within 45-60 days accordingly.
5. Development of Solution Center for use as the center where receives issues and improve and develop on details and defects of products for continuous improvement and modernity to rapidly meet consumer demand, resulting in maximum consumer satisfaction toward the Company's product.
6. Construction of medium and large residence building with Fully-Precast System which is the extensive technology in foreign countries such as Japan, Singapore and USA. It is the load bearing structure which is designed for building to be stronger than conventional construction system and construction quality can be well controlled.
7. Development of erecting framework together with precast panel and wall in tunnel technology system to contribute to development related to rain water leakage problem occurred from house of which framework is erected later and leakage problem will occur after deterioration of sealant. However, new system development can solve leakage around framework throughout useful life and reduce house maintenance in long term.
8. Development of lightweight concrete work for use in house component in load bearing whether being load bearing wall and non-load bearing wall to be alternative technology in contributing to decrease of concrete element weight and more convenient erection operation. Now, the Company has been under research on more insulation for wall.
9. Development of prefabricated bathroom for improved and equivalent quality of every toilet due to pre-quality inspection before erection at site, contributing to labor shortage problem. In developing this prefabricated bathroom, internal development and mutual development with supplier which is strategic partner have been performed to be appropriate for customer group in each segment.

The expenses of market research, customer satisfaction survey, and research and development of construction technology are recorded as the Company's expense in the period of transaction occurrence. However, the said relevant expenses are estimated in proportion of small amount when compared with total revenues of the Company. Therefore, the research development can be considerably extended to various sections.

Throughout 20 years ago, the Company gives precedence to implementation of innovation to support the development of the Company's processes to increasingly cover all areas for attainment of the Company's vision to be the top ten company in Asia and sustainable growth of business from continuous and secure business growth and Good Governance until being Top of Mind Brand for customer.

The Company restructured the organization to be consistent with the said vision under policy and plan for implementation of innovation in various areas for capacity enhancement and business competitive advantage building. The innovation is applied for entire improvement of the Company's Supply Chain Management Process (P0-P16) which is called "Pruksa Creative Innovation Intelligence" to be complete in all areas whether being Product Creative Innovation, Process Creative Innovation and Service Creative Innovation by emphasizing on participation of employees of all departments in development through activities and through Innovation award contest organizing so that every employee can participate and work in the way of cross function for connection along Supply chain of the Company in value creation for customers. The Company allocates total prizes for employees up to 1% of total revenues (approximately) to stimulate organizational culture which is Creative Innovation Organization.

As innovation creation to be occurred and actually used is unable to be performed by anyone, the innovation creation must be cooperative and participative by connection of top executive to operational employees of every department. The organizational strategy planning and business operation direction are determined both in business group and supporting group toward goal in the same direction in order to link, select, support, drive, and implement both internal and external innovations which have been assessed that they are value added for concrete application or called C&D (Connecting and Development). The Company has formulated both short-term and long-term Road Maps in implementation of innovation to solve problems, increase of construction process efficiency, and increase in current product quality to be more international standard, maintain and expand business to cover and add market share in the future, and extend business into new customer group in new market that emphasizes on value creation for customers by customized product development and 4 Consumer Mega Trends whether in the matters of Green Revolution, Digital Lifestyle, Aging/Health Society and Safety Concern, etc. for modern house, life style fulfillment, and customer demand response.

The Company focuses on creation of High value added to be proper for all product groups by integration and creation of innovations from the in-house employee participation in the way of Closed Innovation and acquisition of external innovation called Open Innovation for application with products. The Company also focuses on building strategic partners from construction material manufacturers, educational institutions, technical specialists both in the country and foreign countries for mutual product development to be long-term partnership.

Samples of Current Innovation Development Plans are as follows.

**1) In part of the first area of innovation creation is Process Creative Innovation**

This is deemed to be the upstream of creation through process innovation. Apart from the Company's development and implementation of Precast Concrete Production Process Technology from Germany which is the modern Automation-Based Production Process in 1-5 factories at Lamlookka, Khlong 6. In 2013, the Company started constructing new two factories at Navanakhon. The production could be commenced in the end of 2014, resulting in increase in production capacity to be 1,120 units/month. The Company has also planned to construct Mobile Precast Factory in upcountries and also created innovation in Supply Chain Management Process which is the management process from selection to purchase land, bargain price, conduct project feasibility, and take to design proper product based on customer group. At present, design and drawing development have been commenced to be changed from two-dimension to be three-dimension form in design system called BIM (Building Information Model) through Management Information System (MIS) that will link all of same databases through SAP System into reproduction, price estimation, production, precast panel, and purchasing, resulting in reduction of error of database which is inconsistent among work units. The said database can be used in construction management to be consistent with construction process of which the Company has developed REM (Real Estate Manufacturing) Construction System which is the application of industrial production process with house production process to be Mass Customized. This is house construction system for maximum construction capability under work process control according to proper work sequence. It is to say that there is certain Track Time, Continuous Work Flow, and Visual Control System whereas signboards and symbols are used to indicate status of each work like production on industrial factory. The in process quality inspection and control system is inserted in every procedure to acquire best quality house. The implementation of REM System Construction with 100% of low rise construction projects both of single detached house and townhouse projects, has been determined by the Company to be policy. According to monitoring and controlling results of REM System Construction both of single detached house and townhouse

construction projects in the past, the finding indicated clearly increase in construction efficiency from before up to 30-50% and improvement of house construction quality from before more than 60% in meantime, resulting in transfer and delivery to customer on business plan. The after-sales service and continuous improvement process through the process of Continuous Improvement Project which is the product development and improvement for more good quality, aim at employee participation. According to achievement contest plan both in world and national stages such as the past contest participation in USA, the Company could be awarded for winner of American Society for Quality (ASQ), USA, in the area of "Quality Improvement for Construction". The study has been conducted for investment in developing Core Data System for linkage of databases in the Company to be accurate and up-to-date all the time, ability to take data for analysis, and check for prevention and immediate correction of occurred problems. This system is the complete risk management in all areas.

## 2) Next innovation creation is Service Creative Innovation

The purpose of the cooperation plan between the Company and relevant government agencies is to increasingly facilitate customers. In the past, the Company entered into MOU with Metropolitan Waterworks Authority and Metropolitan Electricity Authority so that expense can be reduced for quick service provision to customer due to temporary use of electricity and water supply in the event of delay in electricity and water supply meter installation, resulting in expense incurrence and contingent risk of electric appliance damage due to unstable electric current supply from temporary installation. Pruksha Real Estate PCL has mutually developed on the improvement of internal process and external process with the relevant government agencies to complete the installation of electricity and water supply meters since transfer of house ownership to customers.

In the future, the Company will expand to enter into MOU in the same way with other agencies such as Department of Lands, for convenience of customers in contact with government agencies in complete areas. The house inspection and acceptance by tablet has been developed. The Company has also provided service called Better Living Service which is the advisory service of contractor to customers and general people in house improvement and addition. Contact Center 1739 is available to receive complaints and enter to inspect and correct according to appointment made with customer, and to serve news information and services via [www.pruksha.com](http://www.pruksha.com). The service is provided in online nature whether house reservations and appointments. Moreover, the Company has still been under development on linking data of the manufacturers of products, furniture, indoor apparatus in website so that customers can purchase such products which are good quality in cheaper prices than common market. At present, Pruksha Application has been developed on mobile phone for data service and increase in convenience to customers.

## 3) Final innovation creation is Product Creative Innovation

The Company's guideline of world class standard product development is to have equal quality of all units and meet Mass Customized Demand. Therefore, it emphasizes on development of production applied from industrial factory production by the way that home elements are produced to be prefabrication system from factories as much as possible and then are assembled at site as if they are one piece of home furniture since quality can be controlled from factories without reliance on skilled technicians and labor is reduced. Thus, strategic partners are very important in developing innovation in this area due to inability of the Company to invest in research and development of all matters. The Company thus has linked to search for strategic partners whether being supplier, manufacturer and distributor of construction materials, educational institution, and other academic institutions to mutually conduct research and development on product quality improvement to be standard and satisfy customers in reasonable price. The continuous mutual development between the Company and suppliers included previous development and implementation in the matter of sanitary ware, design, stuff cabinet, prefabricated stair, prefabricated door and window frame, pump concealing water storage tank, Concrete Mixed Design, various patterns of cavity walls, readymade garbage can. The Company has developed prefabricated bathroom which is produced from factory and passed for quality inspection before assembly at site and started actual installation in 2014. During this period, the Company has still developed with the researchers in the matter of water treatment tank, reinforced concrete, and autoclaved aerated concrete. In part of educational institution and academic institution, researches were conducted to meet customer demand both in term of quality and customer confidence building, such as Fully Precast design, test of

earthquake resistant house of Baan Prukha whether it can resist earthquake, Ventilating Townhouse, Zero Carbon House, House for Generation, and Smart home. In 2016, the achievement contest of university students of Faculty of Architecture, Chalulalongkorn University, in the Project of PRUKSA-CHULA: Architectural Innovation SynTax, ARIST, so that university students could design and propose architectural concept of both low rise and high rise residences in order to adapt new concepts for future business extension, etc. in developing innovation in this part. Moreover, the Company plans to find new strategic partners for mutual development every year. In the future, the Company will remain emphasizing on consumer demand trend according to 4 Consumer Mega Trends to support changing demand and life style of the consumers in the future. Home Model was built at The Plant Estique (Phatthanakan 38) which was certified to be green building of DGNB (German Sustainable Building Council) for Platinum Sustainable Building Certification for use as guideline of selection for use of materials in the future, based on the matter of environmentally friendly materials and reduction of energy consumption according to global warming. In addition, the Company was awarded for Certificate from international Quality Crown Award 2016 in London, England in excellence and innovation area, International Star Quality Award 2017 of BID Institute in Geneva, Switzerland, and Energy Saving Housing Development Project Award 2016 and 2017 of Ministry of Energy.

In developing and creating in all three areas of innovation, it has been deemed as innovation creation for all procedures from production and work process to produce tangible product and service and perception from customer emotion, resulting in the Company's delivery of international standard, attractive, and quality house and creating value in term of Value For Money, Emotional Value, Functional Value, Value of Time. This causes customer admiration, happiness, pride from ownership, and good image. Environmental preservation is concerned by implementing CSR In Process as part of business process that penetrates in all procedures from research and development, design, production, and delivery and service; and CSR After Process derived from participation of the organization and third parties by attracting customer, trade partner/society, and community to participate in social activities toward sustainable development since the key of business operation is not just product or service, but the key is "creative thinking" behind valuable product or service. The Company therefore always emphasizes on "Thinking and Creating Value for Customer". It is creation of CSV (Creating Shared Value) emphasizing on shared value addition to society and cause general social benefit, resulting in sustainable growth of the business organization.



## Future Projects

Due to satisfactory market acceptance on the Company's products which are townhouse, single-detached house and condominium.

In 2017, the Company launched total of 56 projects in total value of Bt 59.2 billion being classified as follows:

### Pruksa Value Business Group

-	Townhouse Project	35	Projects
-	Single Detached House Project	10	Projects
-	Condominium Project	6	Projects

### Pruksa Premium Business Group

-	Home Office Project	1	Projects
-	Condominium Project	4	Projects

In 2018, the Company has planned to launch approximately 75 projects in total approximate value of Bt 66,700 million under main focus on penetration to real demand customer group and focus on development of low-rise projects in single detached house and townhouse, and expansion in every market by penetrating to lower- to middle-class markets, expansion to premium market and expansion to upcountry market for enhancing new business opportunity of the Company in the future.

## General Information and Other Significant Information

### I. General Information of the Company

Company's Name	:	Pruksa Real Estate Public Company Limited
Type of Business	:	Business operation in real estate development in types of townhouses, single detached houses, and condominiums
Head Office's Location	:	1177 Pearl Bangkok Building, 23 <sup>rd</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Company Registration No.	:	Registration No. BorMorJor. 0107548000307
Home Page	:	<a href="http://www.pruksa.com">http://www.pruksa.com</a>
Telephone	:	66 (0) 2080 1739
Facsimile	:	66 (0) 2080 1700
Ordinary Shares and Registered Capital (Shares, Baht)	:	2,232,682,000
Ordinary Shares and Paid-Up Registered Capital (Shares, Baht)	:	2,232,682,000
Spending Purpose	:	Spending for Investment in Project Development

### 2. General Information of Affiliated Companies

#### 1) Pruksa Real Estate Public Company Limited

Head Office's Location	:	1177 Pearl Bangkok Building, 23 <sup>rd</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	:	Business operation in real estate development in types of townhouses, single detached houses and condominiums
Company Registration No.	:	BorMorJor. 0107548000307
Telephone	:	0-2080-1739
Homepage	:	<a href="http://www.pruksa.com">www.pruksa.com</a>

#### 2) Branch Office I

##### PS Precast Factory (Lamlookka)

Factory's Location	:	54/1 Village No. 4, Lamlookka Road, Ladsawai Road, Lamlookka District, Pathumthani Province
Type of Business	:	Precast Concrete, Fence and Standchion Factory
Telephone	:	0-2532-8124 -32
Facsimile	:	0-2532-8123

**3) Branch Office 2****PS Precast Factory (Nava Nakhon)**

Factory's Location	:	69/5 Village No. 11 Phaholyothin Road, Khlong Nueng Sub-district, Khlong Luang District, Pathumthani Province
Type of Business	:	Precast Concrete, Fence and Stanchion Factory
Telephone	:	0-2532-8124-32
Facsimile	:	0-2532-8123

**4) Kaysorn Construction Company Limited (Subsidiary Company)**

Head Office's Location	:	1177 Pearl Bangkok Building, 21 <sup>st</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	:	Contracting and decoration
Telephone	:	0-2080-1739

**5) Putthachart Estate Company Limited (Subsidiary Company)**

Head Office's Location	:	1177 Pearl Bangkok Building, 21 <sup>st</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	:	Real estate development
Telephone	:	0-2080-1739

**6) Phanalee Estate Company Limited (Subsidiary Company)**

Head Office's Location	:	1177 Pearl Bangkok Building, 20 <sup>th</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	:	Real estate development
Telephone	:	0-2080-1739

**7) Prukha Overseas Company Limited (Subsidiary Company)**

Head Office's Location	:	1177 Pearl Bangkok Building, 23 <sup>rd</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	:	Stock investment
Telephone	:	0-2080-1739

**8) Prukha International Company Limited (Subsidiary Company)**

Head Office's Location	:	1177 Pearl Bangkok Building, 23 <sup>rd</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	:	International real estate development
Telephone	:	0-2080-1739



**9) Prukisa Overseas Service Company Limited (Subsidiary Company)**

Head Office's Location	: 1177 Pearl Bangkok Building, 23 <sup>rd</sup> Floor, Phaholyothin Road, Samsennai Sub-district, Phayathai District, Bangkok 10400
Type of Business	: Supportive services for affiliated enterprises or its own branches both in domestic and international (ROH)
Telephone	: 0-2080-1739

**10) Prukisa India Housing Private Limited (Subsidiary Company)**

Head Office's Location	: Ground Floor, No. 61/1 Commercial Complex, Near Gokul Towers, Dr. M.S. Ramaiah Road, Gokula, Bangalore-560054 Karnataka, Republic of India
Type of Business	: Real estate development in India

**11) Prukisa India Construction Private Limited (Subsidiary Company)**

Head Office's Location	: Ground Floor, No. 61/1 Commercial Complex, Near Gokul Towers, Dr. M.S. Ramaiah Road, Gokula, Bangalore-560054 Karnataka, Republic of India
Type of Business	: Contracting for construction in India

**12) Prukisa-Luxora Housing Private Limited (Joint Venture)**

Head Office's Location	: Soham House, Hari Om Nagar, Off. Eastern Express Highway, Muland (East), Mumbai - 400081 Maharashtra, Republic of India
Type of Business	: Real estate development in India

**13) Prukisa Vietnam Company Limited (Subsidiary Company)**

Head Office's Location	: Unit A, 8 <sup>th</sup> Floor, No.116 Nguyen Duc Canh, Cat Dai Ward, Le Chan District, Hai Phong, Vietnam
Type of Business	: Real estate development in Vietnam

**14) Prukisa-HDC Housing Private Limited (Joint Venture)**

Head Office's Location	: 2 <sup>nd</sup> Floor, HDC Building, Hulhumale, Republic of Maldives
Type of Business	: Real estate development in Maldives

**15) Kaysorn Construction Company Limited (Subsidiary Company)**

Head Office's Location	: 2 <sup>nd</sup> Floor, HDC Building, Hulhumale, Republic of Maldives
Type of Business	: Contracting for construction and decoration

### 3. Information of Other Reference Parties

#### Securities Registrar

Company's Name	:	Thailand Securities Depository Company Limited
Head Office's Location	:	93 Office of the Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Telephone	:	0-2009-9000
Facsimile	:	0-2009-9991

#### Debenture Registrar

Company's Name	:	Bank of Ayudhya Public Company Limited
Head Office's Location	:	1222 Rama III Road, Bang Phongphang Sub-district, Yannawa District, Bangkok 10120
Telephone No.	:	1572

#### Auditor

Miss Wannaporn Jongpeeradechanon, Certified Public Accountant Registration No. 4098 and/or

Mr. Charoen Phusamritlerd, Certified Public Accountant Registration No. 4068 and/or

Miss Marisa Tharathornbanphakul, Certified Public Accountant Registration No. 5752

KMPG Phoomchai Audit Company Limited

Head Office's Location	:	195 Empire Tower, 22 <sup>nd</sup> Floor, Sathon Tai Road, Yannawa Sub-district, Sathon District, Bangkok 10120
Telephone	:	0-2677-2000

## Information of Securities and Shareholders

### 1. Number of Registered Capital and Paid-Up Capital

As on December 31, 2017, the registered capital of Pruksa Real Estate Public Company Limited (“Company”) was 2,232,682,000 Baht divided to be 2,232,682,000 ordinary shares at par value of 1 Baht per share, and paid-up capital was 2,232,682,000 Baht (being 2,232,682,000 ordinary shares).

### 2. Shareholders

The top ten major shareholders as on December 31, 2017 are as per the following details.

No.	Name of Shareholder	Shareholding	
		Number of Held Shares (Shares)	Shareholding Proportion (Percentage)
1.	Pruksa Holding Public Company Limited	2,185,847,580	97.90
2.	HSBC (SINGAPORE) NOMINEES PTE LTD	19,036,290	0.85
3.	CHASE NOMINEES LIMITED	7,721,100	0.35
4.	Mr.Prayooth Ueaywattana	3,060,000	0.14
5.	Mr.Pisit Leeahtam	1,329,900	0.06
6.	Mrs.Supaporn Jansereevitthaya	1,000,000	0.04
7.	Mr.Bahratbusan Kwatra	1,000,000	0.04
8.	Mr.Suchote Chanviphava	875,900	0.04
9.	BNP PARIBAS SECURITIES SERVICES ZWEIGNIEDERLASSUNG FRANKFURT AM MAIN	727,800	0.03
10.	Mr.Samit Kenganunsakul	585,400	0.03
	<b>Total Top Ten</b>	<b>2,221,183,970</b>	<b>99.48</b>
	<b>From Total Shares</b>	<b>2,232,682,000</b>	<b>100.00</b>

## 2.1 DEBENTURE

As of December 31, 2017 there was Bt21,500m outstanding which can be divided into seven tranches as follows :

Name of Debentures of Pruksa Real Estate Public Company Limited	No. 1/2013 due 2016 and 2018	No. 2/2014 due 2017 and 2018	No. 1/2015 due 2018 and 2020
Type of debentures	Name registered debenture		
Status	Unsubordinated and Unsecured		
Lead underwriter, Registrar and paying agent	Kasikorn Bank Plc. and Siam Commercial Bank Plc.	Bank of Ayudha Plc. and United Overseas Bank (Thai) Plc.	Kasikorn Bank Plc.
Par value	Bt1,000		
Issue price/unit	Bt1,000		
Issue size	Bt6,000,000,000 (Balance amount Bt3,000,000,000)	Bt4,000,000,000 (Balance amount Bt2,000,000,000)	Bt3,000,000,000
No. of debenture	6,000,000 units (Balance 3,000,000 units)	4,000,000 units (Balance 2,000,000 units)	3,000,000 units
Duration	3 years 1 month and 5 years from the issuing date	2 years 9 months and 3 years 6 months from the issuing date	3 years 6 months and 5 years from the issuing date
Issuing date	15 May 2013	17 Sep 2014	13 May 2015
Maturity date	Series 1 : 15 Jun 2016 (Due)	Series 1 : 17 Jun 2017 (Due)	Series 1 : 13 Nov 2018
	Series 2 : 15 May 2018	Series 2 : 17 Mar 2018	Series 2 : 13 May 2020
Coupon rate	Series 1 : 3.58% per annum of Bt3,000,000,000	Series 1 : 3.71% per annum of Bt2,000,000,000**	Series 1 : 2.68% per annum of Bt1,000,000,000**
	Series 2 : 4.09% per annum of Bt3,000,000,000**	Series 2 : 3.90% per annum of Bt2,000,000,000 **	Series 2 : 3.23% per annum of Bt2,000,000,000**
Coupon payment period	Quarterly	Quarterly	Quarterly
Redemption	The issuer shall redeem the debentures with the single payment of principal and the final unpaid interest (if any) at maturity		
Repurchasing of debenture	The issue is entitled to repurchase the debentures from the secondary market or otherwise at any time		
Credit Rating by TRIS	"A" as issued on 20 Mar 2013	"A" as issued on 10 Jul 2014	"A" as issued on 16 Apr 2015

\*\* increased interest rate 0.10% as of 1 Dec 2016

## 3. Warrants

- None -

No. 1/2016 due 2019	No. 1/2017 due 2019 and 2020	No. 2/2017 due 2020	No. 3/2017 due 2021
Name registered debendure			
Unsubordinated and Unsecured			
Bank of Ayudhaya Plc., CIMB Thai Bank, Thanachard Bank Plc.	Krungthai Bank Plc. and United Overseas Bank (Thai) Plc.	United Overseas Bank (Thai) Plc.	The Siam Commercial Bank Plc.
Bt1,000			
Bt1,000			
Bt4,000,000,000	Bt5,000,000,000	Bt2,500,000,000	Bt2,000,000,000
4,000,000 units	5,000,000 units	2,500,000 units	2,000,000 units
3 years and 3 years 6 months from the issuing date	2 years 9 months 26 days and 3 years 5 months 28 days from the issuing date	3 years 5 months 5 days from the issuing date	3 years 6 months from the issuing date
17 Mar 2016	03 Feb 2017	15 Jun 2017	19 Sep 2017
Series 1 : 21 Mar 2019	Series 1 : 29 Nov 2019	Series 1 : 20 Nov 2020	Series 1 : 19 Mar 2021
Series 2 : 17 Sep 2019	Series 2 : 31 Jul 2020		
Series 1 : 2.05% per annum at Bt2,300,000,000	Series 1 : 2.63% per annum at Bt2,400,000,000	Series 1 : 2.64% per annum at Bt2,500,000,000	Series 1 : 2.27% per annum at Bt2,000,000,000
Series 2 : 2.08% per annum at Bt1,700,000,000	Series 2 : 2.85% per annum at Bt2,600,000,000		
Quarterly	Half year	Half year	Half year
The issuer shall redeem the debentures with the single payment o principal and the final unpaid interest (if any) at maturity			
The issue is entitled to repurchase the debentures from the secondary market or otherwise a any time			
"A" as issued on 25 Feb 2016	"A" as issued on 5 Jan 2017	"A" as issued on 25 May 2017	"A" as issued on 25 Aug 217

#### 4. Dividend Policy and Payment

The Company formulates the policy for considering the annual dividend payment to shareholders twice a year at the rate of not less than 50% of net profit of the Company's consolidated financial statements after deduction of all capital reserves. However, the said dividend payment may be altered subject to future investment plan, necessity and other appropriateness as deemed proper by the Board of Directors. In respect of dividend payment policy of the subsidiaries, the subsidiaries will pay dividend to Prukha Real Estate Pcl. from their net profits. In paying dividend, many factors shall be taken into consideration in combination, such as their operating result, financial position, liquidity, business expansion and factors related to the management of their businesses.

Moreover, according to dividend payment of Prukha Real Estate Pcl. particularly in the event of payment from net profit of the business of Prukha Real Estate Pcl. whereas Prukha Real Estate Pcl. has been granted for privilege from BOI investment promotion, the receiver of the said dividend shall be exempted not to combine such received dividend for calculation of income tax payment and Prukha Real Estate Pcl. has no right to deduct withholding tax from such dividend.

##### Dividend Paid by Prukha Real Estate Pcl. to Shareholders

Performance Year	Net Profit from Consolidated Financial Statements (Bt m)	Net Profit in Part of the Holding Company (Bt m)	Earnings per Share (Consolidated Financial Statements)	Dividend per Share	Dividend Payout Ratio* (%)	Dividend Payment Date
2017	5,605.34	5,605.34	2.51	1.38	55.0	16 May 2018
2016	6,107.67	6,107.67	2.74	2.10	76.8	19 May 2017
2015	7,670.28	7,680.36	3.44	1.75	50.8	18 May 2016
2014	6,653.84	6,654.52	2.99	1.00	45.3	15 May 2015
2013	5,801.82	5,175.03	2.61	0.85	36.5	15 May 2014
2012	3,898.14	3,266.80	1.76	0.50	33.8	17 May 2013

**Remark:**

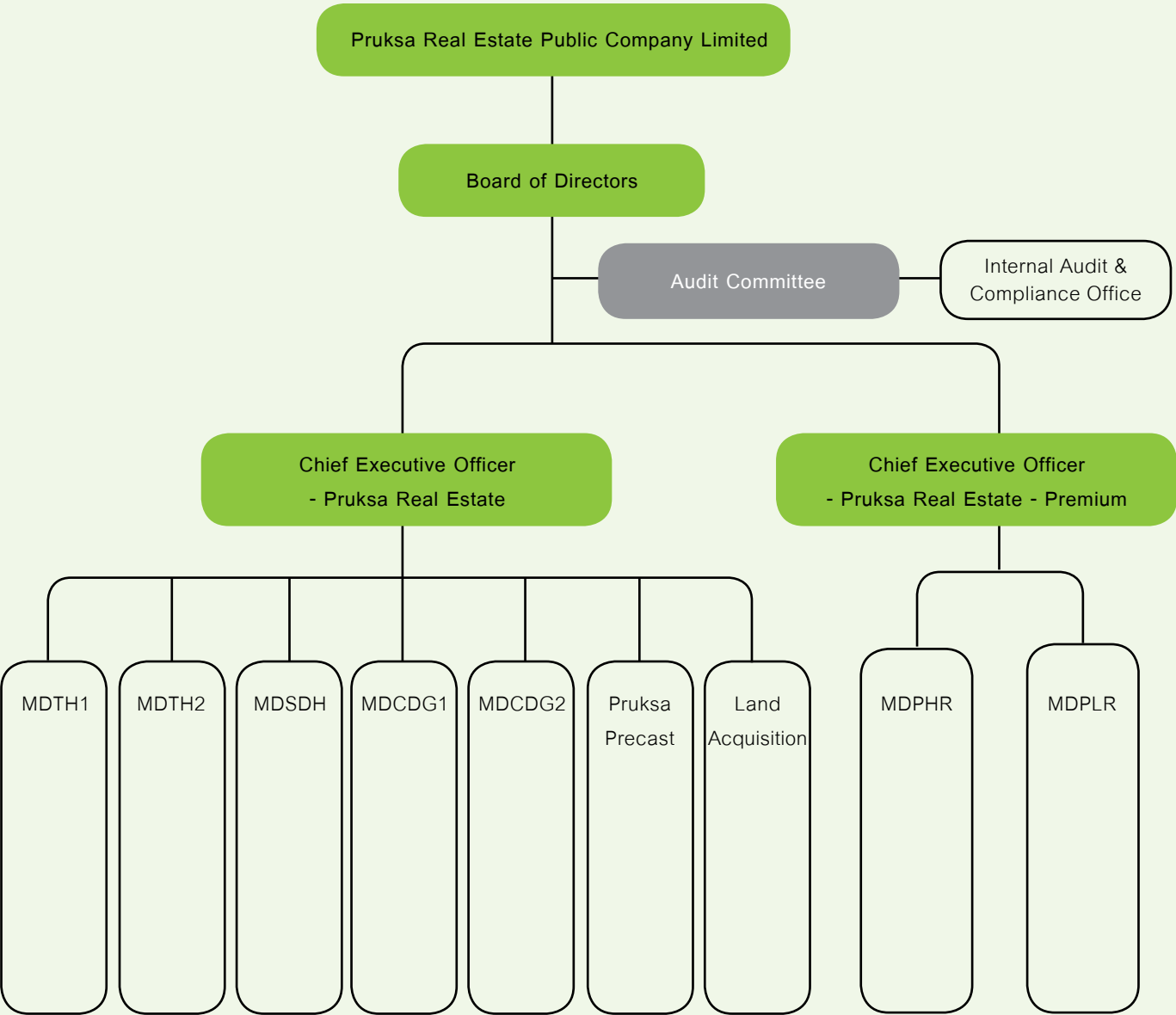
- \* 1) The dividend payout ratio in 2012-2014 was calculated from net profit of separate financial statements. From 2015, the dividend payout ratio has been calculated from net profit of consolidated financial statements according to the change in dividend payment policy as mentioned above.
- 2) Dividend payment from operating result for 2017 at 1.38 Baht per share shall be subject to the approval of Annual General Meeting of Shareholders held on Friday April 27, 2018. The interim dividend was paid at 1.02 Baht per share on September 6, 2017.

# Management Structure

## I. Management Structure

The organization structure of Prukسا Real Estate Public Company Limited (the “Company”) as on 31 December 2017 can be presented in the following chart.

**Prukسا Real Estate Public Company Limited Organization Chart**



## 2. The Board of Directors and Sub-Committees

The current management structure of the Company consists of the Board of Directors and one sub-committee which is Audit Committee.

At present, the Board of Directors and Sub-Committee of the Company are as follows.

### 2.1 Board of Directors

According to the Articles of Association of the Company, it specifies that the Board of Directors shall consist of not less than five directors. Not less than one half of total number of directors shall have domicile in the Kingdom. In business operation, the directors must therefore perform duties in compliance with the laws, the Company's objectives and Articles of Association as well as the resolutions of the Shareholders' Meetings in good faith and carefulness to protect interests of the Company. At present, the Board of Directors of the Company (as per the latest Ministry of Commerce's certification dated on December 4, 2016), who possess qualifications in accordance with Section 68 of Public Company Act B.E. 2535 (1992) and the related notifications of the Office of the Securities and Exchange Commission, consists of 13 members under the following name list:

Name	Position
1. Dr. Pisit Leeahtam	Chairman of the Board and Independent Director
2. Mr. Thongma Vijitpongpan	Executive Vice Chairman
3. Dr. Piyasvasti Amranand	Independent Director
4. Mr. Adul Chandanachulaka	Independent Director
5. Mr. Weerachai Ngamdeevilaiak	Independent Director
6. Dr. Anusorn Sangnimnuan	Independent Director
7. Dr. Prasarn Trairatvorakul	Independent Director
8. Mr. Wichian Mektrakarn	Director
9. Mrs. Rattana Promsawad	Director
10. Mr. Piya Prayong	Director
11. Mr. Prasert Taedullayasatit	Director
12. Mr. Theeradej Kerdsamang <sup>(1)</sup>	Director
13. Mr. Nimit Poonsawat <sup>(3)</sup>	Director
14. Mr. Lersuk Chuladesa <sup>(2)</sup>	Director

**Remark:** (1) Mr. Theeradej Kerdsamang has been appointed as member of the Board of the Company since 16 February 2017 onwards.

(2) Mr. Lersuk Chuladesa retired from the office of the Company's director since 21 April 2017 onwards.

(3) Mr. Nimit Poonsawat has been appointed as member of the Board of the Company since 21 April 2017 onwards.

Secretary of the Board of Directors is Mr. Paisarl Rumphan in the position of Company Secretary.

#### Authorized director who signs on behalf of the Company

The authorized directors who jointly sign on behalf of the Company are either Mr. Thongma Vijitpongpan or. Mr. Prasert Taedullayasatit or Mr. Nimit Poonsawat, together with Mr. Piya Prayong or Mr. Theeradej Kerdsamang or Mrs. Rattana Promsawad, totaling to two directors, and affix with the Company's seal.



**Integration or separation of position**

The Chairman of the Board must be neither an executive director nor the same person as Chief Executive Officer, and must not have any relationship with the Management. This is the clear separation of duties in determining corporate governance policy and routine management.

**Roles and duties of the Chairman of the Board**

The duty of the Chairman of the Board is to play the leadership role, and to preside over the Board of Directors' Meeting and the Shareholders' Meeting to ensure efficiency and effectiveness by encouraging every director to participate in the meeting, assisting, advising and supporting the business operation of the management. The Chairman also has the freedom to propose agenda of the meetings and express opinions on the Company's operations in various aspects, including carefully and mutually considering matters concerning conflict of interests for justice and transparency.

**Scope of powers, duties and responsibilities of the Board of Directors**

1. To perform duties with responsibility, caution and honesty in accordance with the laws, the Company's objectives and Articles of Association as well as the resolution of the Shareholders' Meeting with the exception of matters requiring approval from the Shareholders' Meeting prior to execution such as matters required by law for approval of the Shareholders' Meeting in performing connected transactions and any purchase or sale of important assets pursuant to the regulations of the Stock Exchange of Thailand (SET) or those prescribed by other government agencies.
2. To govern the business to be operated in ethical manner such as determining Corporate Governance Policy and preparing Code of Business Ethics for directors, executives and employees of the Company and its subsidiaries, and disclosing for acknowledgement, determining the compliance and monitoring the compliance.
3. To consider the approval of business policies, targets, operational plans, business strategies and annual budgets of the Company.
4. To consider and approve the appointment of a person who possesses the required qualifications and does not have any prohibited characteristics under the Public Limited Company Act B.E. 2535 (1992) and laws relevant to Securities and Stock Exchange of Thailand, including the related notifications, regulations and/or rules to hold the director position in case of vacancy due to causes other than retirement by rotation.
5. To consider the appointment of independent director by taking into consideration the required qualifications and prohibited characteristics as per laws relevant to Securities and Stock Exchange of Thailand, Notifications of the Capital Market Supervisory Board, including relevant notifications, regulations and/or rules of The Stock Exchange of Thailand (SET); or propose to the Shareholders' Meeting to consider the appointment as the independent director of the Company accordingly.
6. To consider the appointment of the Audit Committee members who meet the qualifications specified by the laws relevant to Securities and Stock Exchange of Thailand, Notifications of the Capital Market Supervisory Board, including relevant notifications, regulations and/or rules of The Stock Exchange of Thailand (SET).
7. To consider the appointment of executive director by selecting from the directors or the executive of the Company or external parties, including determining the scope of power, duties and responsibilities of executive director.
8. To consider the appointment of sub-committees to assist in operations within the scope of responsibilities of the Board of Directors.
9. To determine and change the names of the authorized directors in signing to bind the Company.
10. To appoint any other persons to operate the Company's business under supervision of the Board of Directors or may authorize such persons to have power and/or within the time period as deemed appropriate by the Board of Directors. The Board of Directors may withdraw or change such power.
11. To consider the approval on performing transactions relating to acquisition or disposition of assets, except where such transactions require approval from the Shareholders' Meeting. Such approval must comply with the Notification of the Capital Market Supervisory Board and/or relevant notifications, regulations and/or rules of the Stock Exchange of Thailand (SET).

12. To consider the approval of performing connected transactions, except where such transactions require approval from a Shareholders' Meeting. Such approval must comply with the Notification of the Capital Market Supervisory Board and/or relevant notifications, regulations and/or rules of the Stock Exchange of Thailand (SET).
13. To consider the approval of interim dividend payment among the shareholders upon consideration that the Company has adequate profits to do so; and report such dividend payment to the following Shareholders' Meeting for acknowledgement.

The Board of Directors shall elect a director to be the Chairman of the Board. If it is deemed appropriate, the Board of Directors may consider electing one or many directors to be Vice Chairman, whose duties shall be assigned by the Chairman in accordance with the Company's Articles of Association. The Board of Directors shall convene hold the meeting at least once every three months.

However, in assigning powers, duties and responsibilities of the Board of Directors, it shall not assign or sub-assign any powers, duties and responsibilities in a manner which will allow the Board of Directors or the person who is authorized by the Board of Directors to be able to approve transactions in which the Board of Directors and the said authorized person or the persons who may have conflict of interests with (as defined by the Notification of The Securities and Exchange Commission), have gain and loss, or may have any other conflict of interests with the Company or its subsidiaries, except where the approval of such transaction is consistent with the policy and criteria considered and approved by the meeting of shareholders or of the Board of Directors.

#### **Element and appointment of the Board of Directors**

Element and appointment, removal or discharge of the director position shall be stipulated in the Company's Articles of Association and can be summarized as follows:

1. In the Company's operation, the Board of Directors shall consist of not less than five directors and not less than one half of the total number of directors shall have their domicile in Thailand.
2. The Company's directors shall be elected by the Shareholders' Meeting as per the following rules and procedures:
  - (1) Each shareholder shall have one vote per share.
  - (2) Each shareholder shall exercise all of his or her existing votes under (1) to elect one or several persons as director. However, he or she may not more or less divide his or her votes among the candidates.
  - (3) The persons who earn highest votes in respective order of the votes shall be elected to be directors in a number equaling to the number of directors that should be available or should be elected in that time to be elected at that meeting. In the event where the elected persons in the following order have equal vote and exceed number of directors that should be available or should be elected in that time, the Chairman of the meeting shall exercise a casting vote.
3. In each Annual General Meeting of Shareholders, the directors shall retire by one-third of total number of directors at that time. If the number of directors cannot be divided to be identical into three portions, they shall retire in the number nearest to one-third portion. The directors who must retire from office in the first and second year after the registration of the Company shall be retired by drawing. For the following years onwards, the directors holding the longest term in office shall be retired. All retired directors can be re-elected to assume the office.
4. A Director may resign from office by submitting a resignation letter to the Company. The resignation shall become effective from the day the resignation letter has been received by the Company.
5. The Meeting of Shareholders may resolve that any director shall vacate his/her office prior to expiration of his/her term with votes of at least three-fourths of total number of shareholders who attend the meeting and have voting rights whereas total counted shares are not less than one half of number shares held by the shareholders who attend the meeting and have voting rights.

### Independent Directors

The current Board of Directors consists of six independent directors. The independent director shall not perform as executive who is independent from the management, and as the shareholder with controlling power; shall be the person who has none of business relationship with the Company in the nature of limitation of independent opinion expression; and shall possess qualification as prescribed by the notification of Capital Market Supervisory Board. It is to say that there shall be independent directors at least one-third of total number of the Company's directors. The Board of Directors gave consent and determined stricter definition and qualification of independent director than the criteria prescribed by the notification of Capital Market Supervisory Board whereas the Principle of Good Corporate Governance shall be observed as follows:

1. Holding not more than 1.0% of the total voting shares of the Company, its subsidiary, associated company, juristic person with potential conflict of interests, major shareholder or regulator of the Company. The shareholding of the related party of the said independent director shall be counted.
2. Being a director who is not or has never participated in management, and is not or has ever been the employee, staff member, advisor with monthly salary or regulator of the Company, its subsidiary, associated company, same-level subsidiary, juristic person with potential conflict of interests, major shareholder or of regulator of the Company, unless the said director has been free from the said characteristics at least two years before being appointed.
3. Being a director who has no relationship whether by blood or by legal registration in the nature of father, mother, spouse, sibling, and child, including the spouse of his/her child, of other director, executive, major shareholder, regulator or person who will be nominated to be director, executive or regulator of the Company or its subsidiary.
4. Being a director who does not have or has never had the business relationship with the Company, its subsidiary, associated company, juristic person with potential conflict of interests, major shareholder or regulator of the Company in a manner that may hinder the exercise of his/her independent judgment, and not being a person who is or has ever been a significant shareholder or regulator of the person who has business relationship with the Company, its subsidiary, associated company, juristic person with potential conflict of interests, major shareholder or regulator of the Company, unless the said director has been free from such characteristics at least two years before being appointed. The business relationship in paragraph one shall include normal trading transactions for business operation, lease or renting out immovable property, transaction related to assets or services, or granting or receiving financial assistance by receiving or lending loan, guaranteeing, using assets as debt collateral, including other similar action that results in the Company or the contractual party thereof being encumbered with obligations that must be paid to the other party by the rate of 3% or more of net tangible asset or Bt 20 million or more, whichever is lesser. The calculation of such obligations shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board Notification Re: Criteria on Undertaking Connected Transactions, mutatis mutandis. However in consideration of such obligations, the obligations incurred during the one-year period prior to the date of business relationship with the same person shall be included.
5. Being a director who is not or has never been an auditor of the Company, its subsidiary, associated company, juristic persons with potential conflict of interests, major shareholder or regulator of the Company; and must not be a significant shareholder, regulator or partner of an audit firm to which the external auditor of the Company, its subsidiary, associated company, juristic persons with potential conflict of interests, major shareholder or regulator of the Company belongs to, unless the said director has been free from such characteristics at least two years before being appointed.
6. Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with service fee thereof exceeding Bt 2.0 million per year from the Company, its subsidiary, associated company, juristic persons with potential conflict of interests, major shareholder or regulator of the Company; and not being a significant shareholder, regulator of the Company or partner of the provider of such professional service, unless the said director has been free from such characteristics at least two years before being appointed.
7. Being a director who is not appointed as representative of a director of the Company, major shareholder or a shareholder who is related to a major shareholder of the Company.

8. Not engaging in the business of the same nature and in significant competition with the businesses of the Company or its subsidiary, nor being a significant partner of a partnership or an executive director, employee, staff member, advisor with regular salary; or hold shares exceeding 1.0% of total voting shares of another company that engages in the business of the same nature and in significant competition with the businesses of the Company or its subsidiary.
9. Not having any other characteristics that may hinder the exercise of his or her independent judgment about the Company's operations.

After having been appointed as independent director with characteristics under items (1) - (9), the appointed independent director may be assigned by the Board of Directors to make decision on the business operations of the Company, its subsidiary, associated company, same-level subsidiary, juristic person with potential conflict of interests, major shareholder or regulator of the Company. The decision can be in the form of collective decision.

## 2.2 Audit Committee

As on 31 December 2017, the Company's Audit Committee consists of four members as follow:

Name	Position
1. Dr. Piyasvasti Amranand	Chairman of Audit Committee
2. Mr. Adul Chandanachulaka	Member
3. Mr. Weerachai Ngamdeevilaisak <sup>(1)</sup>	Member
4. Dr. Prasarn Trairatvorakul	Member

**Remark:** (1) Mr. Weerachai Ngamdeevilaisak is the person who has knowledge and experience in accounting and finance.

Secretary of the Audit Committee is Mr. Preamsak Wanlikul, in the position of Acting for Assistant Chief Internal Audit and Operating Governance

### Scope of powers, duties and responsibilities of the Audit Committee

1. To review the Charter of the Audit Committee at least once a year and consider revision in the aspect deemed necessary and appropriate.
2. To review the availability of financial reporting system and disclosure of information in financial statements in accordance with Thai Accounting Standards prescribed by laws in transparent, accurate and sufficient manner.
3. To consider and approve any changes in significant accounting principles or procedures as proposed by the Management of the Company.
4. To review in order to ensure that the Company has appropriate and effective internal control and an internal audit system in accordance with generally accepted procedures and standards.
5. To consider the independency of the Internal Audit Unit and to give consent to consideration on appointment, transfer and termination of the Head of Internal Audit Unit.
6. To review Internal Audit Reports submitted to the Management and to review the Management's opinion toward audited aspect which is proposed and reported.
7. To meet the executive, and contact employees and access to relevant information without limitation.

8. To mutually conduct reviews with relevant units (such as Legal Department) to ensure that the Company complies with laws relevant to Securities and Stock Exchange of Thailand and other laws related to the Company's business.
9. To select, nominate and appoint independent persons to act as auditor of the Company; and propose their remuneration.
10. To hold at least one meeting a year with the external auditor without the Management's presence in the meeting.
11. To consider any connected transactions or any transactions with potential conflict of interests for compliance with the laws and requirements of the Stock Exchange of Thailand in order to ensure that the said transactions are reasonable and mostly beneficial to the Company.
12. To prepare the Audit Committee's Report which shall be disclosed in the Company's Annual Report. The said report must be signed by the Chairman of the Audit Committee and contain at least the following information:
  - 12.1 Opinions regarding the accuracy, completeness and integrity of the Company's financial reports.
  - 12.2 Opinions regarding adequacy of the Company's internal control system.
  - 12.3 Opinions regarding the compliance with Securities and Exchange Law, requirements of stock exchange, or laws related to the Company's business.
  - 12.4 Opinions regarding to appropriateness of the auditor
  - 12.5 Opinions regarding to transactions that may have conflict of interests
  - 12.6 Number of the Meetings of the Audit Committee and meeting attendance of each audit committee member.
  - 12.7 Overall opinions or observations acquired by the Audit Committee from function under Charter.
  - 12.8 Other transactions within the scope of duties and responsibilities assigned by the Company's Board of Directors, which are deemed that the shareholders and general investors should be informed.
13. In performing duties, other tasks within the scope of powers, duties and responsibilities stipulated in the Charter or as assigned by the Board of Directors of the Company under consent of the Audit Committee.
14. In performing duties, if the Audit Committee detects or suspects that there is a transaction with conflict of interests, a fraudulent case, an irregularity or fault of a significant degree in the Internal Audit System or any violation of laws relevant to securities and stock exchange, requirement of Stock Exchange of Thailand, or laws relevant to the business of the Company which may significantly affect to the financial position and overall operation of the Company, the Audit Committee shall submit a report to the Board of Directors for improvement or correction within a time frame considered appropriate by the Audit Committee.

#### **Selection of Audit Committee Member**

The Board of Directors shall appoint at least three members of the Audit Committee from independent directors of the Company who possess the qualifications stipulated by the laws relevant to securities and stock exchange, the Notification of Capital Market Supervisory Board, including the notifications, regulations and/or rules of the Stock Exchange of Thailand Re: Qualifications and Scope of Operation of the Audit Committee. At least one member of the Audit Committee must be qualified in accounting or finance and has adequate experience to perform the review on the integrity of the financial statements of the Company. The term of each member of the Audit Committee shall be three years per term and he/she shall retire by rotation upon expiration of the director office term.

## 2.3 Management

The management of the Company consists of 13 executives who possess qualifications in accordance with Public Limited Company Act B.E. 2535 (1992) and relevant notification of the Office of Securities and Exchange Commission as on 31 December 2017, under the following name list.

Name	Position
1. Mr. Piya Prayong	Chief Executive Officer, Pruksa Real Estate
2. Mr. Prasert Taedullayasatit	Chief Executive Officer, Pruksa Real Estate - Premium
3. Mr. Chinnapan Treetipchumsiri	Acting Chief land Officer
4. Mr. Nimit Poonsawat	Managing Director, Single Detached House Group
5. Mr. Theeradej Kersamang	Managing Director, Townhouse Group 1
6. Mrs. Surattana Jeeracheeweeekul	Managing Director, Townhouse Group 2
7. Mr. Thitiphat Adilucktharadol	Managing Director, Condominium Group 1
8. Mr. Pakarin Dattibongs	Managing Director, Condominium Group 2
9. Mrs. Orranuch Ittikosin	Managing Director, Premium High Rise
10. Mr. Manu Trakulwattanakit	Managing Director, Premium Low Rise
11. Mr. Amornpol Thupawirote	Managing Director, Precast & Condo Construction
12. Ms. Suporn Treewichayapong	Executive Vice President, Accounting
13. Mr. Vatcharakris Nopakun	Executive Vice President, Finance

**Remark :** The executive (as defined by SEC) means Managing Director, or person(s) who holds the position in top four executive level inferior to Managing Director, including every person (s) who hold the positions equivalent to the person who holds the fourth managerial level position, and the person who holds the executive level position in accounting and finance whereas the executive level is the Department manager level and over or equivalent.

### Scope of powers, duties and responsibilities of Chief Executive Officer

1. To be responsible for business operation and day-to-day management of the Company.
2. To coordinate with Internal Audit Department in relation to accounts, disbursement and payment procedure of the Company in the event where non-compliance with the Company's policy is detected or suspected.
3. To establish efficient organization and management structure in accordance with the guidelines set out by the Board of Directors which may include recruitment, training, employment and employment termination of employees who are not a member of the Management or Senior Management. Chief Executive Officer is authorized to sign labor employment agreement on behalf of the Company.
4. To have power to consider and approve any money spending for investing or operating, borrowing or requesting for any credit facilities from financial institutions, lending and acting as a guarantor for performing normal transactions of the Company within limit not exceeding Bt 20 million or equivalent.
5. To have other power necessary for the Company's operations as assigned by the Meeting of the Board of Directors and/or Executive Committee of the Company.
6. To participate in review of the Company's budget with the Board of Directors.

7. To negotiate and review agreements or documents in relation to normal business operations of the Company; give advice and suggestions on such matters for considering, screening and finding summary by the Board of Directors and/or responsible person (s) in that matter.
8. To assign one or several persons to perform any act on his/her behalf as deemed appropriate, provided that such sub-authorization and/or assignment is subjected to the scope of authorization given under power of attorney and/or in accordance with the rules, requirements or orders where the Board of Directors or Chief Executive Officer can cancel, change or amend such powers.

However, in assigning powers, duties and responsibilities of the Chief Executive Officer, it shall not assign or sub-assign any powers, duties and responsibilities in a manner which will allow the Chief Executive Officer can approve transaction in which he/she or the persons who may have conflict of interests, gain and loss, or may have any other conflict of interests with the Company or its subsidiaries (as defined by the Notification of The Securities and Exchange Commission). In approval of the said nature of transaction, the Meeting of the Board of Directors and/or the Meeting of Shareholders shall be proposed (as the case may be) for consideration and approval on such transaction as prescribed by Articles of Association of the Company and subsidiary of the Company, or relevant laws, except where it is the approval of the transaction with normal business condition and clear defined scope.

## 2.4 Company Secretary

The Board of Directors shall appoint the Company Secretary to oversee the Meeting of the Board of Directors and/or the Meeting of Shareholders and other activities of the Board of Directors to help the Board of Directors and the Company comply with relevant laws and rules, and promote corporate governance to be in line with good corporate governance standard. Currently, the Board of Directors has appointed Mr. Paisarl Rumphon as the Company Secretary from 9 May 2008. The qualifications of the person who holds the position of Company Secretary are appeared in Attachment 1.

### Scope of powers, duties and responsibilities of Company Secretary

1. To organize the Meetings of the Shareholders, the Board of Directors and Specific Committees in accordance with the laws, the Company's Articles of Association, the Charter of each Committee and Best Practices.
2. To inform relevant executive of the resolutions and policies of the Board of Directors and Shareholders and follow up the implementation of such resolutions and policies.
3. To give preliminary advice and suggestion to the Board of Directors and Specific Committee in the issues relating to matters of laws, rules, Articles of Association of the Company and best practice on corporate governance, and follow up for proper and regular compliance, and report significant changes to the Board of Directors.
4. To take minutes of the Meeting of the Shareholders and of the Board of Directors and follow up the implementation of the resolutions of the Meeting of the Shareholders and of the Board of Directors.
5. To oversee in order to ensure that data and information report within the scope of responsibility are disclosed and reported to regulatory body in accordance with relevant laws, rules, and disclosure policy of the Company for news information.
6. To communicate with general shareholders to ensure that they are informed of their rights and the Company's news.
7. To keep stakeholding reports informed by directors or executive, and other important documents such as Registration of the Company's Directors, appointment notices of and minutes of the Meeting of the Board of Directors, the Company's Annual Report, including appointment notices of and minutes of the Meeting of the Shareholders.
8. To supervise the Company's Secretariate to serve as the Center of Corporate Records such as the Company's Certificate of Juristic Person Registration, Memorandum of Association, Articles of Association, Shareholders' Registration, etc.
9. To provide advice and suggestion to the newly appointed directors on their directorship.
10. To oversee all activities of the Board of Directors and carry out any other matters as prescribed by law or assigned by the Board of Directors or as prescribed by notification of The Securities and Exchange Commission.

## Meeting Attendance of the Board and the Committees in 2016 and 2017

The Company withdrew the securities of the Company from being the listed securities in the Stock Exchange of Thailand and later, the Stock Exchange of Thailand ordered to withdraw the securities of the Company from being the listed securities from December 1, 2016 in accordance with Securities and Exchange Law or under filing form. The Company has had no duty that requires further maintaining Corporate Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Executive Committee of the Company.

Moreover, Pruksa Holding Public Company Limited ("PSH") with status of the parent company of the Company has appointed Enterprise Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Executive Committee, since April 19, 2016. Therefore, it was deemed that PSH can govern the Company under mechanism defined through all of four bodies of sub-committees of PSH. The Board of Directors' Meeting then unanimously resolved to approve cancelling four bodies of sub-committees consisting of Corporate Risk Management Committee, Corporate Governance Committee, Nomination and Remuneration Committee, and Executive Committee from January 20, 2017 onwards.

Name	Board of Directors		Audit Committee		Corporate Risk Management Committee		Corporate Governance Committee		Nomination and Remuneration Committee		Executive Committee	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1. Dr.Pisit Leeahtam	11/11	10/11	-	-	-	-	-	-	-	12/14	-	-
2. Mr.Thongma Vijitpongpun	10/11	10/11	-	-	-	-	-	-	-	14/14	1/1	12/12
3. Dr.Piyasvasti Amranand	10/11	11/11	12/12	11/11	-	-	-	-	-	-	-	-
4. Mr.Adul Chandanachulaka	11/11	11/11	12/12	11/11	-	-	-	6/6	-	-	-	-
5. Mr.Weerachai Ngamdeevilaisak	11/11	11/11	12/12	11/11	-	12/12	-	-	-	14/14	-	-
6. Dr.Anusorn Sangnimnuan	10/11	11/11	-	-	-	-	-	6/6	-	9/9	-	-
7. Dr.Prasarn Trairatvorakul	11/11	10/10	12/12	7/8	-	8/8	-	-	-	-	-	-
8. Mr.Wichian Mektrakarn	11/11	11/11	-	-	-	-	-	-	-	14/14	1/1	11/12
9. Mrs.Rattana Promsawad	10/11	11/11	-	-	-	-	-	6/6	-	-	-	-
10. Mr.Piya Prayong	10/11	11/11	-	-	-	12/12	-	-	-	-	1/1	11/12
11. Mr.Prasert Taedullayasatit	11/11	10/11	-	-	-	10/12	-	-	-	-	1/1	4/6
12. Mr.Theeradej Kerdsamang <sup>(1)</sup>	9/9	-	-	-	-	-	-	-	-	-	-	-
13. Mr.Nimit Poonsawat <sup>(3)</sup>	8/8	-	-	-	-	-	-	-	-	-	-	-
14. Mr.Lersuk Chuladesa <sup>(2)</sup>	0/3	10/11	-	-	-	11/12	-	-	-	-	1/1	12/12
15. Mr.Charly Madan <sup>(4)</sup>	-	-	-	-	-	11/12	-	-	-	-	1/1	10/12

Remark: (1) Mr.Theeradej Kerdsamang was appointed as director of the Company since February 16, 2017.

(2) Mr. Lersuk Chuladesa retired from the office of the Company's director since April 21,2017.

(3) Mr. Nimit Poonsawat was appointed as director of the Company since April 21, 2017.

(4) Mr. Charly Madan retired from the office of the member of Corporate Risk Management Committee since March 31, 2017.



## Report of the Board of Directors

Pruksa Real Estate Public Company Limited ("Company") engages in real estate development business such as townhouse, single-detached house and condominium, under application of modern technology for project development and invention of new innovation for improvement of the Company's product and work process, due to the Company's will in delivering best thing to the customers so that they can acquire convenience, happiness, warmth, as well as better life every day, and for support of future change. The Company substantially wishes that the Company's products are the number one brand in the customers' minds and will step upward to be top ten of business brand of Asia, in accompany with firm intention in upgrade of the Company's improved corporate governance, as well as social care, non-environmental harm, and anti-corruption in all forms.

In last 2017, the Company held 11 Board of Directors' Meeting in total, and 1 Non-Executive Directors' Meeting without meeting attendance of the executive directors or the Management, to monitor the operation and discuss significant problems which were useful for the Company's operation. In previous year, the Company launched new projects in total of 56 projects classifying into 36 townhouse projects, 10 single-detached house projects, and 10 condominium projects.

The Company and all employees are prepared to devote our body and mind to overcome problems and obstacles, with expectation of continuous and stable business growth, and creation of balance among business goal, society and environment since the Company has farsighted that sustainability shall be derived from support between business and society. Simultaneously, the Board of Directors would like to deliver our gratitude to all groups of both internal and external stakeholders consisting of employees, shareholders, customers, business partners, financial institutions, government sector and private sector organizations, and ask all to be strongly believe that the Company further operates the business deliberately and transparently for maximum benefit of all related parties.



**Mr. Piya Prayong**

Chief Executive Officer, Pruksa Real Estate

19 February 2018

### 3. Remuneration for Directors and Executives

#### 3.1 Monetary Remuneration

##### 1) Remuneration for Independent Director and Non-Executive Director

The 2017 Annual General Meeting of Shareholders held on April 21, 2017 unanimously resolved to determine remuneration for directors for 2017 in the amount not exceeding Baht 4 million according to the opinion of the Nomination and Remuneration Committee. The remuneration for directors shall be paid particularly to the independent directors and non-executive directors who hold the positions in the Board of Directors, Audit Committee, Corporate Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Executive Committee only. The non-executive director who is entitled to receive remuneration must not be a representative of the shareholder. Other directors shall not receive remuneration. The details of remuneration for independent director and non-executive director are as follows:

Name / Position	2017		2016		2015	
	Remuneration	Bonus <sup>(2)</sup>	Remuneration	Bonus <sup>(2)</sup>	Remuneration	Bonus <sup>(1)</sup>
1. Dr.Pisit Leeahtam Chairman of the Board of Directors, Independent Director	275,000	-	4,320,000	3,626,008	3,810,000	3,900,150
	275,000		7,946,008		7,710,150	
2. Mr.Weerachai Ngamdeevilaiak Independent Director, Member of the Audit Committee	460,000	-	3,620,000	2,017,006	3,000,000	1,917,090
	460,000		5,637,006		4,917,090	
3. Mr.Adul Chandanachulaka Independent Director, Member of the Audit Committee	460,000	-	2,640,000	1,748,006	2,370,000	1,692,090
	460,000		4,388,006		4,062,090	
4. Dr.Piyasvasti Amranand Independent Director and Chairman of the Audit Committee	500,000	-	2,640,000	1,788,006	2,400,000	1,910,100
	500,000		4,428,006		4,310,100	
5. Mr.Wichian Mektrakarn Director	220,000	-	2,800,000	2,978,006	2,190,000	1,556,070
	220,000		5,778,006		3,746,070	
6. Mr.Anusorn Sangnimnuan Independent Director	200,000	-	2,460,000	1,808,006	1,960,000	1,316,070
	200,000		4,268,006		3,276,070	
7. Dr.Prasarn Trairatvorakul Independent Director, Member of the Audit Committee	460,000	-	2,482,258	1,831,929	-	-
	460,000		4,314,187		-	
8. Mr.Somprasong Boonyachai* Independent Director	-	-	1,818,387	2,071,929	-	-
	-		3,890,316		-	
Total	2,575,000	-	22,780,645	17,868,896	15,730,000	12,291,570
	2,575,000		40,649,541		28,021,570	

Remarks : (1) The Company pays bonus twice a year being divided into the first half-year performance that will be paid in July and the second half-year performance that will be paid in January in the following year. Total amount reported in the year has already included income in January of the following year.

(2) The Company pays bonus for directors twice a year being divided into the first half- year performance that will be in September and the second half-year performance that will be paid in April in the following year. Total amount in this year then has not yet included bonus in the second-half of the year of 2017.

\* Mr.Somprasong Boonyachai retired from Independent Director and member of the Executive Committee and it was effective on December 31, 2016.

## 2) Remuneration for Executive Directors and Executives

The Company paid remuneration for the executives of the Company under the following details.

Nature of Remuneration	2017		2016		2015	
	Number (Persons)	Amount (Baht)	Number (Persons)	Amount (Baht)	Number (Persons)	Amount (Baht)
Salary / Wage	20	135,198,207	15	131,793,127	10	95,749,197
Bonus <sup>(1)</sup>	20	51,649,106	15	52,627,423	10	54,415,015
Saving of Provident Fund	20	11,773,340	15	9,774,532	10	6,859,319
Other Incomes	20	10,220,602	15	14,929,630	10	8,525,763
<b>Total</b>	<b>20</b>	<b>208,841,256</b>	<b>15</b>	<b>209,124,712</b>	<b>10</b>	<b>165,549,293</b>

Remark : (1) Pruksa Real Estate Pcl. pays bonus twice a year whereas the first half-year performance will be paid in July and the second half-year performance will be paid in January in the following year. Total amount reported in the year has already included income in January of the following year.

## 3) Other Remunerations

The non-monetary remuneration is in the form of warrant to purchase ordinary shares of Pruksa Holding Public Company Limited. Warrants are allocated to the directors and executives of the Company and/or its subsidiaries. In 2013, the Annual General Meeting of Shareholders resolved the fifth issuance and offering for sale of warrants to purchase ordinary shares of Pruksa Holding Public Company Limited to the directors and executives of the Company and/or its subsidiaries (PSH-WE) for 13,591,700 units in the exercise ratio of one warrant per one ordinary share (1:1). In 2014, the General Meeting of Shareholders resolved the sixth issuance and offering for sale of warrants to purchase ordinary shares of Pruksa Holding Public Company Limited to the directors and executives of the Company and/or its subsidiaries (PSH-WF) for 11,933,900 units in the exercise ratio of one warrant per one ordinary share (1:1). In 2015, the General Meeting of Shareholders resolved the seventh issuance and offering for sale of warrants to purchase ordinary shares of Pruksa Holding Public Company Limited to the directors and executives of the Company and/or its subsidiaries (PSH-WG) for 15,000,000 units in exercise ratio of one warrant per one ordinary share. All three tranches of warrants to purchase ordinary shares of Pruksa Holding Public Company Limited can be exercised for four times a year from 8.30 hrs. to 15.30 hrs. of the last working days of February, May, August and November of each year. Unless the last exercise, it can be exercised within the maturity date of warrants which are allocated to the directors and 14 executives (the executives herein refer to Managing Director or the person who holds the next four senior executive level position from Executive Vice President and inferior, and every person who holds the position equivalent to those who hold the position in the fourth rank in management level, including those who hold management positions in accounting and finance line that are higher or equivalent to Division Manager). The total number of allocated warrants has been 3,562,692 units (PSH-WE for 1,123,292 units, PSH-WF for 491,400 units, PSH-WG for 1,948,000 units). The exercise of warrants by the directors and executives of the Company in 2017 is as follows.

## Allocated Warrants (PSH-WE, PSH-WF, PSH-WG) and Exercise of Warrants to Purchase Ordinary Shares for 2017

Name	Allocated Warrants (Units)			Warrants to Purchase Ordinary Shares in 2017 (Units)		
	PSH-WE	PSH-WF	PSH-WG	PSH-WE	PSH-WF	PSH-WG
1. Mr.Piya Prayong	236,846	-	200,000	-	-	-
2. Mr.Prasert Taedullayasatit	194,393	93,400	200,000	-	93,400	-
3. Mr.Nimit Poonsawat	222,061	68,500	229,400	-	-	-
4. Mr.Pakarin Dattibongs	-	-	96,600	-	-	-
5. Mr.Theeradej Kerdсамang	111,716	43,500	172,000	-	-	-
6. Mrs.Suratana Jeeracheeveekul	157,562	64,900	166,800	-	64,900	-
7. Mrs.Oranuch Ittikosin	79,597	36,900	231,800	-	-	-
8. Mr.Manu Trakulwattanakit	-	-	-	-	-	-
9. Mr.Thitipat Adiluktharadol	-	-	-	-	-	-
10. Mr.Amornphon Thoopawiroj	-	42,100	128,000	-	42,100	-
11. Mr.Pornthep Supatharatarn	-	39,500	134,400	-	39,500	-
12. Miss Suporn Trivichayapong	121,117	36,800	138,600	-	36,800	-
13. Mr.Udomsak Yaemnoon	-	-	43,600	-	-	-
14. Mr.Surawitchai Sutthisin	-	-	66,200	-	-	-
15. Mr.Watcharakrit Noppakhoon	-	-	-	-	-	-
16. Mr.Pornchalit Ploykrajang	40,062	23,400	75,200	-	-	-
17. Mr.Chinnapan Trithipchoomsiri	38,412	42,400	65,400	-	-	-
<b>Total</b>	<b>1,201,766</b>	<b>491,400</b>	<b>1,948,000</b>	<b>-</b>	<b>276,700</b>	<b>-</b>

Remark: (1) In regards to the allocation of warrants on behalf of the Company's executives but since the said executives also hold the position as directors of the Company, it is therefore considered as allocation of warrants to directors pursuant to the Notification of the Capital Market Supervisory Board No. Tor.Jor.32/2551 ie: offering for sale of newly issued securities to directors or employees dated on December 15, 2008.

## 4. Personnel

### 1) Number of Employees

As of December 31, 2017, total of the Company's employees has been 3,400 persons as per the following details:

Pruksa Real Estate Pcl.	Number of Employees
Office of Group Chief Executive Officer	39
Office of Chief Executive Officer - Pruksa Real Estate Business Group	11
Condo Group 1	133
Condo Group 2	145
Townhouse Group 1	655
Townhouse Group 2	553
Single Detached House Group	722
Precast and Condo Construction	449
Land Acquisition	72
Office of Chief Executive Officer - Pruksa Real Estate Premium Business Group	35
Premium Low-Rise Business Group	26
Premium High-Rise Business Group	60
Group Corporate Marketing	47
Group Procurement and Supply Chain	169
Group Administration	72
Group Finance	199
<b>Total</b>	<b>3,387</b>

Remark: The Company restructured organizational group in 2016 by adding Value Business Group and Premium Business Group.

### 2) Important Changes in the Number of Employees during the Past 5 Years (Excluding the Executive)

At the end of December 31	2017	2016	2015	2014	2013
Total number of employees (persons)	3,383	3,562	3,437	3,383	3,119

### 3) Major Labor Disputes during the Past 3 Years

Since the Company was founded, no major labor disputes occurred at all.

## 5. Overall Employee Compensation

### 1) Overall Compensation

The employees of the Company shall gain benefit and compensation in the form of salary, overtime pay, bonus, contribution to provident fund, etc. In addition, the employees of the Company shall also gain other welfares such as annual vacation, military service leave, maternity leave and grants for funerals, housing, medical treatment and child's education, etc. As at December 31, 2016 and December 31, 2017, the overall employee compensations of the Company are as per the following details:

Type of Compensation	For the Year Ended as at	For the Ending Period as at
	December 31, 2017	December 31, 2016
Total Salary	1,744,412,790	1,669,058,667
Bonus <sup>(1)</sup>	549,375,402	573,195,019
Contribution to Provident Fund	113,425,347	107,162,795
Contribution to Social Security	31,066,742	30,890,649
Overtime Pay	106,588,683	113,070,608
Other Compensations	326,237,499	329,728,701
<b>Total</b>	<b>2,871,106,462</b>	<b>2,823,106,439</b>

Remark : (1) The Company pays bonus twice a year whereas the first half-year performance is paid on July 31 and the second half-year performance is paid in January 31 of the following year. Total amount of bonus appeared in each year has already included bonus paid in the following year.

### 2) Provident Fund

Apart from the above mentioned compensations, the Company also set up Provident Fund in the Year 2000 pursuant to the Provident Fund Act B.E. 2530 (1987). The provident fund shall be contributed by the Company for 5-10% of salary of the employee into Provident Fund (being calculated based on service duration of each employee). Each employee can select to pay saving into the Fund in the initial rate of 5% to maximum rate but not more than 10% of the employee's salary.

Service Duration (counting from work commencement date)	Saving Rate of the Employee	Contribution Rate of the Company
Less than 1 year	5%, 6%, 7%, 8%, 10%, 12%, 15%	5%
From 1 year but less than 3 years	6%, 7%, 8%, 10%, 12%, 15%	6%
From 3 years but less than 5 years	7%, 8%, 10%, 12%, 15%	7%
From 5 years but less than 7 years	8%, 10%, 12%, 15%	8%
From 7 years and above	10%, 12%, 15%	10%

### 3) Employee Training and Potential Development Policy

Prukha Real Estate Public Company Limited aims for continuous development of increasing potential and competency of the personnel so that the employee can efficiently work and achieve setting target both in current and future position.

Training is categorized based on skill and knowledge necessary for the employee in working for six subject categories as follows.

1. On Boarding Program for New Employee

It is for new employee in learning and understanding the organization, and adapting to corporate culture since new employee is from different work unit or is the newly graduate. Therefore, the adaptation to organization is important and the first step of mutual working with the Company. The Company shall organize training course for new employee for 5 days.

Moreover, the Company shall appoint the mentor who is the representative of work unit under by the new employee to supervise him/her in the first four months period for smoother adaptation to the organization.

2. Career Group-Based Subject Category

It is for employee being classified based on the employee's career such as Sales, Customer Service, etc.

3. Quality & Safety Subject Category

It is for quality and safety course as prescribed by law.

4. Leadership & Expertise Development Subject Category

It is for the supervisory employees and executives in all levels under emphasis on development for career growth in consistency with Leadership Competency prescribed by the Company for 10 items. Leadership Development Program 1 Course was organized in 2016 and the continuous course in Leadership Development Program 2 Course was further organized in 2017 to be consistent with Leadership Competency of the Company for all of 10 items.

5. Personal Development Subject Category

It is for employee who requires additional knowledge for self-development apart from career knowledge.

6. Information Technology Category

It is for course related to system application or applied program necessary for work.

Training and Development Division shall schedule annual training to be consistent with position and training necessity in each year, and arrange welfare regarding to disbursement of travelling expense and accommodation expense for upcountry employee who must travel for training according to development plan of the Company.

The Company shall also promote the employee who is expert in each field to be internal lecturer to initiate internal body of knowledge and train the employee. The internal lecturer will be trained to be the trainer.

**Promotion of Equitable Career Progress**

In personal development, every employee must plan his/her personal development with his/her superior in determining Individual Development Plan by considering from strengths and points required for development of the employee in order to be taken for determining as Individual Development Plan under priority of development and application of the 70:20:10 development principle. It is to say as follows.

- Assign the challenging duty and work that focuses on Experiential Learning Development in **the ratio of 70%**. Experiential Learning is the development method aiming for challenging work assignment. The employee is promoted by the organization to be prepared in assuming the said work. This work assignment takes place for leadership skill development. The project participant plays the key role in endeavoring to grasp the expectations whether they are work target, success, thing required for learning and application method of the learnt thing, and success measurement method.
- Arrange the employee to be advised from top executive or specialist such as having coaching & mentoring person or getting feedback from his/her superior or team meeting for mutual learning in team in **the ratio of 20%**.
- Formal learning such as training attendance in **the ratio of 10%**.

The future position both in short-term and long-term is defined for orientation of personal development for effective assuming future position both through position transfer in the same level or promotion to higher level position.

## Good Corporate Governance

### I. Corporate Governance Policy and Code of Conduct

Pruksa Real Estate Public Company Limited (“Company”) prioritizes and follows the principles of good corporate governance based on international standards and consistent with the policy of the Stock Exchange of Thailand and the principles of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). Accordingly, the Board of Directors established and approved Good Corporate Governance Policy, and provided Code of Conduct for the directors, executives and employees of the Company, all of which are under purpose of promoting code of conduct in good business operation. The Company also reviews its Code of Conduct on yearly basis to ensure that it is up-to-date and consistent with the Company’s operating plan and short-term and long-term strategies. The internal public relations is performed to recognize the said importance by organizing “CG Day” and publishing Code of Conduct to be handed out to every director, executive and employee of the Company for reading and ratifying by specifying first name and last name and then returning to the receiving box for ratifying documents or the posted secretary of the line. This is to ensure the strict compliance by everyone as if it is the part of “the Company’s Work Regulation”, reflecting good corporate governance and transparency of the Company’s business operations under concern on shareholders, customers, employees and every group of stakeholders. Due to recognition of the considerable importance of code of business conduct, Mr.Thongma Vijitpongpun, Group Chief Executive Officer, therefore encourages the executives and employees of the Company to recognize such importance especially when the principles of good corporate governance can contribute to supporting sustainable growth of the Company. The Company is strongly assured that the process of good corporate governance contributes to promoting the operating results of the Company and is the very significant key of the basic goal accomplishment.

Due to continuous emphasis and compliance of the Company with the principles of good corporate governance which are internationally standard and consistent with the policy of the Stock Exchange of Thailand and the principles of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), the following awards were granted to the Company.

1. “Real Estate Development Business Sector Role Model” Honorable Plate was granted from Foundation of The Scientific and Technological Council of Thailand to Mr. Piya Prayong, the Chief Executive Officer - Pruksa Real Estate Business Group, on behalf of business sector role model in applying new knowledge and technology for the Company’s business operation.
2. “Social Usefulness Creator” Honorable Plate was granted by INTV AWARD 2017 Event to Mr. Prasert Taedullayasatit, Chief Executive Officer-Pruksa Real Estate-Premium Business Group, on behalf of the successful businessman and person in the business field both in public and private sector who creates overall social and economic usefulness.
3. Asia’s Most Promising Brands Award 2017 from World Consulting & Research Corporation on World Leading Brand
4. International Star for Platinum Quality Award 2017 from Business Initiative Directions (B.I.D.)
5. BCI Asia Top 10 Developers Awards 2017 for the seventh consecutive year from BCI Media Group
  - Urbano Rajavithi Project
  - Chapter One Eco Ratchada-Huai Kwang Project
  - Plum Condo Ramkhamhaeng Project
6. Outstanding Real Estate Project Award 2017 from Agency for Real Estate Affairs
  - The Privacy Ladprao-Sena Project
  - Baan Pruksa Puchao-Samrong Project



7. Outstanding Townhouse Model Energy Conservation Housing Development Award 2017 from Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy
  - The Connect Project
8. Smart Green Energy Award 2017 from Office of Industrial Economics, Ministry of Industry
  - Prukso Precast Factory, Nawanakorn
9. Provincial Safety Model Establishment Award for the second consecutive year from Pathum Thani Provincial Labour Protection and Welfare Office
  - Prukso Precast Factory, Nawanakorn
10. Platinum Green Building Standard Certificate from German Sustainable Building Council
  - “Prukso Plus House” House Model, The Plant Estique, Phatthanakan Project
11. Green Industry Certificate for Class 3 of Green System from Ministry of Industry
  - Prukso Precast Factory, Lamlookka
  - Prukso Precast Factory, Nawanakorn
12. Corporate Carbon Footprint Development Registration Certificate for 2017 from Thailand Greenhouse Gas Management Organization (Public Organization)
  - Prukso Precast Factory, Lamlookka
  - Prukso Precast Factory, Nawanakorn
13. Innovation Management System CEN/TS 16555-1 : 2013 Certificate from Management System Certification Institute (Thailand)

The content of the principles of good corporate governance of the Company is classified into seven categories as follows.

- 1) The Board of Directors
- 2) Rights of Shareholders
- 3) Equitable Treatment to Shareholders
- 4) Role of Stakeholders
- 5) Disclosure and Transparency
- 6) Internal Control and Risk Management
- 7) Philosophy and Code of Conduct

The Company has promoted the compliance with Code of Conduct of the Company by communicating the principles of good corporate governance and code of business conduct via “Code of Conduct Manual”, “Tai Rom Prukso Journal” and the Company’s website ([www.prukso.com](http://www.prukso.com)) under “Investor Relations” Section on Corporate Governance to ensure that the Board of Directors, executives and employees of the Company are aware of and continuously observe such principles and monitor their performances. In other words, the aforesaid persons must strictly comply with whichever subjects that are related to working and significant matters must obtain approval from various sets of committees such as the Board of Management or Board of Directors, etc.

## I) The Board of Directors

The Board of Directors shall be accountable for all shareholders of the Company in managing the Company's business for interests of the shareholders and other stakeholders, society and environment. The Board of Directors plays the key role in governing the management of the Company to ensure that the executives of the Company continuously commit themselves to excellent operation under concern on risk condition.

### 1.1 Formulation of Corporate Governance Policy and Code of Business Conduct Manual

The Board of Directors formulated Corporate Governance Policy and Code of Business Conduct Manual for the directors, executives and employees of the Company and both of which are disclosed on the Company's website ([www.pruksa.com](http://www.pruksa.com)) under Corporate Governance Section. All directors, executives and employees are also determined to strictly comply with the said Code of Business Conduct Manual by setting up a monitoring method for compliance with the said Manual. Furthermore, the Board of Directors organizes trainings/seminar sessions for employees at all levels and arranges practical assessment after such trainings/ seminar sessions whether they have correct knowledge and understanding and can properly solve problems in case of actual circumstance occurrence. In case of any doubts by the employees, the opportunity is given to the employees to raise questions and mutually share opinions for clearer understanding.

### 1.2 Vision, Mission, Culture and Value of the Company

The Board of Directors takes part in determining corporate vision and mission of the Company so that the executives and employees shall have the goals in the same direction. In addition, the Board of Directors reviewed and approved corporate vision and mission in the past accounting year to ensure that the executives and employees have the goals in the same directions (For more details, see Section "Pruksa Corporate Vision, Mission, Culture and Value").

### 1.3 Board Structure Diversity Policy

The Company highly emphasizes on Board Structure Diversity such as in terms of professional skills, specialization and gender. The Board of Directors (as on December 4, 2017) has consisted of 13 members that are 12 males and 1 female and in the range of 40-50 years of age for 3 persons and in the range of over 50 years of age for 10 persons. The Board of Directors is made up of:

1. Independent directors and non-executive directors totaling 7 persons whereas one independent director who is Mr.Adul Chandanachulaka, has work experiences in relation to the Company's business.
2. Independent directors totaling 6 persons including Dr.Pisit Leeahtam, Mr.Weerachai Ngamdeevilaiak, Mr.Adul Chandanachulaka, Dr.Piyasvasti Amranand, Dr.Anusorn Sangnimnuan and Dr.Prasarn Trairatvorakul, whereas the independent directors exceed 1/3 of the entire Board of Directors.
3. Non-executive director totaling 1 person that is Mr.Wichian Mektrakarn and executive director (who take part in management) totaling 6 persons including Mr.Thongma Vijitpongpan, Mr.Piya Prayong, Mr.Prasert Taedullayasatit, Mr.Nimit Poonsawat, Mr.Theeradej Kerdthamang and Mrs.Ratana Promsawat.

In addition, Chairman of the Board (Dr.Pisit Leeahtam) is not the same person as the Chairman of the Executive and Strategy Committee (Mr.Thongma Vijitpongpan) whose scope of duties and responsibilities are different (For more details, see Sections "The Board and Management Profile", and "Roles, Powers and Duties of the Chairman of the Board".)

### 1.4 Director Qualifications

The directors must be completely qualified in accordance with Public Limited Companies Act and other related laws, and must be the persons with knowledge, competence, integrity, business ethics in business operation, time adequacy for knowledge and competence devotion to perform their duties for the Company.

Independent directors must possess the qualification related to independence as prescribed by the Company and in line with the same guideline of qualification in accordance with the Notification of Capital Market Supervisory Board.

Independent directors must be able to supervise the interests of all shareholders in equal manner and without any conflict of interests, including ability to remark opinions independently.

## 1.5 Director Office Term

### Number of Each Term

The Good Corporate Governance Policy determines that each office term of a director shall be three years. A period of one year herein means the period between Annual General Meeting of Shareholders of the appointing year and Annual General Meeting of Shareholders of the following year. A director may be re-elected by the shareholders to resume the director post upon expiration of the office term for retirement by rotation.

The office term of Sub-Committee members shall be in accordance with the office term of the Board of Directors and may be re-elected by the Board of Directors to resume the office upon expiration of the office term for retirement by rotation.

### Number of Consecutive Office Term of a Director

The Company deems that every director elected by the Shareholders' Meeting is an expert with keen knowledge, competence, virtue and ethics, and well consistently performs his/her duties. If the Shareholders' Meeting continues to entrust the said expert directors by re-electing them as members of the Board, the Company shall respect to the right of the Company's shareholders. The Company has not determined the clear number of consecutive office term of a director.

However, according to the Charter of the Board of Directors, it determines that the director shall retire upon reaching the age of 72 years at the end of the accounting year of the Company according to this case.

## 1.6 Board of Directors' Meeting

### Advance Scheduling of Date for the Board of Directors' and Shareholders' Meetings

The Board of Directors shall schedule the date for the Board of Directors' and Shareholders' Meetings in advance every year and notify all directors regarding such schedule so that they can allocate their time to attend the meeting all together. At each Board of Directors' and Shareholders' Meeting, every director shall participate in consideration of the meeting agenda selection.

The main agenda of the Board of Directors' Meeting shall contain the Chairman's Report, continual issues from previous meeting, issues for acknowledgement and issues for consideration/approval.

The main agenda of the Annual General Meeting of Shareholders shall contain consideration on the report of the Board of Directors indicating the Company's business in the previous year, consideration on balance sheet and profit and loss account, consideration and approval on appropriation of profit and dividend payment, and approval, consideration and appointment of new director in replacement of the director who retires by rotation, determination of director's remuneration, and consideration and appointment of auditor and determination of audit fee and other affairs.

### Meeting Attendance of the Board of Directors/Advance Receiving Meeting Documentation

The Company shall schedule the Board of Directors' Meeting more than 6 times per year and deliver meeting documentation to the member of the Board by no less than 7 days in advance prior to the meeting date. In last 2017, total of 11 Board of Directors' Meetings was held. All members of the Board attended the meeting exceeding 80% of total number of the Board of Director's Meetings in last year and no less than 75% of the number of meetings held throughout the entire year. In the event where the Company is unable to hold meetings on a monthly basis, the performance report for the month without meetings will be delivered to the Board of Directors to ensure that the Board of Directors can continuously and timely govern, control and supervise the operations of the management (For more details, see Section "Attendance of the Board of Directors' Meeting in 2017 and 2016".)

### Minimum Quorum at the time of the Board of Directors' Resolution

The Company has formulated the policy that at least 2/3 of total number of directors shall be present during resolution of the Board of Directors in the Board of Directors' Meeting.

### 1.7 Disclosure of Number of the Audit Committee's Meetings in the Year

(For more details, see Section "Meeting Attendance of the Board/Committees in Year 2017 and 2016".)

### 1.8 Strategic Planning of the Company and Implementation

In the Board of Directors' Meeting each year, the Board jointly considers the Annual Strategic Planning Plan for the next 5 years in advance. In last 2017, the Board jointly considered the Annual Strategic Plan for 2018 - 2022 and thereafter followed up whether the Management implements such Plan. The Management must subsequently report the said Strategic Planning Plan to the Meeting of the Management Board and the Board of Directors for acknowledgement on monthly basis. In each meeting, each board shall determine as agenda on "Acknowledgement of Monthly Performance and Review of Quarterly Strategic Plan" so that the Meeting of the Board of Management and the Board of Directors can provide suggestions on the matters deemed that they should be improved/corrected by the Management.

### 1.9 Sub-Committees

The Company established Sub-Committee which is Audit Committee and also established other Sub-Committee to share works of the Board of Directors such as the Management Board, etc.

#### 1.9.1 The Audit Committee

The Audit Committee's duties are to review the Company's financial report preparation to ensure its accuracy and adequacy, approve any changes in significant accounting principles or practices under proper and effective internal control and internal audit system, consider the independence of Internal Audit Unit, and give consent on considering appointment, removal, dismissal of the Chief of Internal Audit Unit or any other units in charge of internal audit, review internal audit result report to be proposed to the Management, review the Management's opinions toward audit aspect, meet the executive and contact employees, access the related data without restriction, and consider disclosure of the Company's information. In the event of occurrence of connected transaction or transaction that may have conflict of interests, it shall be in line with Securities and Exchange Law, and requirement of Stock Exchange of Thailand so as to ensure that the said transactions are reasonable and maximally useful for the Company. The Audit Committee shall also prepare the report of the Audit Committee and disclose in the Annual Report of the Company, conduct the review to ensure that the Company complies with Securities and Exchange Law, requirement of Stock Exchange or laws related to the Company's business, consider selecting, nominating, appointing and determining remuneration of the auditor, conduct review of Charter at least once a year, and take any other action as entrusted by the Board of Directors of the Company. Furthermore, the Audit Committee shall independently perform duties and remark opinions whereas the Internal Audit Department of the Company that directly reports to the Audit Committee is the operating unit, and also consult with the external auditor on regular basis.

#### 1.9.2 Board of Management

The duties of the Board of Management are to formulate policy, goal, strategy, operating plan, annual budget, and managerial power of the Company's works for approval and supervision of the Board of Directors on the Company's business operation to be effective and favorable to business condition, and give counsel and advice on management to top executives, approve spending money for investment, perform financial transaction with financial institution, purchase and sale/registration of land title to perform normal transaction of the Company, determine effective organizational structure and management, govern and approve the matters related to the Company's operation, as well as screen all types of works proposed to the Board of Directors except works under duties and responsibilities and/or power of other Sub-Committees.

#### 1.10 Invitation of Top Executive for Meeting Attendance

According to the Company's policy, top executive is particularly invited to attend the Board of Directors' Meeting in the agenda related to the said executive only in order to provide additional data and details and give the Board of Directors the chance to be acquainted with top executive as support of consideration on work succession plan.

#### 1.11 Charter of the Board of Directors

For clear and consistent practice for the operations performed by the Board of Directors and the Audit Committee, the Company therefore developed charter of the Board of Directors and Audit Committee. The charter content shall be classified into different categories which are always reviewed and updated, such as category of objective, element and qualification, office term, authority and responsibility, meeting, quorum and reporting. The details shall be disclosed in the Company's website at [www.pruksa.com](http://www.pruksa.com).

#### 1.12 Orientation of Newly Entering Director / Training and Development of Director Knowledge

The Company arranges an orientation session for newly appointed directors to ensure that they are adequately informed of the rules, regulations, and information related to the Company's business and other relevant information in relation to the business operations of the Company before performing their duties. The Company also continuously provided in-house and external trainings and knowledge development for the directors such as training course provided by Thai Institute of Directors, the Stock Exchange of Thailand, the Office of Securities and Exchange Commission as well as other courses organized by public and private agencies, including site visit such as the construction projects of the Company at the projects and field study at precast factories. Furthermore, the Company also surveys the additional opinions of each director whether he/she requires the additional fields of training and knowledge development that contribute to the ability of the Board of Directors to effectively perform duties and govern the Company's business.

#### Course Trainings or Participation in Seminar Activities in 2017

In last 2017, four members of the Board of Directors attended the course trainings or participated in seminar activities for operating knowledge enhancement as follows:

Name-Surname	Position	Training/Seminar Course	Institution
1. Dr.Prasarn Trairatvorakul	Independent Director	Role of the Board of Directors of the Listed Company in Abatement of Corporate Risk from Cyber Threat, Challenge and Solution	The Office of the Securities and Exchange Commission
2. Prof.Piyamitr Sritara, MD	Independent Director	Directors Certification Program - DCP 244/2017	Thai Institute of Directors
3. Mr.Piya Prayong	Director	Risk Management Program for Corporate Leader- RCL 8/2017	Thai Institute of Directors
4. Mr.Wichian Mektrakarn	Director	Role of the Chairman Program - RCP 40/2017	Thai Institute of Directors

### 1.13 Training of Courses in Relation to Performing of the Director's Duties

The Company has the policy in supporting each director to participate in training regularly organized for directors. The directors attended the training of courses organized by Thai Institute of Directors under the following details.

- (1) Director Certification Program (DCP)
- (2) Director Accreditation Program (DAP)
- (3) Audit Committee Program (ACP)
- (4) Role of the Compensation Committee (RCC)
- (5) Successful Formulation & Execution of Strategy
- (6) Finance for Non-Finance Directors (FN)
- (7) Chartered Director Class
- (8) Corporate Governance for Capital Market Inter Mediarities (CGI)
- (9) The Role of Chairman (RCP)
- (10) Board that Make a Difference (BMD)
- (11) Role of the Board of Directors of the Listed Company in Abatement of Corporate Risk from Cyber Threat, Challenge and Solution
- (12) Risk Management Program for Corporate Leader

### 1.14 Internal Control / Risk Management Policy

The Company gives precedence to Internal Control Policy and Risk Management Policy. The Audit Committee's duties are to review assessment result on adequacy of internal control system in order to emphasize on internal control system that it is adequate and proper for business operation. The internal control operational framework in accordance with the international standard of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) shall be applied for improvement and development together with the Guideline of Enterprise Risk Management (ERM) as tool of the Management to develop more complete internal control and risk management system (For more details, see Section "Internal Control and Risk Management").

### 1.15 Provision and Disclosure of Internal Control System and Risk Management System

The Board of Directors provides and discloses the Company's internal control system and risk management system of the Company by establishing a comprehensive guideline for dealing with key risks throughout the organization. This includes considering, reviewing system or assessing efficiency at least once a year and in every period of which change in risk level is detected, and emphasizing on early warning sign and all system irregularities. The Board of Directors or the Audit Committee shall remark the opinions on the adequacy of the Company's internal control and risk management systems in Annual Report (For more details, see Section "Internal Control and Risk Management").

### 1.16 Opinions of the Board of Directors on Adequacy and Appropriateness of the Company's Internal Control System and Risk Management System

The Board of Directors shall remark the opinion on adequacy of the internal control system and risk management system of the Company that the Company's internal control and risk management systems are adequate and appropriate (For more details, see section "Report of Audit Committee").

#### 1.17 Guideline for Management of the Company's Key Risk

The Board of Directors and the executives give precedence to risk management by determining risk factor assessment and preventive system to minimize the contingent impact on the Company's business operations. In addition, the Company established Business Continuity Management (BCM) Project as guideline of development and governance of business continuity management system so that the Company can continuously operate business and reduce impact toward the Company in various areas upon occurrence of cause of difficulty. The experienced and expert consultants shall be employed for project operation (For more details, see Section "Internal Control and Risk Management").

#### 1.18 Compliance Unit

The Company established Compliance Unit on July 1, 2014 internally named as "Corporate Governance Management Unit" with main duties in the area of Corporate Governance and Compliance under the following mission of the Unit.

- (1) To have the principle of good corporate governance that is consistent with the Company's corporate vision and mission by indicating the management system which is efficient, transparent and verifiable in order to build confidence and trust among the shareholders, investors, stakeholders and all relevant parties.
- (2) To set up a structure and process of relationship among the Board of Directors, the Management and shareholders in order to build competitiveness, leading to growth and value addition to the shareholders in long term by taking other groups of stakeholders into account.

#### 1.19 Establishment of Internal Control Department

Internal Control Department was established by the Board of Directors whereas Mr.Premasak Vallikul, Senior Vice President of Internal Audit, as Chief of Internal Audit Department (For more details, see Section "The Board and Management Profile"). The Board of Directors therefore determines that the Internal Audit Department shall report directly to the Audit Committee. The Audit Committee reports to the Board of Directors on the important operating duties and operating result, or opinions on various matters, such as disclosure of the number of Audit Committee's Meeting per year, assessment and review of the internal control system, connected transaction performing, consideration on the nomination for appointing auditor, review of financial reports, supervision of compliance with the rules, regulations, policies and conclusions/opinions of the Audit Committee toward the operating results (For more details, see Section "Meeting Attendance of the Audit Committee in 2017 and 2016" and Section "Report of Audit Committee").

#### 1.20 Conflict of Interests Policy

The Board of Directors gives precedence to management related to conflict of interests of relevant parties both in business organization level and in the Company's personnel level in careful, fair and transparent manner, determination of policy and best practice related to conflict of interests, and determination of disclosure of complete information for such matters.

In case where any director and executive have an interest in a matter under consideration, he/she shall not attend the meeting or abstain to vote in that particular agenda.

##### **The Company's Conflict of Interests Policy**

- (1) Employees must avoid all conflicts between personal interest and the Company's interest when dealing with business partners and any other parties.
- (2) In the event where an employee is committee member or an advisor of other company, organization or business association, there shall be no conflict of interests and of direct function of that employee.

- (3) The employee shall not be a partner or a shareholder with decision making power or an executive of the business which is competitive or has same nature as the Company. However, in the event where it is unavoidable, the employee shall immediately inform his/her superior.
- (4) During service term and after termination of employment contract, the employee shall not disclose any information of the Company that is deemed confidential for benefit of any parties whether it is electronic information, financial information, operational information, business information, future work plan of the Company, and others.
- (5) In the event where an employee or his/her family member takes part in or becomes a shareholder of any businesses that may have benefit or cause business conflict with the Company, that employee must notify his/her superior in writing.
- (6) The employee shall not borrow money from the business partner to which the Company is engaged in business with, except financial institutions since this may influence the employee's function on behalf of the Company's representative.
- (7) All employees shall avoid getting involved in activities that may cause conflict of interests of the Company or incur the financial obligations in any forms with the parties related to the Company's business or the Company's employees.
- (8) The employees are prohibited to pay money or give any assets owned by the Company to any other parties without prior-approval from authorized persons.
- (9) Every employee must fully devote oneself and time for the activities of the Company. In the event where other job is necessary to work outside working hours for income augmentation or for other purpose, such job:
  - (9.1) Must not violate law or in conflict with the peace and public morals;
  - (9.2) Must not have any conflict of interests with the Company;
  - (9.3) Must not operate business which is competitive or has the same nature as the Company;
  - (9.4) Must not damage the reputation or the business of the Company;
  - (9.5) Must not use the Company's secret;
  - (9.6) Must not affect the duties and responsibilities of that employee

#### 1.21 The Board of Directors' Independence from the Management

The Board of Directors can freely remark opinions on the performance of the Management to ensure the maximum benefits of the Company and the shareholders. In this regard, duties and responsibilities between the Board of Directors and the Management are clearly allocated. In addition, the Board of Directors must consist of at least one director (independent director) who is non-executive director with experiences in the core business or industry in which the Company operates (For more details, see Section "Scope of Powers, Duties and Responsibilities of the Board of Directors and Chief Executive Officer").

#### 1.22 Approval Powers of the Board of Directors

Apart from the powers stipulated by laws and regulations, the Board of Directors also has power to approve matters as defined in the Charter the Board of Directors as follows:

- (1) To consider and approve business policies, targets, operational plans, business strategies and annual budgets of the Company;
- (2) To consider and approve the appointment of a qualified person without prohibited characteristics under Public Limited Companies Act B.E.1992 and laws governing the securities and Stock Exchange of Thailand, including notifications, regulations and/or rules concerning holding the Company's director position in the event of vacancy due to causes other than retirement by rotation.



- (3) To consider the appointment of independent directors by taking into consideration the required qualifications and prohibited characteristics in accordance with laws governing the securities and Stock Exchange of Thailand, Notification of the Capital Market Supervisory Board, including relevant notifications, regulations and/or rules of the Stock Exchange of Thailand or propose to the Shareholders' Meeting to consider appointing such independent director of the Company accordingly.
- (4) To consider the appointment of the Audit Committee with qualifications specified by laws governing the securities and Stock Exchange of Thailand, Notification of the Capital Market Supervisory Board, including relevant notifications, regulations and/or rules of the Stock Exchange of Thailand.
- (5) To consider the appointment of executive director by selecting from among the directors or the executives of the Company or external parties, and also determine their scope of powers, duties and responsibilities of the executive director.
- (6) To consider the appointment of sub-committees to assist in operations within the scope of responsibilities of the Board of Directors.
- (7) To determine and change the names of the authorized signatory directors in binding the Company.
- (8) To appoint other persons to operate the Company's business under supervision of the Board of Directors or may authorize other persons to have authority and/or within the time period as deemed appropriate by the Board of Directors. The Board of Directors may cancel, withdraw, alter, or change such power.
- (9) To consider the approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval from a Shareholders' Meeting. Such approval must be in compliance with the Notification of the Capital Market Supervisory Board and/or relevant notifications, regulations and/or rules of the Stock Exchange of Thailand.
- (10) To consider the approval of connected transactions, except where such transactions require approval from a Shareholders' Meeting. Such approval consideration must be in compliance with the Notification of the Capital Market Supervisory Board and/or relevant notifications, rules and/or regulations of the Stock Exchange of Thailand.
- (11) To consider the approval of interim dividend payment among the shareholders when being deemed that the Company generates sufficient profits to do so, and report such dividend payment to the next Shareholders' Meeting for acknowledgement.

#### **1.23 Performance Appraisal of the Board of Directors (Both the Board Appraisal and Individual Appraisal) and Sub-Committees**

The Company determines that the performance of the Board of Directors and Audit Committee must be appraised at least once a year through both the Board and individual performance appraisal for the benefits of the overall performance of the Board of Directors and indication of the important subject matters believed by the Board of Directors that they are more useful for the Company than status quo. The objective of performance appraisal is to increase the efficiency of the Board of Directors and Audit Committee, and utilize the said result in improvement of the function of the Board of Directors and Audit Committee.

##### **Board of Directors (both in the Board and Individual) and Audit Committee Performance Appraisal Process**

At the end of the year, the Company Secretary and Secretary of the Audit Committee shall send Board of Directors and Audit Committee Performance Appraisal Form to each member of the Board/Committee to annually appraise their performance. After completing the performance appraisal by each member of the Board/Committee each director/committee member shall send it back to the Company Secretary and Secretary of Audit Committee to collect appraisal result of each director/committee member, summarize performance appraisal result of the Board of Directors and Audit Committee in the year, and report the said result to the Board of Directors and Audit Committee for acknowledgement accordingly.

**Criteria for the Board of Directors Performance Appraisal (Group Appraisal and Individual Appraisal)**

- Score earned between 85-100% means Very Good - Excellent
- Score earned between 75-85% means Good
- Score earned between 65-75% means Fairly Good
- Score earned between 50-65% means Fair
- Score earned below 50% means should improve

**Topics of Consideration on the Board of Directors Performance Appraisal**

The Board of Directors Performance Appraisal Form consists of the following main topics including:

- Structure and qualifications of the Board of Directors
- Roles/duties and responsibilities of the Board of Directors
- Meeting attendance of the Board of Directors
- Communication and cooperation among the Board of Directors
- Performing duties in compliance with good corporate governance
- Overall opinion conclusion

Average performance appraisal result of the Board of Directors and the Audit Committee is as follows.

1. The Board of Directors earned the score of appraisal result in 2017 at 91.95% being within very good-excellent criteria.
2. The Audit Committee earned the score of appraisal result in 2017 at 98.68% being within very good-excellent criteria.

**1.24 Performance Appraisal of Top Management (Chief Executive Officer)**

Performance appraisal result of top management (Chief Executive Officer) is considered as personal confidential information and unable to be disclosed. The criteria of consideration are based on operating result of the Company's business and operation according to the policy entrusted by the Board of Directors. The Company shall use the acquired information for consideration on remuneration of the Chief Executive Officer accordingly.

**1.25 Chief Executive Officer Remuneration Policy**

The Company set up transparent and fair consideration procedure for payment of remuneration to Chief Executive Officer (CEO) both short-term and long-term by considering from performance appraisal score, the Company's business operating result, and operation according to the policy assigned by the Board of Directors (For more details, see Section "Chief Executive Officer Performance Appraisal" and Section "Director and Executive Remuneration").

**1.26 Remuneration Structure for Non-Executive Director**

The remuneration structure for non-executive director is disclosed by the Board of Directors. The said remuneration structure must be approved by the Board of Directors and proposed to the shareholders at the Annual General Meeting of Shareholders for consideration of approval (For more details, see Section "Director and Executive Remuneration").

**1.27 Remuneration of Executive Director/Top Executive**

In consideration on the remuneration of executive director, it must be approved by the Board of Directors and proposed to the shareholders at the Annual General Meeting of Shareholders for consideration of approval.

The remuneration of top executive, either monetary and non-monetary form, shall be appropriately considered and determined by the Nomination and Remuneration Committee of PSH in order to motivate and retain quality personnel to work with the Company in long term (For more details, see Section “Director and Executive Remuneration”).

#### **1.28 Roles and Duties of the Chairman of the Board**

The Board of Directors determined and disclosed roles and duties of the Chairman of the Board (For more details, see Section “Roles and Duties of the Chairman of the Board”).

#### **1.29 Nomination, Appointment and Termination of Employment of External Auditor/Internal Auditor**

The Audit Committee of the Company has power and duty to consider, select, nominate, appoint and terminate the employment of the external auditor to perform as the auditor of the Company, as well as play the role in nominating, appointing, transferring and terminating the employment of the internal auditor of the Company.

#### **1.30 Non-Executive Director with Work Experience Related to the Company's Business**

The Company's non-executive director with work experience related to the Company's business is Mr. Adul Chandanachulaka who had ever worked in the post of the director of Jalapathan Cement Plc. from 2000-2002 (For more details, see Section “The Board and Management Profile”).

#### **1.31 Violation of the Regulations of the Securities Exchange Commission and the Stock Exchange of Thailand**

The Board of Directors set a policy to operate business in compliance with laws, the Company's Articles of Association as well as the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, etc. Hence, there was no record of any violations against the said laws and other relevant laws in last year.

#### **1.32 Succession Planning for Topmost Executive Position**

In the event where the topmost executive of the Company can no longer perform his/her function, the Company shall have a work succession plan for the said position by having the second-in-command executive or an executive in similar level to be acting in the position until the fully qualified person under the law with knowledge/competence, vision and experience suitable for the Company can be recruited and selected. The selection process shall be performed under consideration of the Nomination and Remuneration Committee of PSH in order to propose the said qualified person to the Board of Directors and/or the shareholders for consideration and approval to assume the office in replacement.

#### **1.33 Criteria and Process for Appointment of New Directors and New Top Executives**

In the event of vacancy in the director or top executive position, the Company has transparent criteria and process for selecting a new director or top executive. The Nomination and Remuneration Committee of PSH shall perform its duty to consider selecting new director and top executive under criteria of consideration from qualification, knowledge and competence, work experience, and necessary skills that the Board of Directors and top executives are still lacking regardless of gender. The selected candidate must be a person who can fully devote his/her time to perform duty and must not possess characteristics prohibited by laws and the principle of good corporate governance. In appointment of the director of the Company, part of the consideration shall be drawn from Director Pool which will lead to a diversified structure of the Board. Board Skill Matrix shall be developed to determine qualifications of the director required for selection by considering from necessary skill of which the current Board of Directors is still lacking, and business strategies of the Company. For instance, if the Company has a strategy to operate a new business apart from the existing businesses which are under operation, it is necessary that in director selection, the person who is qualified and experienced in consistency with new business of the Company shall be further selected and proposed to the Board of Directors and/or the Shareholders' Meeting for consideration and approval as the case may be. The aforesaid is deemed as the appointment process of the director of the Company.

**1.34 Remuneration for Directors and the Executive**

The Company shall determine appropriate and motivating remuneration for the directors in order to retain quality directors. The remuneration is classified into two parts consisting of monetary remuneration and other remuneration. The Nomination and Remuneration Committee of PSH shall consider screening on yearly basis and propose remuneration for directors in each year to the shareholders for approval. The executive director shall be paid for remuneration on behalf of executive only. The remuneration of each executive shall be linked with the Company's operating results and his/her individual performance.

**1.35 Non-Executive Directors' Meeting**

The Board of Directors determines that non-executive directors shall hold the meetings as appropriate without the presence of the executive director or the Management to attend the meeting in order to give the chance for discussion on problems both in relation to the business of the Company or other matters of interest. In 2017, only one Non-Executive Directors' Meeting was held on December 22, 2017.

**1.36 Position Held by Chief Executive Officer in Other Listed Companies**

The Company shall stipulate that Chief Executive Officer can hold position in only one listed company which is Pruksa Real Estate Public Company Limited.

**1.37 Disclosure of List of Independent Directors of the Company**

The Company disclosed the list of the entire Board of Directors at the end of the year and clearly disclosed the list of any directors who are independent directors (For more details, see Section "Management Structure" and Section "The Board of Directors").

**1.38 Being an Employee or Partner of External Audit Firm**

During the past two years, no director and top executive of the Company were an employee or a partner of the external audit firm to which the Company uses its service.

**1.39 Director Position Holding by Independent Directors in Other Listed Companies**

No independent directors of the Company have held director position in more than 5 listed companies (For more details, see Section "The Board and Management Profile").

**1.40 Position Holding by the Executives in Other Listed Companies**

No executives of the Company have held director position in more than 2 listed companies outside business groups (For more details, see Section "The Board and Management Profile").

**1.41 The Appointment of a Company Secretary**

The Board of Directors shall appoint a person to hold the position of Company Secretary to perform the duty in providing advice to the Board of Directors in relation to laws and regulations required for recognition, and overseeing the activities of the Board of Directors and coordinating to ensure that the resolutions of the Board of Directors are complied. The Company Secretary's information, roles, duties and responsibilities have already been disclosed by the Company (For more details, see Section "Company Secretary" and Section "Company Secretary Profile").

**1.42 Participation in Thai Private Sector Collective Action Coalition Against Corruption**

The Company is committed to operate business with integrity and transparency without involvement with corruption. As a result, the Company declared its intention to participate in Thai Private Sector Collective Action Coalition Against Corruption on September 1, 2014.

In last 2017, the Company initiated anti-corruption campaigns for employees and executives by showing that corruption has severe impact on house quality and customer service. Any employee who detects clue of fraud, corruption and gain and loss in work or claim for pay, can complain/perform whistle blowing/request for fairness. Any employee whom the Company considers that he/she plays a vital role in helping the organization shall be rewarded up to Bt 30,000 per case together with Certificate of Honor from Chief Executive Officer (CEO). The Company also formulated the policy for concealment of whistleblower information under confidentiality, and the measure of whistleblower protection from trouble.

After the Company's declaration to join Thai Private Sector Collective Action Coalition Against Corruption (CAC) on September 1, 2014.

Later on April 22, 2016, the Company was certified from Thai Private Sector Collective Action Coalition Against Corruption (CAC) Project.

#### **1.43 Non-Violation Against Fraud/Penalty and Corporate Governance, and Notoriety**

In last 2017, the Board of Directors, executives and employees did not commit any offenses against fraud or penalty or any other actions that violate against rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, no executives resigned due to issues concerning corporate governance of the Company and no executives had notoriety issues due to the Board of Directors' failure in surveillance at all.

## **2) Rights of Shareholders**

### **2.1 Basic Rights of Shareholders**

By awareness and emphasis on rights of shareholders, the Company therefore refrains from any act that may violate or infringe the rights of shareholders or neglect equitable treatment to shareholders. The Company takes into consideration the basic rights of shareholders which include the right to equally receive dividend payment from profit sharing, the right to buy the Company's shares back, the right of inter-communication, the right to propose meeting agenda, the right to nominate the director, the right to submit questions in relation to meeting agenda in advance, the right to attend the shareholders' meeting and vote, the right to grant proxy to other person to attend the meeting and vote in lieu of him/her, the right to express opinions and interrogate at the shareholders' meeting, the right to individually vote during election of directors so that the shareholders are entitled to truly elect the desired director, the right to consider remuneration for directors and the right to vote for appointing external auditors and determining auditor's fees. The Company also does not impede or create obstacles in giving the shareholders the chance to communicate among them. The Company shall immediately disclose shareholders agreement that may have significant impact on the Company or other shareholders.

### **2.2 Right to Consider the Remuneration for Directors**

The Company's shareholders have the right to consider all forms of remuneration for directors, whether in monetary and other non-monetary remuneration forms, such as regular remuneration, meeting allowance, bonus/gratuity and special privileges such as group insurance welfare, for consideration and approval of the shareholders on annual basis.

The Company formulated clear policy and criteria for consideration prior to proposal of remuneration for consideration of the shareholders. The said consideration includes thorough consideration and screening on the appropriateness in various aspects by comparing with the same industry, the meeting plans of the Board of Directors and business expansion and profit growth of the Company under consent of the Nomination and Remuneration Committee of PSH and the Board of Directors prior to proposal to the Shareholders' Meeting for consideration and approval.

## 2.3 Shareholders' Meeting

### 2.3.1 Policy for Determination of Date, Time and Venue of the Meeting to Facilitate and Encourage Meeting Attendance of All Groups of Shareholders and Institutional Investors

In holding Annual General Meeting of Shareholders within the period of four months from closing date of annual balance sheet account, the Company shall determine date, time and venue of the meeting that are ready to facilitate convenience and encourage every group of shareholders and shareholders that are institutional investors to attend the said meeting of the Company. The Company's policy is not to hold such meeting in public holidays and commercial bank office holidays. The time of the meeting shall start from 8.30 am till 16.00 pm and will allow every shareholder to submit Registration Form or Proxy to the Company for pre-registration. The venue of the meeting will be in Bangkok zone or in the locality where the Company's Head Office is located to facilitate the shareholders in easy travelling to attend the meeting. Information on the date, time, venue and meeting agenda shall be provided with clarifications and reasons supporting each agenda or requested resolution as specified in Invitation Letter to the Annual General Meeting of Shareholders and Extraordinary Meeting of Shareholders or in the enclosed meeting agenda documents without limitation of the opportunity of the shareholders to learn about the Company's information. The Company may also call the Extraordinary Meeting of Shareholders if deemed necessary or appropriate by the Board of Directors.

In last 2017, the Company held Annual General Meeting of Shareholders on April 21, 2017 from 10.00 pm-11.17 pm at Banyan Ballroom, 10<sup>th</sup> Floor, Banyantree Hotel, Address No. 21/100 South Sathorn Road, Sathorn, Bangkok. The shareholders could conveniently travel to attend the meeting since the meeting venue is located in downtown which is convenient for transportation and nearby public transportation system such as BTS and MRT. The Company also delivered Meeting Invitation Letter to shareholders and meeting venue map, clearly indicating travelling detail. In addition, the Company coordinated with the shareholders that are institutional investors to deliver Proxy to the Company in advance for appropriateness verification prior to the meeting date in order to facilitate the meeting attendance of the shareholders as well.

### 2.3.2 Stamp Duty Stamping Service in Proxy

The Company provides stamp duty stamping service for the proxies who attend the meeting free of charge at the point of registration document verification in order to reduce the burden of shareholders in acquisition of stamp duty.

## 2.4 Shareholding Structure of the Company

The shareholding structure of the Company indicates the preventive mechanism for business domination that is exercised by the Management or regulator as self- protection in the event of inefficient or non-transparent management such as no cross-shareholding in the group of companies, and no pyramid shareholding in the Group of Companies.

### 2.5 Allowing the Shareholders to Propose Meeting Agenda, Nominate Directors and Submit Questions in Advance Prior to the Meeting Date

The Company gives the shareholders the opportunity to nominate the list of directors and submit questions pertaining to the Company in advance prior to the meeting date by determining clear channel and criteria to indicate fairness and transparency of the consideration, notifying the shareholders for acknowledgement, and publicizing the said criteria on the Company's website.

For the 2017 Annual General Meeting of Shareholders, the Company allowed the shareholders to propose meeting agenda, nominate list of directors, and submit questions in advance prior to the meeting date starting from September 15, 2016 to December 30, 2016, and announced to the Stock Exchange of Thailand and on the Company's website ([www.pruksa.com](http://www.pruksa.com) under Topic of "Investor Relations").

## 2.6 Process in Shareholders' Meeting Date

### 2.6.1 Meeting Attendance and Registration

In meeting attendance, the shareholders should bring identification documents such as ID card or passport for meeting attendance. In the event of attendance by proxy of an ordinary person, the evidences of the principal, such as the filled-out proxy form and a copy of ID card or passport copy, must be presented. In the event of a proxy of a juristic person on behalf of the representative, the evidences of the principal such as proxy form and a certified true copy of certificate of the juristic person registration, must be presented. The Company will open for the shareholders to register for meeting attendance in advance prior to the meeting time.

### 2.6.2 Meeting Attendance of the Chairman of the Board, Chairman of the Sub-Committees and Topmost Executives of the Company in the Shareholders' Meeting

Due to the Company's emphasis on the Shareholders' Meeting, the Board of Directors therefore shall attend the Shareholders' Meeting which is chaired by the Chairman of the Board. In addition, the topmost executive of the Company (Chief Executive Officer), the first four ranking executives, external auditor or representatives shall also attend the meeting for opinion hearing and reply of queries raised by the shareholders all together.

List of the Board of Directors	Number of Meeting Attendance/Number of Times with Right to Attend the Meeting
	2017 Annual General Meeting of Shareholders
1. Dr.Pisit Leeahtam	1/1
2. Mr.Thongma Vijitpongpun	1/1
3. Mr.Weerachai Ngamdeevilaisak	1/1
4. Mr.Adul Chandanachulaka	1/1
5. Dr.Piyasvasti Amranand	1/1
6. Dr.Prasarn Trairatvorakul	1/1
7. Mr.Wichian Mektrakarn	1/1
8. Dr.Anusorn Sangnimnuan	1/1
9. Mr.Prasert Taedullayasatit	0/0
10. Mrs.Ratana Promsawad	1/1
11. Mr.Piya Prayong	1/1
12. Mr.Theeradej Kerdсамang *	1/1
13. Mr.Nimit Poonsawat **	0/0

Remark

\* Mr.Theeradej Kerdсамang was appointed as the director of the Company on February 16, 2017.

\*\* Mr.Nimit Poonsawat was appointed as the director of the Company on April 21, 2017.

### 2.6.3 Determination of Meeting Agenda

In the event where there are several items of the meeting agenda of the Shareholders' Meeting, the Company shall clearly determine meeting agenda in individual matter, and arrange resolution for each item, such as agenda of director election, determination of power and remuneration for director.

The Company shall avoid adding any additional agenda which are not determined in advance in the Shareholders' Meeting since addition of other agenda that requires resolution without determination in meeting agenda is unfair for the shareholders who are absent from the meeting attendance. In last 2017, the Company did not add other agenda which were not specified in meeting invitation letter for consideration and approval of the Shareholders' Meeting.

### 2.6.4 Vote Checker

The Company shall arrange an independent person for counting or checking votes at the Annual General Meeting of Shareholders and Extraordinary Meeting of Shareholders, and disclose to the meeting for acknowledgement and record in the meeting minutes.

### 2.6.5 Notification of Vote Counting Practice and Giving the Shareholders the Opportunity to Interrogate/ Express Opinions

At each Meeting of the Shareholders, the Company shall clarify the shareholders about voting and vote count procedures before commencing the meeting under agenda accordingly. The vote count procedure shall be separately explained between the shareholders who attend the meeting in person and by proxy. Ballot sheets shall be used by the shareholders for disagreed voting or abstaining from voting. In regards to voting for election of the director, the Company allows the shareholders to vote the director individually using ballot sheet so that the shareholders are entitled to truly vote for the desired director. During the meeting, all shareholders will be given equal opportunity to express opinions and interrogate within appropriate time. In voting, the Company shall count one share as one vote and majority vote is deemed as resolution. If votes are equal, the Chairman of the Meeting shall separately perform one casting vote apart from voting on behalf of the shareholder.

### 2.6.6 Use of Ballot Sheet

The Company shall support the use of ballot sheet both for the main agenda by law and important agenda such as performing connected transactions or performing asset acquisition or disposition transaction, etc. for transparency and accountability in the event of any consequent disputes.

### 2.6.7 Recording of Meeting Minutes

The Company shall thoroughly record in writing in meeting minutes about the notification of voting, vote count and use of ballot sheet procedure for acknowledgement of the shareholders prior to meeting commencement, as well as name list and position of the directors who attend the meeting and the directors who are absent from the meeting, and queries, replies, clarifications, opinions, and meeting resolutions in each agenda whereas disagreed and abstained votes shall be classified. The said written record allows the shareholders who are absent from the meeting to be informed and able to verify on participation of the directors of the Company in each Meeting of Shareholders. In the event where any director of the Company has interest in any meeting agenda, he/she must not be present in the meeting and has no right to vote in that matter except voting for election or removal of director.

## 2.7 Dividend Payment

The Board of Directors may consider annual dividend payment of the Company which requires the approval of the Shareholders' Meeting. However, dividend shall be paid to the shareholders in the event where the Company's turnover is profitable without retained deficit and dividend payment shall be divided based on number of shares for equal amount per share.

According to the Company's policy, annual dividend shall be paid to the shareholders twice a year in the rate of no less than 50% (it is effective from January 22, 2016) of net profit of consolidated financial statements of the Company after deduction of legal reserve. In considering dividend payment, the Company shall concern on turnover and return of the shareholders in long-term.



Moreover, if the Board of Directors deems that the Company generates adequate profit for dividend payment, interim dividend may be periodically paid to the shareholders and reported to the Shareholders' Meeting for acknowledgement in the next meeting. The remaining profit from dividend payment under resolution of the Shareholders' Meeting or the remaining part from interim dividend payment shall be appropriated as reserves as deemed proper by the Board of Directors, or appropriated as reserve capital as the Company's capital fund accordingly. The Company shall pay dividend within 1 month from the resolution date of the Shareholders' Meeting or within 1 month after the resolution date of the Board of Directors in the event of interim dividend payment of the Company. The Company shall also issue notice to the shareholders for acknowledgement and notify dividend payment in the newspaper.

## **2.8 Appointment and Determination of Auditor Remuneration**

The Shareholders' Meeting shall appoint and determine remuneration of the Company's auditor pursuant to the suggestion of the Board of Directors. The auditor shall not be the director, staff, employee or person who holds any position in the Company.

## **3) Equitable Treatment among Shareholders**

The Company shall be responsible for equitable and fair treatment to all shareholders, including minor shareholders and foreign shareholders. The rights of all minor shareholders shall be protected from direct and indirect exploitation from the shareholders who have controlling power in order to ensure equitable treatment to shareholders and protection of basic rights of all shareholders.

### **3.1 Nomination for Director Position**

The appropriate process shall be set up to allow minor shareholders to nominate the person together with supporting information for consideration and consent of the nominee to assume the director office to the Chairman of the Board in advance prior to the Shareholders' Meeting. The Company shall also set up the process which ensures the minor shareholders to enable to elect independent directors for benefit supervision in lieu of them. In considering and selecting every director of the Company, the nominee must be given consent by the Meeting of the Board of Directors and/or the Meeting of Shareholders as the case may be.

In the 2017 Annual General Shareholders' Meeting, the Company gave the shareholders the opportunity to nominate a person whom they considered to be appropriately qualified, knowledgeable and competent as the representative to perform the duty of the Company's director in advance, starting from September 15, 2016 to December 30, 2016. The Company announced to the Stock Exchange of Thailand and publicized on the Company's website ([www.pruksa.com](http://www.pruksa.com) under Topic of "Investor Relations").

### **3.2 Shareholders' Meeting**

#### **3.2.1 The Authorization of Other Person to Attend and Vote at the Shareholders' Meeting in Replacement by One-Share-One-Vote Rule**

In the event where any shareholder is unable to attend the meeting, the Company shall facilitate by sending both Proxy Form B and Proxy Form C together with the meeting invitation letter which specifies documents/evidences as well as suggestions, and authorization procedure, to ensure that the shareholders can accurately and completely prepare them and to avoid any problems concerning meeting attendance of the proxy. The shareholder can authorize other person to attend the meeting and vote in lieu of him/her under one-share-one-vote rule by filling up the Proxy Form according to the guideline as described in details about authorization procedure delivered by the Company together with the meeting invitation notice. The procedure contains simple condition for authorization to other person for meeting attendance in lieu of the shareholder. In addition, the shareholder can download Proxy Form B and Proxy Form C from the Company's website [www.pruksa.com](http://www.pruksa.com) under Topic of "Investor Relations/ Shareholders' Meeting".

#### **3.2.2 Delivery of Meeting Invitation Letter**

Under the Company's Articles of Association, it specifies that meeting invitation letter shall be delivered to the shareholders at least 7 days in advance prior to the shareholders' meeting. However, in practice, the Company formulated the policy for delivery of meeting invitation notice together with meeting

documentations both in Thai Language and English Language to Thai and foreign shareholders at least 14 days in advance prior to the Shareholders' Meeting. The delivery of the meeting invitation letter may be changed depending on situation and preparedness in each year but not later than period prescribed by law and Articles of Association of the Company so as to allow the shareholders to have period of time for consideration on the meeting agenda and issues which will be proposed to the meeting together with adequate details for use in decision support. Each issue shall clearly specify that it is the issue which will be proposed for acknowledgment, for approval, or for consideration as the case may be, including opinion of the relevant sub-committees in that agenda, and opinions of the Board of Directors in the said issue.

### 3.3 Financial Assistance Transaction

In 2017, the Company did not have any related transactions in the nature of financial assistance such as granting loan and credit guarantee to its non-subsidiary companies. Moreover, the Company did not grant loan or credit guarantee according to the shareholding proportion in accordance with the joint venture agreement.

### 3.4 Confidentiality, Information Storage and Use of Inside Information

The Company formulated the written policy for confidentiality, information storage and use of inside information. Such policy has regularly been communicated and strictly observed among the directors, executives and employees within the organization. In addition, the Company also set up measures to ensure that such policy is acknowledged and complied with. CG Day event organizing is determined to give all directors, executives and employees the chance to study, learn and endeavor to grasp the Company's Code of Conduct including the said policy, and also observe as principle and practical guideline for maximum benefit of the Company and every group of stakeholders throughout their service duration, and sign for ratification by all members of the Company.

#### Policy on Prevention of the Use of Inside Information

The confidential information refers to information which is not public information or information that, if disclosed to the public or possessed by the competitors, can adversely affect the Company, including all types of information given to the Company by business partners and customers.

- (1) The Company shall set up level of information secrecy and confidentiality practice. Important documents and information that are confidential must be supervised with specific procedure determined in each level, type or category of the information.
- (2) The Company shall safeguard and maintain confidentiality of customer privacy and trade information and must not disclose it to the employees of the Company or unrelated external parties, unless required by law for legal cases or approved by the Board of Directors.
- (3) In employing a person who used to work with a trade competitor or the Government, the Company must search for and study the confidentiality agreements of which the candidate has never entered with the trade competitor or the Government before the Company, and must not perform any act to assign the said person to perform the act which is breach of the agreement with the trade competitor or the Government subsequently causing litigation and action on the case.

### 3.5 Entering Related Transactions

In the event where the Company must enter into related transactions within the scope requiring information disclosure or approval request from the shareholders in accordance with the requirement of Stock Exchange of Thailand prior to performing such transaction, the Company has a policy for disclosure of clear information related to names and relationship of related persons, including policy for determination of transaction price and value, opinions of the Audit Committee and the Board of Directors related to the said transaction, to the shareholders through the channel of the Stock of Exchange of Thailand. All of the said related transactions must be performed by fair and at arms' length price under usual business and commerce. In last 2017, the Company did not enter into any related transactions that violated and/or breached the rules and regulations of the Stock Exchange of Thailand and the Office of Securities and Exchange Commission. In addition, the Company's business group structure did not perform any related transactions in the nature that causes conflict of interests. It is to say that upon consideration on level of transaction performing whether in revenue and expense; it shall be less than 25% without exceptions.

### 3.6 Connected Transactions in 2017

In last 2017, the Company entered into three transactions with the connected persons under the following details.

Person who may have conflict of interests	Relationship with the Company	Nature of Transaction and Necessity	Value of Connected Transaction (Million Baht)	Price and Details
Transaction No. 1. Mr.Thongma Vijitpongpan	Director of the Company	The Company leased space in Laksi Plaza Building, 10 <sup>th</sup> Floor, which is owned by Mr.Thongma Vijitpongpan to be used as the central training center.	2.9	Lease and Service Agreement of 425.68 square meter area, effective from October 1, 2013 to September 30, 2015 and renewed the Agreement to November 2017 in monthly rate of Baht 268,148.  Such rental and service fees are at the rates comparable to market rates and under conditions that are indifferent from the agreement entered by the Company with the third party. The rate of rental and service fees were compared with the rates of which the Company has leased with other lesser.
Transaction No. 2. Mr.Thongma Vijitpongpan	Director of the Company	Kaysorn Construction Co., Ltd. purchased the plot of land at Phatthanakan 32 since at present, the nature of this plot of land is another route of entrance which is very useful for customers in the group of Phatthanakan Projects	2.0	The plot of land at Phatthanakan 32 in the area of 0-1-55 rai was purchased in the amount of Baht 1,998,381.25 (including tax and transfer fee) from Mr.Thongma Vijitpongpan whereas the appraisal price is Baht 3,797,500 since at present, the nature of this plot of land is another route of entrance which is very useful for customers in the group of Phatthanakan Projects.  The said transaction was considered as connected transaction which is the transaction related to asset and service. The size of the said transaction is less than 0.03% of net tangible asset value which is under the approval power of the Management.
Transaction No. 3. TCT Company Limited (shares are held by Mr.Thongma Vijitpongpan)	Director of the Company	Pruksa and the Group of Companies leased space in Pearl Bangkok Building which is owned by TCT Company Limited, to be office building	56.8	Lease and Service Agreement of 18,362 square meter area for 3 years term of the agreement is effective from November 2016 to October 31, 2020. Such rental and service fees are the rates similar to market rates and under conditions that are indifferent from the agreement entered by the Company with the third party. The rates of rental and service fees were compared with the rates of which the Company has leased with other lesser.

## 4) Roles of Stakeholders

The Company respects to the rights of all stakeholders and formulates as practical guideline in the Code of Conduct of the Company to ensure that any relevant lawful rights of stakeholders whether being shareholders, employees, executives, customers, business partners, creditors, as well as general public and society, are properly supervised. The collaboration among these groups of stakeholders is promoted based on their roles and duties for the Company's satisfactory business operation, stability and reciprocation of fair benefit to all parties.

### 4.1 Determination of Stakeholder Treatment Policy

#### 4.1.1 The Board of Directors has set up Stakeholder Treatment Policy for each group of stakeholders as follows:

**Shareholders:** The Company aims at being good representative of the shareholders due to well awareness that the shareholders are the owners of the business. Therefore, in doing business, the Company is determined to create maximum satisfaction to the shareholders by taking into account the long-term growth of the Company's value with good and continuous return, including disclosing information in transparent and reliable manner to the shareholders through the following practical guideline.

- (1) Performing duties with integrity and making decision for any undertaking with precaution and fair to every shareholder for maximum benefits of the overall shareholders.
- (2) Presenting a report of the status of the Company, turnover, financial information position, accounting and other reports on regular basis in complete and fact manner.
- (3) Reporting to all shareholders in equitable manner regarding the future trends of the Company, both positive and negative aspects, based on feasibility and provided with supporting information and sufficient reasons.
- (4) Not seeking any personal interests or interests of other person using any information of the Company which has not yet been disclosed to the general public or proceeding any matters in a manner which may lead to conflict of interests with the organization.
- (5) The Company must treat every shareholder equally at the Shareholders' Meeting.

**Employees:** Employee is the most valuable resource and a key success factor of the Company. The Company therefore aims at developing culture and good working atmosphere, including promoting teamwork and polite employee treatment and individualism respect. The employment, appointment and transfer of the employee shall consider on the basis of fairness and morality and utilization of human resources for maximum benefits of the Company. In addition, the Company treats all employees equally regardless of their gender, race, nationality, religion or belief.

#### **Policy and Practice Concerning Remuneration, Welfare and Provident Fund**

The Company is responsible for keeping working environment to be safe for life and property of the employees at all times and strictly complies with labor law. Moreover, the Company formulated the policy for supervision of remuneration that corresponds to the Company's performance both in short term and long term under consideration on profitability in each year and performance measurement based on Balanced Scorecard; and employee welfare such as provident fund for saving and creating security for the employees and their family members, and tax benefits for the employees. This saving is subject to willingness and service duration of the employee. However, saving rate and contribution rate of the Company shall be in the range from 5 - 10%. Welfare for housing purchase, social security fund, Fitness & Sport Club, compensation fund in case of occupational sickness/accident, gift in the event of hospitalization and grant-in-aid in the event of natural disaster encounter, and wreath allowance for remain salutation, shall be provided through the following practical guideline:

**(1) Privacy**

Personal right and freedom must be protected not to be violated through the use, disclosure or transfer of personal information such as biography, health history, work history, or other personal information to other irrelevant parties which may cause damages to the owner or any other persons. Such violation is considered as a disciplinary offence, unless performed by duty in good faith or as required by law or for common benefits.

- 1.1 Protection of the employee's personal information which is under possession or retention of the Company.
- 1.2 Disclosure or transfer of personal information of the employee to the public can only be performed under the employee's consent.
- 1.3 Limitation to disclose and use of personal information of the employees and related parties of the Company as much as necessary.

**(2) Equality and Equal Opportunity**

- 2.1 The Company shall treat the employee with respect to his/her honor and prestige.
- 2.2 The Company shall fairly select people for employment in different positions by considering qualification of each position, educational qualification, experience and other requirement necessary for the job without barrier against gender, age, race and religion.
- 2.3 The Company shall determine remuneration which is fair and appropriate for the condition and nature of work, performance and ability of the Company to pay such remuneration.
- 2.4 The Company shall support the employees to be trained and developed for work efficiency improvement and give the employees the opportunity of continuous work progress. In last 2017, the employees attended training and development for 22 hours in average per person, including the employees from operational level to first-line superior, middle-line superior, and top-line superior. The training courses prepared by the Company for all employees are classified into 6 main categories as follows:
  - (1) On Boarding Program
  - (2) Foundation Program
  - (3) Career Group Program
  - (4) Quality & Safety Program
  - (5) Leadership & Expertise Development Program
  - (6) Elective Program
- 2.5 The Company is aware that good communication will lead to effectiveness and good relationship in cooperation. Hence, the Company shall promote the employees to be always informed about relevant news under reasonable opportunity as much as possible.
- 2.6 The Company shall provide communication channels for employees to suggest and complain regarding the frustrated occupational issues. All suggestions and complaints shall be seriously considered to define proper solution to ensure the benefits of all parties and to build good relationship in cooperation.

**(3) Harassment**

- 3.1 The superior should behave oneself to gain respect from the employees and the employees shall not perform any disrespectful act to his/her superior.
- 3.2 No employees shall perform any act of violation or threat either by word or action against other person on the basis of race, gender, religion, age, and physical and mental disability.
- 3.3 All employees shall respect to one another's opinions.

**Employee Knowledge and Competency Development Policy**

The Company set up a policy and concept for employee development to be competent person, development guideline for preparedness in perfectly and completely performing his/her dutiful work, and development guideline for position growth, resulting in ability of the personnel to work with all of his/her ability in order to deliver quality work to both internal and external customers. Moreover, knowledge and skill acquired by the Company are the knowledge around him/her which can be applied for extension in future career and even after retirement. The Company assigns Human Capital Department to specifically oversee employee-related matters due to its realization that the employees are considered as the asset worthwhile for investment. The Company aims at becoming the number one brand in the minds of customers. This cannot only be achieved by the performance of the CEO or the executives of the Company but it is believed that it can be built by every employee of the Company under various development approaches, for instance:

- Corporate vision, mission, Pruksha Culture, Pruksha Value and Leadership Competency are developed as practical guideline by the members of the entire organization.
- Competency Based Interview is applied in recruitment and selection in order to employ the applicants who conform to Pruksha Culture, Value and Leadership Competency in the way of Pruksha due to the Company's belief that these are contributing factors to its success during the past 20 years and over.
- The training system according to annual training plan consists of theoretical and practical training courses, cultural development, and systematic coaching by the supervisor, supervision of new entrant employee under mentor program, development in a form of work assignment where the employee can be practically trained within operating framework under a clear policy. All of which enables the supervisors and employees to mutually lay an appropriate development plan.
- Organizing Talent & Succession Planning whereas talent is mutually identified by the supervisor together with Human Capital Department in order to specify the talent under consideration from personal performance and characteristics with potential both in managerial and operating abilities. The succession planning for executives at the level of Department, Division, SBU/BU is established through the identification of both talent and successor and by taking into account business needs together with analysis on long-term strategic goals of the organization.
- Encouraging the employees to be aware of their career path. Each employee will know their next position in the career path. Also, the required knowledge, skill and Key Performance Indicators (KPIs) of the next position will be identified so that the employee can mutually set a career planning with his/her superior. In addition, work procedure and self-development procedure are also determined in order to achieve the determined career goal.
- Regularly surveying the employee's engagement towards the organization at least once a year whereas the survey result shall be used to set common work plan for the entire organization in order to increase more level of the employee engagement towards the organization through various activities. Such work plan must be carried out on continual basis and must be contained as part of KPIs of the executives.

#### Policy for Non-Involvement in Human Right Violation

The Company has a policy to avoid the involvement in all forms of human right violation under management guideline for human right regarding recruitment and employment. The Company shall adhere to the ethical principle of recruitment and employment without discrimination against race, religion, skin color or gender. The Company shall consider the appropriateness of duties and responsibilities for each employee on case-by-case basis, including avoiding the utilization of child labor, conscript labor or forced labor. Moreover, the Company shall not approve any employment of the employee to hold any position whereas his/her direct superior and subordinate have relative or family member relationship, resulting in equal opportunity for everybody to enter to be selected as the Company's employee under focus on competence and suitability for that position. In addition, the Company complies with the laws pertaining to the employment of the disabled by coordinating with government agencies and associations of people with disabilities to promote the employment opportunity among this group of people. If the Company employs none of people with disabilities in any year, the Company shall contribute money to the Fund for Promotion and Development of Life Quality of Disabled Persons as fund for spending on protection and development of life quality of disabled persons.

**Customer:** The Company aims at developing real estate business with intention of creativity in standard and ethical offer and management of products and services to customers under the following operating principles:

- (1) Deliver quality products and services according to standard under fair conditions and aim at continuous and serious upgrade of the quality standard of products and services, and disclosure of product and service information in complete and accurate manner without any fact distortions.
- (2) Provide correct, sufficient and timely product and service information to customers so that the customers can have sufficient information for decision making. All information provided must not be an overstatement, whether in advertisement or communication in other channels with customers, that may mislead the customers regarding quality, quantity or any conditions pertaining to that products or services.
- (3) Rapidly respond to customer needs and provide an effective communication system and channels for complaints related to product and service quality via [www.pruksa.com](http://www.pruksa.com) and Prukسا Contact Center: 1739.
- (4) Retain customer information and secret without use of the said information in wrongful manner, except for information which must be disclosed to the relevant third party under statutory provision.

**Competitor :** The Company aims at operating real estate business with the objective of sustainable success and maintenance of the Company's business leadership within the industry under moral and ethical competition by supporting and promoting the policy for free and fair trade competition without monopoly or limitation of trade partners to sell products of the Company only. Moreover, the Company has no policy for trade competition using whichever means to acquire the information of competitors in unlawful and unethical manner. The Company adopts the following principles of treatment to trade competitors:

- (1) Conduct and perform under rule of fair competition.
- (2) Not seek for confidential information of trade competitors through dishonest or inappropriate approaches for the Company's business operation benefit.
- (3) Not accuse maliciously or with intention to destroy the trade competitor's reputation.
- (4) Not participate in entering into contract or agreement that may result in unreasonable elimination of trade competitors.

**Business Partner and Counter Party :** The Company has a policy for business partner treatment based on Corporate Governance (CG) in selection, procurement and employment of the contractors, designers, consulting firms that give the opportunity to all business partners, vendors/contractors/lessors, hereinafter referred as “Business Partner” to bid, quote contracting works, quote selling prices of materials and equipment, or provide design service to the Company in transparent, impartial, open and fair manner with all business partners. Hence, in the event where the business partner is contacted from the executive, employee or any person in the manner of demand for pay, or compensation or any other benefit, unless it is giving by morality either directly or indirectly for self-business benefit acquisition of the business partner in return, or in the event where the business partner deems that business partner searching and selecting process of the Company is performed in non-transparent and unfair manner for the business partner or in a manner that eliminates business partner, the Company shall request collaboration that the business partner shall immediately notify the Company, and suggest improvement guideline for transparency and fairness in procurement and employment for all business partners. The Company is committed to be fair with and protect all business partners equally and fairly.

#### **Selection, Procurement, Employment and Treatment to Business Partners**

1. The Company intends to procure products and services according to standard under proper standard as follows:
  - 1.1 Compete on the basis of equal information.
  - 1.2 Have criteria for evaluation and selection of business partners and counter parties.
  - 1.3 Prepare appropriate agreement format.
  - 1.4 Provide management and monitoring systems to ensure that the agreement conditions are completely followed, including preventing misconduct in every step of the procurement process.
  - 1.5 Make payment to business partners and counter parties on time according to term of payment as agreed.
2. The Company aims at developing and maintaining sustainable relationship with business partners and counter parties that have clear objectives regarding product and service quality, technical quality and mutual trust.
3. All executives and employees are prohibited from receiving any personal gifts from business partners and counter parties whether directly or indirectly.
4. No executive or employee shall be involved in procurement process with business partners or counter parties who are related to that executive or employee such as whether by the status of a family member, or relative, or business owner or partner.
5. The use of information received from procurement process for personal or other person's benefit is strictly prohibited.

#### **Business Partner Section Procedure**

1. Verify and evaluate work readiness.
2. Evaluate quality of works, products and services.
3. Evaluate on-time delivery of works, products and services.
4. Evaluate the capabilities in terms of coordination, problem solving and readiness of working team.

#### **Complaints**

1. Complaint Notification

In the event where the executive, employee, officer and/or related party of the Company is detected to have any conduct that implies fraud, unfairness or demand for the said pay, all business partners can immediately report to the Company for acknowledgement via Line (Line ID : @pruksacg), Website (www.pruksa.com) Complaints/Whistleblowing/Unfair Treatment, Email : CG@pruksa.com,



and sending mails to the Chief Executive Officer (CEO) or Chairman of the Audit Committee at Pruksha Real Estate Public Company Limited, Pearl Bangkok Building, 23<sup>rd</sup> Floor, No. 1177 Phaholyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400.

Apart from playing a vital role in helping the organization, the complaint informant shall also be rewarded up to Bt 30,000 (Thirty Thousand Baht) per case together with a Certificate of Honor from the CEO.

## 2. Protection Measure for the Complainant or Investigating Collaborator

The complainant or collaborator shall be protected in accordance with the following criteria:

- 2.1 The complainant or fact investigating collaborator can choose not to disclose his/her name if he/she feels that such disclosure may cause any harm or damage. However, if such self-disclosure is made, it will enable the Company to report the progress, clarify fact for acknowledgement or alleviate damage more conveniently and quickly.
- 2.2 The Company shall not disclose the information relating to the complainant or fact investigating collaborator. The said information includes first name, last name, address, picture or any other information that can identify the informant. The investigation shall be conducted to find out whether there is a ground of fact.
- 2.3 The complaint receiver must maintain the confidentiality of relevant information and shall disclose such information only as necessary by taking into consideration the security and damage of the complainant or fact investigating collaborator, source of information or related persons.
- 2.4 In the event where the complainant or fact investigating collaborator feels that there may be harm or trouble and damage to him/her, the complainant or collaborator may ask the Company to formulate protection measure as appropriate, or the Company may formulate protection measure without requirement of request by the complainant or fact investigating collaborator if it deems that it is likely to occur trouble, damage or harm. Relief shall be given to those suffered from any trouble, damage or harm under impartial and appropriate process.

**Creditor:** Creditor policy and practical guideline were set up and clearly defined by the Company, particularly the subject matters concerning guarantee condition, capital management and event of debt default whether being trade or financial institution creditors. The Company shall not default for debt settlement and shall strictly conform to the conditions defined by creditors as follows:

- (1) To repay debts to creditors on time and in compliance with specified conditions in order to avoid default.
- (2) In debt, loan and interest payment, security or guarantee responsibility, the Company shall strictly adhere to contract or conditions as agreed.
- (3) Whenever critical circumstance which may significantly affect financial position and payable debt, the Company shall manage capital and notify the creditors for mutual finding of preventive or corrective method in order to avoid damage.
- (4) To strictly comply with conditions prescribed by creditors.

**Community and Society:** With realization that the Company is like as part of the society that will mutually step towards social and environmental development for continual sustainability, the Company therefore gives precedence to the surrounding community and society and continually implements community and social activities. The corporate social responsibility policy was formulated as operating framework for observance by the Board of Directors, all executives and employees so that social responsibility shall be implemented throughout all processes and companywide together with business operation under overall community and social responsibility as follows.

- (1) Have a policy for business operation under concern on environment and strict compliance with the enforced environmental-related laws and regulations.
- (2) Have a clear Corporate Social Responsibility Policy (CSR) for observance within the organization.

- (3) Promote the Company's employees to have environmental and social awareness and responsibility.
- (4) Respect to customs, traditions and cultures of each locality in every country where the Company enters for business operation.
- (5) Regularly carry out activities for mutual creation of society, community and environment for better quality of life of the community where the Company is located through self-implementation and collaboration with the agencies of government sector, private sector and community.
- (6) Being cooperative in activities with the communities surrounding in the areas where the Company enter for business operation appropriately on case basis.
- (7) Carry out accident prevention, control operation, as well as control emission of waste within standard value criteria.
- (8) Rapidly and effectively respond to the circumstance that affects environment, community, life and property as the result of the Company's operation by fully collaboration with government officers and related agencies.

The Company has also implemented CSR activities which are outside the process for mutual sustainability to society through CSR Policy in three areas including education area, society and environment area, and religion, arts and culture area (For more details, see the content in Section "Corporate Social and Environment Responsibility").

#### Support of Community Development-Related Activities

The Company has a policy to support and participate in community development activities such as:

- Free health checkup program by the physician team of the leading hospital for customers, employees and residents around the projects
- Distribution of seedlings to customers, employees and residents around the projects in order to promote creation of Green Community
- "Environmental Management by Community" Project for encouraging the community to learn the disposal of waste and wastewater from the source for sustainable protection of environmental pollution in the community
- Provision of knowledge on how to plant different kinds of perennials, fruit trees, ornamental plants, and home-grown vegetables for sustainability creation to the schools in the communities
- Provision of knowledge on waste separation for recycle as biochemical compost and for sustainability creation to the schools in the community
- Blood Donation Program for aiding nationwide patients
- Good Health Promotion Activity for customers and community

**Safety, Hygiene and Environment:** The Company has clear and concrete policy for care of safety, hygiene and environment by giving precedence to safety and hygiene of the surrounding community and society. With well realization that we are like as part of the society that will mutually step towards sustainable social and environmental development for continual sustainability, the Company therefore continuously carries out community and social activities together with business operation under overall community and social responsibility as follows.

- (1) Aim at supporting activity implementation together with compliance with Safety Law and other related requirements.
- (2) Determine that safety at work shall be considered as the top working duty and responsibility of all employees.
- (3) Determine that the superiors in all levels shall behave oneself as good role model and leader, train, coach, and motivate employee for safe working.

- (4) Determine that all employees must always mainly take into account their personal safety as well as the safety of their colleagues and properties of the Company while on duty.
- (5) Determine that all employees must always maintain cleanliness and orderliness of their workplace area.
- (6) Aim at supporting safety activities that contribute to stimulate, promote and develop awareness of the employee for safety at work.
- (7) Aim at continuously supporting review, improvement and development of safety management system.
- (8) Aim at finding the way to mitigate environmental impact by monitoring and controlling the emission and discharge of pollution as well as hazardous and non-hazardous waste management for preservation of source of natural resource.
- (9) Effectively and maximally utilize resource and energy and prevent water, air and waste pollutions and other pollutions occurred from activities of the Company that have minimum impact toward environment and community.

**Summary of Occupational Accident Occurrence Statistics for Year 2012-2017**

Details	Gender	2012	2013	2014	2015	2016	2017
<b>Head Office</b>							
Injury Rate (IR)	Male	0	0	0	0	0	0
	Female	0.12	0.053	0	0	0	0.036
Occupational Disease Rate (ODR)	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Leave Day Rate (LDR)	Male	0	0	0	0	0	0
	Female	0.12	0.213	0	0	0	0
Absence Rate (AR)	Male	0	0	0	0	0	0
	Female	1,612.90	2,272.73	0	0	0	0
Number of Occupational Deceased	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
<b>Construction Unit</b>							
Injury Rate (IR)	Male	0.07	0.465	0.421	0.330	0.732	0.299
	Female	0.01	0.058	0.030	0.147	0	0.075
Occupational Disease Rate (ODR)	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Leave Day Rate (LDR)	Male	1.12	4.938	2.345	0.550	6.809	0.485
	Female	0	0.087	0.902	2.458	0	0.112
Absence Rate (AR)	Male	60,925.50	96,590.91	44,318.18	8,522.73	105,681.82	7,386
	Female	0	1,704.55	17,045.45	38,068.18	0	1,705

Details	Gender	2012	2013	2014	2015	2016	2017
Number of Occupational Deceased	Male	1	2	2	2	1	3
	Female	0	0	0	0	0	1
<b>Pruksa Precast Factory</b>							
Injury Rate (IR)	Male	1.2	0.768	1.056	0.640	0.270	0
	Female	0.22	0	0.132	0.160	0.270	0.258
Occupational Disease Rate (ODR)	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Leave Day Rate (LDR)	Male	5.46	1.537	3.828	1.760	0.405	0
	Female	0.33	2,273.73	1.320	0	5	0.26
Absence Rate (AR)	Male	26,881.72	7,954.55	16,477.27	6,250.00	852.27	0
	Female	0	0	5,682	0	11,364	568
Number of Occupational Deceased	Male	0	1	1	0	0	0
	Female	0	0	0	0	0	0

From statistical data in 2017, it could be seen that in overview, Injury Rate, Leave Day Rate and Absence Rate for Employee tended to be decreased more than previous year. However, the Company takes the results from collection of accident occurrence statistics in every year as one of the significant development plans in order to aim for minimizing accident occurrence to be Zero Accident, and developing occupational quality of life of the employees which is always the attentive and highlighted matter of the Company.

#### 4.2 Policy and Procedure on Effective Consumption of Resources

The Company set up a policy and procedure for effective consumption of resources through energy saving and resource recycling such as using both sides of the paper, turning off air conditioners and lights during lunch break, turning on the lights only at the location required for use, walking up and down stairs in low floor, and sharing car when traveling to the same way. All of the aforesaid shall contribute to cultivation of personal value and application in daily life of the family.

#### 4.3 Policy and Practical Guideline on Non-Violation of Intellectual Property Rights or Copyrights

The Company set up a policy and practical guideline on non-violation of intellectual property rights or copyrights which is considered as part of the Company's code of business conduct. This includes protection of the Company's property and use of computer system and information technology by requiring the employees who use computer to sign non-violation clause to affirm that he/she shall not violate the right of any person or company which is under protection of copyright, trade secret, patent or any other intellectual property or laws or regulations of similar nature including installation or publicity of illegal software product or software that is not property licensed to the Company.

#### 4.4 Anti-Corruption and Bribery Prohibition Policy

##### (1) Bribery Offering and Receiving

- 1.1 The executive and employee are prohibited from demanding or receiving any benefits or properties implying that the executive and employee are motivated to perform or illegitimately abandon his/her duties or causes the Company lose legitimate benefits.

- 1.2 The employee shall refrain from offering or giving any benefits or properties to the third party in order to induce the said party to commit illegal act or omit any illegal or illegitimate act on his/her own duties.

**(2) Gifts or Business Entertainment**

- 2.1 The employee shall avoid offering or receiving any article or benefit from business partner or stakeholder related to the Company's business unless in festival or traditional practice within reasonable value and under the condition that the recipient should consider and consult with his/her original affiliated superior for request of advice as appropriate.
- 2.2 The employee must not receive or offer any gift or souvenir in form of cash, cheque, bond, share, gold, jewelry, real estate or similar article.
- 2.3 Gift or souvenir which is reasonable in value such as calendar, diary or stationary with nature of keepsake in New Year's Day, shall be considered as acceptable case.
- 2.4 In the event where an employee receives any gift, keepsake, gift basket and/or any other article having value exceeding 3,000 Baht (three thousand Baht), the said employee must immediately notify his/her original affiliated superior and return or consider handing over such item to Gift Allocation Committee, except perishable article or article with limited shelf life.
- 2.5 The employee shall avoid offering or receiving any entertainment in the nature out of the usual business relationship from other person whose business is related to the Company's work.

**4.5 Procedure for Monitoring/Evaluating Corporate Compliance under Anti-Corruption Policy**

Apart from determination of the aforesaid Anti-Corruption Policy, the Company also has a procedure that the companywide members shall participate in compliance with such policy through various means such as providing knowledge via "Tairom Pruksha Journal", E-mail, Intranet of the Company, and trainings/VDO presentation in the orientation day of new entrant employees. The Company shall also monitor and evaluate the compliance with the said policy by surveying the opinions of the executives and employees of the Company on anti-corruption.

**4.6 Process for Assessing Risks Resulting from Corruption**

The Company declared its intention in anti-corruption by issuing a letter of intent for Private Sector Collective Action Coalition Against Corruption on September 1, 2014. The Company also set up an assessment process for risks originating from corruption by conducting risk assessment in its core process with high level of risk from corruption, and developing effective management and internal control plan to prevent corruption within the organization.

**4.7 Supervision and Control Practical Guidelines for Preventing and Monitoring Risks from Corruption**

The Company shall conduct risk assessment in relation to product and service delivery, land acquisition, procurement process, and process for determination of standard construction cost for houses, condominiums and precast factories in operating regulation and manual. In addition, Website Call Center is provided as a complaint channel for consumers, employees, general public and government sector, etc.

**4.8 Employee Trainings for Provision of Knowledge on Anti-Corruption Policy and Practical Guideline of the Company**

In-house training courses on Anti-Corruption Policy and Practical Guideline are arranged for employees who have duties in overseeing or involving in anti-corruption. The employees are also delivered to attend the external trainings organized by both public and private sectors. Each employee shall be trained in relation to anti-corruption since the first day of his/her work commencement. Furthermore, the Company also arranges Anti-Corruption Training in form of video, billboard, announcement, Code of Business Conduct, whistleblowing regulation, complaints in relation to fraud and corruption, and regulations pertaining to the offering or receiving gifts, souvenir, entertainment or other benefit/anti-corruption measure.

#### 4.9 Environmental Knowledge Development and Trainings for Employees

The Company established as Corporate Social Responsibility Policy (CSR Policy) and announced among both within the organization and the third parties for acknowledgement all together as follows:

Pruksa Real Estate Public Company Limited aims at developing real estate business in order to promote social and economic development, and conserve environment by producing quality products and providing quality services under cultivation of value that the employees shall be attentive in working according to the principle of good governance by taking the interests of all stakeholder groups into account. The sample of training includes the environmental training and knowledge for all employees who work at Pruksa Precast Factory since their first day of work commencement. Environmental care knowledge is disseminated to undergraduates, students and organizations that are interested to visit Pruksa Precast Factory, etc.

#### 4.10 Complaint

The Board of Directors provides communication channels for every group of stakeholders to be able to contact with the Company/complain on the matters that may directly damage the Company or the Board of Directors as per the following details and procedures:

##### (1) Complaint Notification

If an employee or a stakeholder detects any action which is suspicious that it may be in violation of rights or non-compliance with Code of Conduct, he/she can inquire doubts or report the responsible person as follows:

- Superior level that is trusted by you at all levels
- Internal Audit Department or Corporate Governance Committee via the Secretary of Corporate Governance Committee
- Other units or channels designated by the Company such as complaining with Corporate Communication Department by phone call at 1739, Line channel (Line ID : @pruksacg), Website (www.pruksa.com) under Complaints/Whistleblowing/Fairness Request, Email: CG@pruksa.com or direct postal mailing to the CEO or Chairman of the Audit Committee at Pruksa Real Estate Public Company Limited, Pearl Bangkok Building, 23<sup>rd</sup> Floor, No. 1177 Phaholyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400.

##### (2) Action Process upon Complaint Receiving

- Collection of Facts

The complaint receiver shall collect facts related to violation or non-compliance with code of conduct by him/her or assign Human Resource Department or other units of similar functions but called otherwise to collect such facts.

- Processing and Screening of Information

The complaint receiver shall process and screen the information to consider appropriate steps and actions for each matter by him/her, or assign Human Resource Department or other units of similar functions but called otherwise to process and screen the information, or assign the Investigation Committee, which will be appointed by Corporate Governance Committee on a case-by-case basis, to process and screen the information for appropriate action.

##### (3) Action Measures

- The complaint receiver shall propose action measure for settlement of violation or non-compliance with code of conduct, and relief of damage for the affected persons under concern on the entire overall trouble and damage.

## (4) Report of Results

- The complaint receiver has duty to report the results to the concerned parties. For important matters, the report shall be submitted to the Chief Executive Officer and/or the Audit Committee and/or Corporate Governance Committee and/or the Board of Directors, as the case may be.
- (5) Protection measure for complainant or complaint investigating collaborator, or investigating collaborator whereas the said person shall be protected under the criteria (For more details, see Section “Business Partner, Counter Party - Complaints”)

**4.11 Employee Compensation Policy**

The Company establishes employee compensation policy that is in line with the Company’s operating results in both short term and long term. The purpose of compensation payment is to motivate the employees to work efficiently and effectively in order to achieve the Company’s setting goal. In short-term, the concept of Balance Scorecard (BSC) and Key Performance Indicator (KPI) are applied as tools for managing employee compensation payment based on their performance, and arrangement of other welfare for building employee engagement regardless of separation of salary rate and basic compensation. The compensation ratio between female and male employee is 1:1 such as salary increment or bonus as reward based on performance and commission. Long term employee compensation policy includes offering of ESOP which has been carried out since 2005 until present.

**4.12 Violation of Laws Pertaining to Labour, Employment, Consumer, Business Competition and Environment**

In last 2017, the Company did not perform any actions in violation of laws pertaining to labour, employment, consumer, trade competition and environment.

**4.13 Oversight by the Governance Agency**

In last 2017, the Company declared information of important circumstances within the timeframe specified by the official. Hence, the governance agency did not perform oversight on the Company.

**5) Disclosure of Information and Transparency**

The Company has a policy to disclose any financial and non-financial information in complete, adequate, reliable, regular and timely manner through dissemination in forms via Annual Report, website of the Company both in Thai and English versions, and mass media. The Company also established Investor Relations Unit to be its representative for coordinating between the Company and shareholders, securities analyst and related parties.

The Company gives precedence and has a policy to disclose accurate, reliable and complete information, both financial and non-financial information, on time and adequate for investors to make decision. Such information includes the structure of the Group of Companies, shareholding structure which completely and clearly shows major shareholder or regulator and the proportion of minor shareholders and must be up-to-date to precisely inform the information user about the beneficial owner of the Company, the shareholding of directors, spouse/cohabiting person and underage children of directors and executives in Annual Report under Section “The Board and Management Profile”, Corporate Governance Policy, Code of Business Conduct, Risk Management Policy, Social and Environmental Management Policy, Report of the Responsibility for the Financial Reporting of the Board of Directors, Report of Auditor, Management Discussion and Analysis (MD&A), audit fee and other service fees of the Auditor, roles and duties of the Board of Directors and Sub-Committees, number of meeting attendance of each director in previous year, professional knowledge training and development of the Board of Directors as well as Remuneration Policy for Directors and Top Executives. All information disclosure shall strictly comply with rules and regulations set out by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, including relevant laws.

### 5.1 Compliance with Principle of Good Corporate Governance

The Company foresees and gives precedence to good corporate governance by supervising the Management to apply the said principle in developing the organization and projects of the Company for benefit of the Company and every group of stakeholders in sustainable manner whether in sections concerning the rights of shareholders, equitable treatment to shareholders, roles of stakeholders, disclosure of information and transparency, and responsibility of the Board of Directors. The Company intends to comply with the said principle in every section.

In last 2017, the Company developed and improved corporate governance of the Company such as disclosing the remuneration of Chief Executive Officer both in short term and long term (For more details, see Section "Total Remuneration of Directors, Chief Executive Officer and Executives".)

### 5.2 The Company's Objectives/Long Term Target

The Company's objectives/long term targets are reflected in Pruksha Vision - Mission, Pruksha Culture and Pruksha Values as per the following details:

#### Pruksha Vision

"Pruksha aims to be the number one residential real estate business brand in customers' minds and step upward to become a top ten real estate business brand in Asia by creating high value homes for all families to experience happiness, warmth and better life every day."

#### Pruksha Mission

"We are willful to assist all customers to fulfill every dream of owning a valuable home for joyful life of every family."

#### Pruksha Culture

"I truly care about my customers. I want them to be happy. So I work with passion to really satisfy their needs. First, I try very hard to understand what customer wants. This requires me to think through very carefully until I come up with work method. Then I move quickly into action to satisfy the customer desire. If my customers are happy, I am happy and feel proud for my achievement."

#### Pruksha Value

##### **"Customer Focus"**

We make every effort to explore and understand for satisfaction of every customer group's demand with a valuable home and impressive service.

##### **"Creative Innovation"**

We create innovative products and services that surpass our customer expectations and impressions.

##### **"Team Collaboration"**

We work in harmony as a team to deliver impressive results to our customers.

##### **"Operating Discipline"**

We have discipline to complete our work on time, according to our plans and high quality standard.

##### **"Ethical Adherence"**

Our thinking spirit, speech and act are for interest of our customers, and fairness and benefit for all related parties.

### 5.3 Financial Position and Operating Results

(For more details, see Section "Explanation of Financial Position and Operating Result Analysis".)



**5.4 Customer Satisfaction Level (Non-Financial Key Performance Indicator)**

The Company is committed to create customer satisfaction by focusing on continuing product research and development in order to deliver houses that meet customer demand. The Company therefore established Marketing Research Department and Internal Innovation Management Center, including hiring external experts to explore, research and analyze consumer demands in each area as well as potential of the project location in terms of public utilities. In consequence, the Company has sufficient database to recognize the demand of consumers in residential market, including the role and style of housing, location and price level. The Company will adopt the survey results to support the continuing development of new projects.

The market share and/or customer satisfaction level in 2017 (For more details, see Section “Thai Residential Market Overview 2017”).

**5.5 Nature of Business and Competition Situation**

(For more details, see Section “Nature of Business Operation”).

**5.6 Business Group Structure**

(For more details, see section “Shareholding Structure”).

**5.7 Key Risk in Business Operation**

(For more details, see Section “Risk Factors”).

**5.8 Dividend Payment Policy**

(For more details, see Section “Dividend Payment Policy”).

**5.9 Whistle Blowing Policy for Offence Commitment**

(For more details, see Section “Complaints”).

**5.10 Board of Directors Profiles**

(For more details, see Section “The Board and Management Profile”).

**5.11 Identification of Independent Directors**

(For more details, see Section “Board of Directors”, Section “Management Structure” and Section “The Board and Management Profile”).

**5.12 Disclosure of Director Remuneration Payment Criteria and Disclosure of Director Remuneration on Individual Basis**

The Company determined remuneration for directors on clear and transparent basis. The Nomination and Remuneration Committee performs the duty in considering and approving the said remuneration before proposing to the Board of Directors and the Shareholders’ Meeting for approval on yearly basis. In considering, the determined remuneration should be appropriate and consistent with the scope of duties and responsibilities of the directors and equivalent to the rate of remuneration applied in the same industrial group and other leading industrial groups. The Annual General Shareholders’ Meeting for 2017 approved the director remuneration. (For more details, see Section “Remuneration for Directors and Executives”).

**5.13 Policy and Criteria for Payment of Remuneration for Top Executives**

The Company established a policy and criteria for payment of remuneration for Chief Executive Officer (CEO) through transparent consideration process based on performance appraisal and the overall turnover of the Company prior to further proposing to the Board of Directors for consideration and approval (For more details, see Section “Performance Appraisal of Topmost Executive (Chief Executive Officer)” and Section “Remuneration of Directors and Executives”).

#### **5.14 Disclosure of Numbers of Board of Directors' Meeting and Meeting Attendance of Each Member of the Board of Directors**

(For more details, see section "Meeting Attendance of the Board of Directors in 2017 and 2016".)

#### **5.15 Disclosure of Attendance of the Board of Directors in Professional Knowledge Development and Training in Last Year**

(For more details, see Section "The Board of Directors" - Training and Knowledge Development of Directors.)

#### **5.16 Disclosure of Related Transactions**

(For more details, see Section "Equitable Treatment to Shareholders" - Connected Transaction and Related Transaction.)

#### **5.17 Reporting of Interest**

The Company has a policy which requires every director and executive to disclose his/her own interest, and that of his/her spouse and related persons to the Board of Directors by submitting such information to the Company Secretary. Then, the Company Secretary shall forward a copy of the report to the Chairman of the Board and Chairman of the Audit Committee within the period of 7 days from the received date of the said report by the Company.

In the event of change in the information in the Report of Interest of the Directors and Executives, the directors and executives must submit the amended report to the Company Secretary within the period of 3 working days from the date of such change. Then, the Company Secretary shall forward a copy of the amended report to the Chairman of the Board and Chairman of the Audit Committee within the period of 7 days from the received date of the said report by the Company.

#### **5.18 Policy on the Consideration and Approval of Important Related Transactions by the Board of Directors**

In 2017, the Company's important related transaction required the consideration and approval by the Board of Directors was the Company's renting of the new office building (Pearl Bangkok Building) from TCT Company Limited of which Mr. Thongma Vijitpongpan is the major shareholder. The said building is located in the area of Ari BTS Station and takes no more than 5 minutes of walk.

#### **5.19 The Company's Auditor**

The Company shall hire an independent auditor whose qualification is accepted to be the Company's auditor under approval of the Office of Securities and Exchange Commission. The Company also discloses the audit fee and other service fees paid to audit firm in the Annual Report (For more details, see Section "Audit Remuneration")

#### **5.20 Policy for Establishment of Investor Relations Unit**

The Company established and assigned Investor Relations Department as coordinator between the Company and shareholders, securities analysts, institutional investors, general investors, government sector and related parties based on equality and fairness by allowing them to meet with the Company's executives as appropriate under the rule that the provided information has already been disclosed to the public. In addition, the Company shall disseminate the important information of the Company both in Thai and English language via website [www.set.or.th](http://www.set.or.th) under Topic "Investor Relations".

The shareholders, securities analysts, investors, government sector and interested parties can contact for inquiry of information related to investment information at Investor Relations Department via Email: [ir@pruksa.com](mailto:ir@pruksa.com), Tel. (66) 2080 1739 Ext. 49112.

## 6) Internal Control and Risk Management

The Company has a comprehensive internal control and internal audit system covering all aspects concerning finance, operation, and action in compliance with relevant laws and regulations and risk management.

### 6.1 Internal Control and Internal Audit System

The Company requires the review and report of internal control system by the responsible executive, and internal audit. The established Internal Audit Department shall be independent and responsible for regular audit for internal management control to ensure that the executives and employees must strictly comply with practical regulations as well as the Management Authorities Handbook of the Company. These are to be carried out under supervision of the executive who is the Head of Internal Audit, Mr. Premsak Vallikul (For more details, see Section “The Board and Management Profile”).

### 6.2 Risk Management

The Company has a risk management policy for risks affecting the Company under consideration from both internal and external factor for risk exposure within appropriate and acceptable level. The Management of the Company determines that risk factors in every aspect consisting of strategic risks, financial risks, construction management risks, and other operational risks, shall be reviewed on regular basis. The review shall cover the consideration on opportunity of risk occurrence, level of impact severity, determination of impact preventive and mitigation measure, assignment of responsible persons, and determination of reporting and monitoring measure for assessment.

## 7) Philosophy and Code of Conduct

The Company has a firm intention to reinforce all executives and employees to adopt the same conduct standard under the changing business environment. The Company therefore declared the “Code of Business Conduct” as guidance for conduct and practice alongside with the regulations and rules of the Group of Companies under the framework of ethics, virtue and honesty in equitable creative ways. The code of business conduct covers safety of society, community and environment, anti-fraud and corruption, anti-bribery, political involvement, any other conflict of interests, and respect to laws and principle of human rights. Every employee shall be given for Good Corporate Governance and Code of Business Conduct Manual with their signature for acknowledgement and observance. The Company also assigns Human Resource Department to be responsible for promoting the directors, executives and employees to comply with Good Corporate Governance and Code of Business Conduct Policy with understanding, acceptance and faith since 2006.

The Company produced VDO to disseminate and promote the compliance with the said Code of Business Conduct of the Company. The dissemination shall be performed via internal media for employee awareness, and presentation in the orientation day of new entrant employee for awareness. The Company determines that the Code of Business Conduct shall be constantly reviewed to ensure its appropriateness. In update and review, the Board of Directors also takes part in determining corporate vision, mission, culture and value of the Company, and considering carrying out regular review to ensure that the executives and employees share the goal in the same direction.

## 2. Governance on Use of Inside Information

The Company formulates policy and procedure of the executive supervision in use of inside information of the Company for self-benefit as follows.

### I. Policy of Confidentiality, Data Storage, and Use of Internal Information

The duty of the organizational personnel in all levels is to be informed about the procedure of information security for protection of secret information and comply with security procedure of such information for protection of non-disclosure of such information.

The secret information means the information which is not public information or information that if it is publicly disclosed or fallen in the hand of the competitor, it will cause serious impact toward the Company, as well as all type of information which are given by business partner and customer to the Company.

1. The Company defines the secret level of information and confidentiality practice. The important documents and secret information shall be supervised with specific procedure determined in each level, each kind or type of information. The secret level of these information may be classified into various levels based on their importance such as information which can be disclosed, concealed information, secret information, and very secret information. However, the sharing of internal information must be in the framework of duty and responsibility entrusted by him/or only.
2. The Company must keep and conceal the customer information and trade information as secret, and must not disclose customer secret to the Company's irrelevant officer and third party unless it is the legal regulation for disclosure which is the disclosure for purpose of litigation or under approval by the Board of Director for disclosure.
3. In employing the person who has ever worked with the business competitor or government before, the Company must search for and study the confidentiality agreement of which the said person has ever entered with the business competitor or government before, and must not perform any act in order to allow the said person perform the act which is breach of the agreement with the business competitor or government, causing subsequent litigation.
4. The disclosure of secret information to public shall be given consent by the Group Chief Executive Officer. The Group Chief Executive Officer may be the person who replies by oneself in the event where the information is very significant or may entrust the responsible person to be the provider of the information to public. However, the Company has the person who performs the duty of information dissemination to public and takes responsibility in investor relations and contact with investment agencies in the projects by coordinating with internal work unit which is the owner of the information.
5. The Company's personnel shall not reply queries or express opinions to any other third party unless it is the duty or he/she is entrusted to reply these queries. If it is not his/her duty or he/she is not entrusted, the personnel shall politely refuse the opinion expression.

The Company formulates the policy and procedure of the organizational personnel supervision in all levels, including directors, executives, officers, employees or relevant parties in utilization of the Company's internal information for self-benefit as follows.

1. The director, executive and person who holds the position in accounting or finance line, person in charge in operation, auditor, officer, spouse and underage child of the said person regarding to the duty of director, executive and person who holds the position in accounting or finance line, person in charge in operation, auditor, officer, spouse and underage child of the said person, are educated that they must report the holding of the Company's securities and determination of punishment according to Securities and Exchange Act B.E. 2535 (1992) (pursuant to Revision), Requirement of Stock Exchange of Thailand, and any other related criteria.
2. The Company determines that the director, executive and person who holds the position in accounting or finance line, person in charge in operation, executive, auditor, officer, spouse and underage child of the said person, shall report their change in securities holding to the Office of SEC according to Section 59 of Securities and Exchange Act B.E. 2535 (1992) (pursuant to Revision) and deliver copy of this report to the Company in the same day of which the said report is delivered to the Office of SEC every time.

3. For enhancement of confidence to the shareholders, investors and all relevant parties, the Company shall formulate the measure related to use of inside information of the Company's personnel, including the Board, executives and persons who hold the position in accounting or finance line, persons in charge in operation, auditor, officers, spouse and underage child of the said person. The objective of this measure is to bring about equality and fairness in use of internal information of the Company as the enhancement of the confidence to the shareholder, investor and relevant parties. The Company also determines as prohibition not to allow the aforesaid personnel in all levels of the Company including all family members of the said personnel to be informed about the internal information of the Company which is the fact that is essential for change in price of securities and has not yet been publicly disclosed whether for securities trading or persuading other person to purchase, sell, offer for purchase, or offer for sale of the Company's shares either by oneself or via broker, and whether the said act is performed for self-benefit or for other person's benefit. Moreover, the Company also prohibits the aforesaid personnel of the Company and his/her family members not to disclose the fact which is essential for change in price of securities and has not yet been publicly disclosed in order to assign other person to perform such act in the way that he/she gains benefit in return.
4. The Company notifies the directors, executives, officers, employees or relevant parties that the executive who is informed about the internal information which is essential and affects the change in price of securities must exercise his/her diligence in trading the Company's securities in the period before 15 days and 1 day after financial statements or internal information will be publicly disclosed.
5. The Company notifies the parties who are related to the internal information that they must not disclose the said information to other person for acknowledgement until the said information has been informed to the Stock Exchange of Thailand.

## **2. Security of Computer System and Data and Information**

For orderly compliance with policy, the Company formulates the preventive measure of computer system and data and information as follows.

1. Limit access to data which is not publicly disclosed by allowing particularly topmost executive to recognize as much as possible, and disclosing to the Company's employees as much as necessary for acknowledgement only, and notifying the employees that it is secret information under limitation of utilization.
2. Arrange security system in workplace for prevention of access and use of file and secret information.
3. The owner of information which has not yet been publicly disclosed shall reiterate the relevant parties to strictly comply with security procedure.
4. The Company formulates the policy for application of computer system and data and information system, and always updates according to occurred changes whether being from laws and regulations of the governing agencies, and changes from trend of technological application such as changed SOCIAL MEDIA, and internal occurring development and change, etc.
5. The Company has international standard control system such as defining user's name, and password in entry to the Company's system according to role and duty of the system application and scope of practice that is linked to approval power which is consistent with working of the said person in the Company.

## **3. Measure of Punishment**

If the aforesaid work regulation is violated, the Company shall take disciplinary action to consider punishment as deemed appropriate as the case may be such as verbal warning, written warning, wage reduction, work suspension, dismissal, and take legal proceedings in the event of legal offence commitment.

## **3. Auditing Remuneration**

### **Auditing Remuneration**

The audit fees of Year 2013-2017 paid to the auditors of KPMG Phoomchai Auditing Company Limited for reviewing and auditing financial statements of the Company and its subsidiaries have been compared as per below:

Unit : Baht	2017	2016	2015	2014	2013
Audit fee for the Company and its subsidiaries in Thailand	3,550,000	3,880,000	3,780,000	3,980,000	3,600,000
Audit fee for the subsidiaries in foreign countries*	514,478	1,140,922	908,037	1,437,420	1,795,950
Other expenses	123,955	133,000	131,000	132,000	157,000
<b>Total</b>	<b>4,188,433</b>	<b>5,153,922</b>	<b>4,819,037</b>	<b>5,549,420</b>	<b>5,552,950</b>

\*Audit fee in foreign countries depends on exchange rate at that time.

In addition, there have been the other service charges as follows.

1. KPMG Phoomchai Auditing Company Limited

Unit : Baht	2017	2016	2015	2014	2013
Audit Report as per BOI requirements	535,000	535,000	785,600	1,551,500	2,134,300

2. Audit Report as per BOI requirements

Unit : Baht	2017	2016	2015	2014	2013
Audit pursuant to agreed procedure of revenue and expenditure of funds for the project of which juristic person has not yet been transferred	-	909,500	-	-	-
Audit of liability setting up and land purchasing payment and procurement	-	535,000	-	-	-
Technology Assessment for the year 2016	-	770,400	-	-	-
Review of Anti-Corruption Assessment Result	-	385,200	-	-	-
Information System Work Audit	-	-	-	1,064,650	-
PISIS Audit	-	-	-	856,000	-
Business Continuity Management (BCM) Project	-	-	4,500,000	500,000	-
Procurement and BOQ Budgeting Process	-	-	2,621,500	-	-
Purchase Order Preparation	-	-	374,500	-	-
Organizational Restructuring Project for Accounting and Finance Line	-	-	714,760	-	-
Internal Control System of Remuneration Management Process	-	-	420,620	-	-
Accountability Audit	674,100	-	-	-	-
IT System Integration Audit	203,300	-	-	-	-
<b>Total</b>	<b>877,400</b>	<b>2,600,100</b>	<b>8,631,380</b>	<b>2,420,650</b>	<b>-</b>

## 3. KPMG Phoomchai Tax Agency Company Limited

Unit : Baht	2017	2016	2015	2014	2013
Consultancy fee in investment	-	-	-	-	4,368,000
Preparation fee of the Company's contract	1,741,000	-	-	-	-

Remark : KPMG Phoomchai Business Consultant Company Limited and KPMG Phoomchai Tax Agency Company Limited are different legal entities from KPMG Phoomchai Auditing Company Limited. Also, the scope of work on the said advisory services is not redundant to the audit work.

## 4. Compliance with the Principle of Good Corporate Governance in Other Issues

The Company has complied with the Principle of Good Corporate Governance for the Listed Companies pursuant to the guideline prescribed by the Stock Exchange of Thailand in other issues such as meeting attendance of the directors/committee members in the Board of Directors and Sub-Committees. When the Company has been registered as listed company in the Stock Exchange of Thailand, the Company shall execute by adhering to the practical guideline according to the Principle of Good Corporate Governance accordingly.



## Corporate Social Responsibility

Besides the commitment of Pruksha Real Estate Public Company Limited (“Company”) on business operations in a manner which ensures stable growth and highest satisfaction among every group of stakeholders, the Company also gives precedence to business operation under CSR in Process which is the responsibility toward community, society and environment in part related to corporate business operation process, together with CSR after Process which is the assistance given to the community and society apart from the corporate business operation process, to create social development value in various dimensions, and create participation with all segments for motivation, result extension, and extension towards quality of life improvement in all areas for nationwide coverage. The Company is also participative as part of drive towards Sustainable Development Goals 2030 in national and international levels.

The Company therefore has divided care of community, society and environment into three main areas such as education and youth development area, religion, arts and culture area, and society and environment area.

### I. Education and Youth Development

- **“Bilateralness in Establishment” Project**

The Company cooperated with Office of the Vocational Education Commission (VEC), Ministry of Education, to support and promote the vocational education youths to gain the opportunity of learning and vocational experience training attendance in establishment so that the youths are quality and can actually work after graduation. The Company gave 9 second year students in High Vocational Education Level of Thanyaburi Technical College for vocational job training at Pruksha Precast Factory, Lamlookka, for 1 year, and also granted Bt 135,000 of free and unconditioned scholarship to every student for 15,000 Baht each.

- **“Pruksha Seedling Scholarship” Project**

The Company have continuously granted 17 scholarships for Bt 850,000 to the third year students who are studying in Civil Engineering Department, Faculty of Engineering, nationwide, until graduation of the fourth year, and have given the students the opportunity of job training with the Company to support and promote the youths for graduation to be quality personnel who can actually work. During job training, everyone is paid for allowances.

- **Real Estate Business Knowledge Sharing**

The top executive of the Company invited guest speaker to share knowledge and experience in operation of real estate business with leading educational institutions and business organizations such as Thammasat University, Rajamangala University of Technology Krungthep, Shinawatra University, and the Engineering Institute of Thailand, etc.

- **“Pruksha...Learning Dream Sustaining towards Worker Camp” Project**

The Company cooperated with Kids Home Development Network Foundation, the network associate member of UNICEF, to organize “Pruksha...Learning Dream Sustaining towards Worker Camp” Project to provide knowledge related to basic right and service in education and health area to the children of alien labors who are the strategic partner of the Company and residing in worker camp of Baan Pruksha Prime Rangsit-Khlong 3, and worker camp in 11 Projects in nearby areas. In addition, five educational institutions that can support the children of alien labors for continuous study have been supplied to eliminate child labor problem and create safety for children in the worker camp in accordance with the policy for participation in supporting the children friendly business operation promotion project



in the establishment which has been jointly collaborated with The United Nations Children's Fund (UNICEF), Save the Children, and United Nations Global Compact.

It is the pilot project of which the Company promotes and stimulates the children of alien labors to study fundamental education in the school like general children, and provide knowledge related to basic welfare which should be granted under the right of the parent for improvement of quality of life, resulting in moral support to the labor in building quality houses for customers accordingly.

## 2. Religion, Arts and Culture

The Company encourages its executives, employees and customers to mutually inherit good culture and tradition in important religious days, and promotion of religious activities for all religions without discrimination through the following activities.

- The group of executives and employees joined the activity of "Making merit in giving food offerings to a Buddhist monks for luck enhancement in the occasion of New Year's Day" and listened to Buddhist sermon to augment work happiness, and the activity of "pouring water on the hands of revered elders and ask for blessing from the executives" in the occasion of Songkran Day and joined to listen to Buddhist sermon as good idea for living and working guideline.
- The employees and customers in the projects of the Company always and continuously joined the activity of "Making merit in giving food offerings to a Buddhist monks" in the occasions of important religious days.
- "Beginning Buddhist Lent Day Merit Making" Project encourages the executives and employees to jointly participate in merit making to offer the lent candle and requisites, and also participate in temple cleaning activity in the occasion of Beginning Buddhist Lent Day at Wat Boon Mongkol, Bang Phae District, Ratchaburi Province.
- The executives, employees and communities around the area of Prukha Precast Factory, Lamlookka, jointly organized "united offering robes to Buddhist monks" activity at Wat Klang Khlong 4, to restore old Buddhist monastery so that it can be used for meditation and contemplation and study of Buddha's teaching.

## 3. Society and Environment

### • **Border Patrol Police School in Remote Area Promotion Project**

The executives and employees jointly donated money, teaching aids, toys, and requisites to Border Patrol Police Company 372, Mae Sot District, Tak Province, to support the instruction of 22 Border Patrol Police Schools in remote areas.

### • **Old Calendar Offer to the Blind Project**

The executives and employees jointly delivered old calendars to Educational Technology for the Blind Center located in Pak Kret District for use in producing braille instruction media for the people with visual disabilities.

### • **"Children's DayEvent" Supporting Activity for Community around Prukha Precast Factory**

Prukha Precast Factory, Lamlookka, organized "2017 Annual Children's Day" activity to create happiness and fun, and give gift, prize and educational equipment to the youths residing in Samakkhi Alley Community, Lamlookka District, Pathum Thani Province, where is the community residing nearby Prukha Precast Factory, Lamlookka.

### • “Pruksa Green Society” Activity

The executives, employees, and contractors (business partner) of Pruksa Precast Factory, Lamlookka, jointly created green society by plantation inside the factory for good environment creation.

### Support of Budget for Organizing Activities of Educational Institutions, Government Agencies, Business Organizations and Foundations

The Company supports budgets to educational institutions, government agencies, business organizations and foundations for operation of activities which are useful for community, society and environment under classification into three areas including youth education and development area, religion, arts and culture area, and society and environment area. In 2017, the Company supported 763 projects for Bt 57,099,010. The said projects that created outstanding social benefits were as follows.

- Supported 60,000 bottles of drinking water for use in the royal cremation ceremony of the Late King Bhumibol Adulyadej.
- Sponsored Bt 1,000,000 in the occasion of Annual 2017 National Children's Day to Provincial Police Region 1 Wives Association, gave gifts to the exceptional children and general children who are the children of police officials for the second consecutive year, and jointly opened Care Concern Library at Provincial Police Region 1 Bureau (BorChor.Phor. 1) to provide aid to the children of the police officials for happy daily living and improved quality of life as well as reinforcement of morale and courage to the police officials who sacrifice to perform their official duties for happiness of populations.
- Granted contribution to aiding fund for flood victims in southern region areas for Bt 500,000 through “OPM DISSASTER RELIEF FUND”.
- Granted fund contribution for Bt 300,000 to “Kaakonlakao” Project to purchase medical instruments for 11 hospitals nationwide with shortage.
- Supported organizing “Rajavithi Run to Expel Disease in the Phase of Our Love and Knee Preservation are not outmoded” Event for Bt 300,000 to Rajavithi Walk and Run Club, Rajavithi Hospital.

Youth Education and Development	Religion, Arts and Culture	Society and Environment
297 Agencies 6,589,000 Baht	17 Agencies 469,797 Baht	449 Agencies 50,040,213 Baht

## Internal Control and Risk Management

### I. Opinion of the Board of Directors

Pruksa Real Estate Public Company Limited ("Company") and its subsidiaries give precedence to the internal control and risk management system by determining that the Audit Committee has duty to verify the assessment result of internal control system adequacy in order to emphasize on internal control system which is adequate and appropriate for business operation by applying practical guideline framework of internal control for five elements according to international standard of COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) for improvement and development together with guideline framework of Enterprise Risk Management (ERM) as tool of the Management in developing internal control and risk management system to be more complete. In addition, the Company also determines that verification process shall be performed by Internal Control Division to systematically assess and improve effectiveness of internal control, risk management, and governance system. The Internal Audit Committee gives consent on considering appointment, removal, dismissal of the person who holds the position of Head of Internal Audit and appraisal of the performance of Internal Audit Division.

The Company and its subsidiaries determine that verification process shall be performed by Internal Audit Division to systematically assess and improve effectiveness of internal control, risk management, and governance system through annual audit plan which is approved from the Audit Committee. Internal Audit Division shall regularly and monthly present audit result for acknowledgement of the Audit Committee and the Internal Audit Committee shall remark comment/suggestion to the Company and subsidiaries for more effective work process improvement and correction.

In addition, the Company hires the external consulting firm to audit control system of the significant work system of the Company and its subsidiaries in addition to the operation of the Company's internal auditor such as land selection and procurement work system and construction work progress etc. The finding of the audit result indicated that the Company and its subsidiaries have proper and adequate internal control and risk supervision system without detection of essential weakness or fault of internal control system. However, the external consultant which was hired by the Company to perform audit for 2017 was EY Corporate Services Limited, KPMG Phoomchai Business Advisory Ltd., PricewaterhouseCoopers ABAS Ltd., and K-bizza Group Company Limited.

The Company uses Assessment Form of Internal Control System Adequacy of the Office of SEC consisting of five elements which are enterprises internal control, risk assessment, operating control of information system and data communication and monitoring system. The executive assessed adequacy of the internal control system of the Company and its subsidiaries and then proposed to the Internal Audit Committee to consider and give consent prior to enter for reporting the Board of Directors in the Board of Directors' Meeting No. 1/2018 on January 25, 2018 whereas four independent directors which are three member of Audit Committee attended the Meeting.

The Board of Directors of the Company considered Assessment Form of Internal Control System Adequacy and deemed that internal control system of the Company and its subsidiaries are proper and adequate. According to the past audit result the essential fault related to internal control system was not detected. The essence of the internal control of the Company and its subsidiaries for all of five elements can be summarized as follows.

## Internal Environmental Control

The Company arranges environment and organizational structure that facilitates internal control system to be executed according to the Company's expectation, determines clear business operating target whereas result is measurable by passing the consideration from the Board of Directors to be practical guideline of the employees. In 2017, The Company reviewed and updated Code of Conduct Manual of the Company to be completely consistent with the policy of good corporate governance and also scheduled CG Day for countersign of the directors top executives and employees in ratification in Code of Conduct Manual as expression of availability of good governance and transparency of business operation of the Company and its subsidiaries under concern on shareholders, customers, employees and all parties of stakeholders. Moreover, the Company also invited the contractors, manufacturers, distributors and business partners in business dealing to attend the meeting in Supplier's CG Day to endeavor to grasp and countersign in warranty of anti-corruption inside the organization with top executives of the Company.

## Risk Assessment

Pruksha Holding Public Company Limited which is the holding company of the Company has Corporate Enterprise Risk Management Committee that performs the duty in suggesting the Management in formulating policy, strategy and guideline of corporate risk management to have systematic risk management and supervision. The Board of Directors and the executives give precedence to risk management by determining the preparation of the policy for risk management, risk factor assessment in enterprise level, and risk management measure in all of four aspects which are strategy, operation, finance and compliance with relevant laws and regulations; as well as arranging Control Self-Assessment (CSA) of the significant processes for assessment of contingent risk and internal control effectiveness and assessment of corruption risk in order to have proper and adequate prevention system for reduction of impact that may affect business operation of the Company and its subsidiaries. The Meeting of Corporate Enterprise Risk Management Committee invites the representatives from each operating line to present the operation according to the guideline of risk management for hearing operating problems or obstacles by the Corporate Enterprise Risk Management Committee, and remark comments on the appropriateness of risk management plan and KRI (Key Risk Indicator) that will signal the Company for advance awareness on risks which will occur so that risk management plan will be adjusted to be proper for current situation or additional suggestion. The Corporate Enterprise Risk Management Committee shall quarterly report the Board of Directors for acknowledgement about the operation of the Corporate Enterprise Risk Management Committee.

Moreover, the Company realizes on the importance of maintenance of business operating capability of the Group of Companies in emergency situation so that product and service can be continuously delivered to customers and business partners. The Corporate Enterprise Risk Management Committee supports the preparation of business continuity management plan both in corporate level and business unit level, determines annual drilling in each situation every year, and supports system development for preparedness of request for certification of ISO 22301 System which is Business Continuity Management Standard accordingly.

## Operating Activities Control

The Company and its subsidiaries have control activities by continuously applying Balanced Scorecard and Key Performance Indicators (KPIs) to be the planning and controlling tool all the time. The duties and responsibilities are divided for mutual verification. The Company and its subsidiaries have operating manual which is used as framework of operating guideline determination to be systematic and effective for prevention and abatement of risk from damage which may be caused from operating activities of work units. Moreover, the Company and its subsidiaries also have rule of decentralization

of the Company for use in clearly defining scope, authority and financial limit for approval in each level for flexibility and appropriate and adequate control. In 2017, the Company has continuously updated Whistle Blower Policy and developed and improved whistleblowing receiving and fairness requesting channel so that the employees and external stakeholders can notify complaint via the system and ensure that the complaint information will be kept as secret without leakage to irrelevant person. In addition, for practice which is proper and consistent with the Company's regulations, the procedure has been determined to ensure that the Company and its subsidiaries comply with relevant laws and regulations under concise and appropriate measure in the event where the Company and its subsidiaries perform transaction with the major shareholder and director, etc., for prevention of interest transfer, for instance, requirement for the procedure of approval by the non-stakeholder on the said transaction and disclosure of the said transaction performing data according to rules of the Office of Securities and Exchange Commission and rules of Stock Exchange of Thailand and Capital Market Supervisory Board, and disclosure of data related to relevant person or business according to accounting standards.

### **Information System & Data Communication**

The Company and its subsidiaries continuously develop information system and data system by establishing effective and efficient data system and communication channel both inside and outside the organization in the complete, correct, in time, and adequate manner for use in decision making whether it is financial data or other data. According to internal communication system, the Company provides news information which is necessary for the adequate and up-to-date operation whereas all employees acquire news information via Intranet System of the Company. According to communication system with external person or organization, the Company has communication system that effectively provides news information via website of the Company ([www.pruksa.com](http://www.pruksa.com)) and delivers operating report to the institutions pursuant to rules of the Office of Securities and Exchange Commission and rules of the Stock Exchange of Thailand, and Capital Market Supervisory Board in deadline.

The Company and its subsidiaries have control system of data transmission or input into the system under clear work division and determination of the person with duty and responsibility, power of the personnel and work units related to communication information. In addition, the Company and its subsidiaries define right to access data particularly for the person with duty and responsibility only.

### **Monitoring System Activities**

The Company and its subsidiaries have monitoring system of operating results. The executive in each line shall regularly compare operating result with setting target for proper strategic adjustment in due time via the Board of Management that will hold weekly meeting. However, the Board of Directors shall be regularly and monthly informed and compare the operating result whether it meets the setting target in the Board of Directors' Meeting.

## Related Transactions

In last 2017, the Company entered into three transactions with the connected persons under the following details.

Person who may have conflict of interests	Relationship with the Company	Nature of Transaction and Necessity	Value of Connected Transaction (Million Baht)	Price and Details
Transaction No. 1. Mr. Thongma Vijitpongpan	Director of the Company	The Company leased space in Laksi Plaza Building, 10 <sup>th</sup> Floor, which is owned by Mr.Thongma Vijitpongpan to be used as the central training center.	2.9	Lease and Service Agreement of 425.68 square meter area, effective from October 1, 2013 to September 30, 2015 and renewed the Agreement to November 2017 in monthly rate of Baht 268,148. Such rental and service fees are at the rates comparable to the market rates and under conditions that are indifferent from the agreement entered by the Company with the third party. The rate of rental and service fees were compared with the rates of which the Company has leased with other lesser.
Transaction No. 2. Mr. Thongma Vijitpongpan	Director of the Company	Kaysorn Construction Co., Ltd. purchased the plot of land at Phatthanakan 32 since at present, the nature of this plot of land is another route of entrance which is very useful for customers in the group of Phattanakan Projects	2.0	The plot of land at Phatthanakan 32 in the area of 0-1-55 rai was purchased in the amount of Baht 1,998,381.25 (including tax and transfer fee) from Mr. Thongma Vijitpongpan whereas the appraisal price is Baht 3,797,500 since at present, the nature of this plot of land is another route of entrance which is very useful for customers in the group of Phattanakan Projects.  The said transaction was considered as connected transaction which is the transaction related to asset and service. The size of the said transaction is less than 0.03% of net tangible asset value which is under the approval power of the Management.
Transaction No. 3. TCT Company Limited (shares are held by Mr. Thongma Vijitpongpan)	Director of the Company	Pruksa and the Group of Companies leased space in Pearl Bangkok Building which is owned by TCT Company Limited, to be office building	56.8	Lease and Service Agreement of 18,362 square meter area for 3 years term of the agreement is effective from November 2016 to October 2020. Such rental and service fees are the rates similar to market rates and under conditions that are indifferent from the agreement entered by the Company with the third party. The rates of rental and service fees were compared with the rates of which the Company has leased with other lesser.

## Measures and Procedures for Approving Related Transactions

In the event of related transaction between the Company or its subsidiaries and the person who may have conflict of interest and gain and loss or may have conflict of interest in the future, the Company determines that the Audit Committee shall provide opinion on the necessity of entry into the transaction and appropriateness of price of the said transaction by considering on various conditions to be in line with the normal course of business in the industry. Furthermore, there shall be a price comparison with the price of the third party or market price. If the Audit Committee is not expert in considering the contingent related transaction, the Company shall arrange the independent expert or the Company's auditor to provide opinion on the said related transaction to be used as support of the Audit committee's decision. The opinion of the Audit Committee or the expert shall be used as support of the decision of the Board of Directors or the Shareholders as the case may be. The director with gain and loss shall have no voting right in the said transaction. In addition, the related transactions shall be disclosed in Notes to Financial Statements, audited or reviewed by the Company's auditor.

## Policy or Trend of Future Related Transactions

After Prukha Holding Public Company Limited offers for sale of shares to the existing shareholders of the Company, the Company or its subsidiaries may enter into connected transaction or related transaction with the person that may have conflict of interest, gain and loss or may have conflict of interest in the future. If it is normal business transaction or normal business supporting transaction with trade agreement that has general trade condition (for instance, sale of house or condominium to the director or executive in normal price which is set for sale to general people, or in the discounted price according to the Company's policy which has ever been approved). The Company has established principles regarding connected transactions between the Company and its subsidiaries, and director, executive or related person by allowing the Management to be able to approve the said transactions. If trade agreement is made in these transactions in the same nature that reasonable man should perform with the general counter party in the same situation by trade bargaining power which is free of influence from his/her status as director, executive or related person, it shall be in line with Securities and Exchange Act B.E. 2535 (and amendment). Moreover, the Company shall prepare a report for the size of transaction above Baht 3,000,000 (three million Baht) or transaction with total value above Baht 20,000,000 (twenty million Baht) which are performed by any director, executive or related person in the quarter. The said report shall be quarterly reported in the Board of Directors' Meeting.

Moreover, the Company and its subsidiaries shall strictly comply with mutual agreed contract, and explicitly and fairly set price, condition and transaction, and prevent any benefit transfer.

In entering into connected transaction or related transaction of the Company or other subsidiaries, the Company shall execute to be in line with the criteria of Stock Exchange of Thailand and the Securities and Exchange Commission which are effective.

Nevertheless, if the related transaction is entered, the Company shall arrange the Audit Committee to provide opinion on the appropriateness of the said transaction. In the event where the Audit Committee is not expert in considering the occurred related transaction, the Company shall arrange the person with special knowledge and expert such as the independent auditor or asset price appraiser to provide opinion on the related transaction. The opinion of the Audit Committee or person with special knowledge and expert shall be used to support decision of the Board of Directors or shareholders as the case may be to ensure that the entry into the said transaction is not the removal or transfer of interest between the Company or shareholders of the Company but the transaction is entered under concern of the Company on maximum benefit of all shareholders.

However, in the event of entry into new transaction or change in prices and conditions which are different from before, the Office of Internal Audit shall quarterly verify information and prepare a report for consideration and opinion by the Audit Committee on the appropriate price and the reasonableness of the said transactions.

## Key Financial Information

### 1. Summary of Auditing Report

List of Certified Public Accountants	Registration No.	Reporting Date	For the Year Ended
Miss Vipavan Patthavanvivek	4795	19 Feb 2016	31 Dec 2015
Miss Vannaporn Jongperadechanon	4098	16 Feb 2017	31 Dec 2016
Miss Vannaporn Jongperadechanon	4098	19 Feb 2018	31 Dec 2017

The aforesaid certified public accounts are under KPMG Phoomchai Auditing Company Limited.

The financial statements of the Company for the year ended December 31, 2015, 2016 and 2017 were audited and issued for the auditor's report by KPMG Phoomchai Auditing Company Limited. The opinion was remarked that financial statements of the Company properly and fairly presents consolidated financial position and separate financial position of the Group of Companies as at December 31, 2015, 2016 and 2017, consolidated operating results and consolidated cash flows for the year then ended, and separate operating results and separate cash flows for the year then ended in the materiality according to Thai Financial Reporting Standards.

### 2. Summary Table of Financial Statements

Financial statements of the Company consist of the following.

Financial Statements for 2015 from 1 January, 2015 to December 31, 2015 (Consolidated Financial Statements)

Financial Statements for 2016 from 1 January, 2016 to December 31, 2016 (Consolidated Financial Statements)

Financial Statements for 2017 from 1 January, 2017 to December 31, 2017 (Consolidated Financial Statements)

### Statement of Financial Position

(Unit: Million Baht)

Statement of Financial Position	Accounting Year Ended					
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	1,335.0	2.0	585.4	0.9	1,309.0	1.8
Current investments	325.9	0.5	246.4	0.4	-	-
Short-term loans and accrued interest income-Holding Company	-	-	-	-	0.7	0.0
Real estate projects under development	57,590.2	88.2	59,838.1	90.1	63,791.1	89.6
Deposits for purchase of land	623.4	1.0	636.2	1.0	622.5	0.9
Advance payment for goods	405.9	0.6	196.0	0.3	266.3	0.4
Other current assets	228.2	0.3	241.8	0.3	197.3	0.3
<b>Total current assets</b>	<b>60,508.6</b>	<b>92.6</b>	<b>61,743.9</b>	<b>93.0</b>	<b>66,186.9</b>	<b>92.9</b>



**Statement of Financial Position (Cont.)**

(Unit: Million Baht)

Statement of Financial Position	Accounting Year Ended					
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Non-current assets</b>						
Investment in joint ventures	107.5	0.2	107.5	0.2	107.5	0.2
Investment properties	232.2	0.4	245.2	0.4	640.6	0.9
Property, plant and equipment	3,871.9	5.9	3,683.1	5.5	3,662.7	5.1
Intangible assets	313.5	0.5	334.4	0.5	331.8	0.5
Deferred income tax assets	98.4	0.1	72.1	0.1	52.0	0.1
Other non-current assets	176.8	0.3	196.2	0.3	246.7	0.3
<b>Total non-current assets</b>	<b>4,800.3</b>	<b>7.4</b>	<b>4,638.5</b>	<b>7.0</b>	<b>5,041.3</b>	<b>7.1</b>
<b>Total assets</b>	<b>65,308.9</b>	<b>100.0</b>	<b>66,382.4</b>	<b>100.0</b>	<b>71,228.2</b>	<b>100.0</b>
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	0.0	0.0	1,898.0	2.9	2,800.0	3.9
Trade accounts payable - other companies	1,575.9	2.4	1,995.1	3.0	2,378.2	3.3
Other payable - Holding Company	-	-	-	-	37.2	0.1
Payables for purchase of land	4,292.5	6.6	3,404.7	5.1	1,697.9	2.4
Short-term loans and accrued interest expense - Holding Company	-	-	-	-	1,472.2	2.1
Current portion of long-term debentures	6,000.0	9.2	6,000.0	9.0	6,000.0	8.4
Current portion of financial lease liabilities	0.7	0.0	0.0	0.0	0.0	0.0
Customers' deposits	974.9	1.5	810.4	1.2	1,061.9	1.5
Accrued income tax	688.7	1.0	505.0	0.8	296.5	0.4
Other current liabilities	2,676.3	4.1	2,913.0	4.4	3,384.5	4.8
<b>Total current liabilities</b>	<b>16,209.0</b>	<b>24.8</b>	<b>17,526.2</b>	<b>26.4</b>	<b>19,128.4</b>	<b>26.9</b>
<b>Non-current liabilities</b>						
Payables for purchase of land	490.0	0.8	245.0	0.4	0.0	0.0
Long-term debentures	14,000.0	21.4	12,000	18.1	15,500	21.8
Financial lease	0.3	0.0	0.0	0.0	0.0	0.0
Employee benefit obligations	247.4	0.4	289.5	0.4	373.8	0.5
Provision for litigation damage	144.2	0.2	118.7	0.2	70.8	0.1
<b>Total non-current liabilities</b>	<b>14,881.9</b>	<b>22.8</b>	<b>12,653.2</b>	<b>19.1</b>	<b>15,944.6</b>	<b>22.4</b>
<b>Total liabilities</b>	<b>31,090.9</b>	<b>47.6</b>	<b>30,179.4</b>	<b>45.5</b>	<b>35,073.0</b>	<b>49.2</b>

**Statement of Financial Position (Cont.)**

(Unit: Million Baht)

Statement of Financial Position	Accounting Year Ended					
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholders' equity						
Share capital						
Authorized capital	2,285.3		2,232.7		2,232.7	
Issued and paid-up capital	2,231.1	3.4	2,232.7	3.4	2,232.7	3.1
Premium on ordinary shares	1,778.0	2.7	1,828.2	2.8	1,828.2	2.6
Warrants	45.3	0.1	21.4	0.0	0.0	0.0
Retained earnings						
Appropriated						
Legal reserve	228.5	0.4	228.5	0.3	228.5	0.3
Unappropriated	29,979.4	45.9	31,956.6	48.1	31,923.6	44.8
Other components of shareholders' equity	(35.3)	(0.1)	(55.4)	(0.1)	(48.5)	(0.1)
<b>Total shareholders' equity of the Company</b>	<b>34,227.0</b>	<b>52.4</b>	<b>36,212.0</b>	<b>54.5</b>	<b>36,164.5</b>	<b>50.8</b>
Non-controlling interests	(9.0)	0.0	(9.0)	0.0	(9.3)	0.0
<b>Total shareholders' equity</b>	<b>34,218.0</b>	<b>52.4</b>	<b>36,203.0</b>	<b>54.5</b>	<b>36,155.2</b>	<b>50.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>65,308.9</b>	<b>100.0</b>	<b>66,382.4</b>	<b>100.0</b>	<b>71,228.2</b>	<b>100.0</b>

**Statement of Comprehensive Income**

(Unit: Million Baht)

Statement of Comprehensive Income	Accounting Year Ended					
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Incomes						
Revenue from sale of real estate	51,239.8	99.6	46,925.9	99.5	43,934.8	99.6
Other income	198.1	0.4	247.3	0.5	188.8	0.4
<b>Total incomes</b>	<b>51,437.9</b>	<b>100.0</b>	<b>47,173.2</b>	<b>100.0</b>	<b>44,123.6</b>	<b>100.0</b>
Expenses						
Cost of real estate sales*	33,984.3	66.3	31,184.2	66.5	28,222.0	64.2
Selling expenses	3,766.7	7.3	3,983.1	8.4	4,382.6	9.9
Administrative expenses	3,894.0	7.6	4,131.2	8.8	4,096.7	9.3
Financial costs	327.7	0.6	287.3	0.6	234.3	0.5
<b>Total expenses</b>	<b>41,972.7</b>	<b>81.6</b>	<b>39,585.8</b>	<b>83.9</b>	<b>36,935.6</b>	<b>83.7</b>

**Statement of Comprehensive Income (Cont.)**

(Unit: Million Baht)

Statement of Comprehensive Income	Accounting Year Ended					
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Share of profit (loss) from investments in joint ventures	3.1	0.0	(1.6)	0.0	(0.3)	0.0
<b>Profit before income tax expense</b>	<b>9,468.3</b>	<b>18.4</b>	<b>7,585.8</b>	<b>16.1</b>	<b>7,187.7</b>	<b>16.3</b>
Income tax expense	(1,798.0)	(3.5)	(1,478.1)	(3.1)	(1,582.4)	(3.6)
<b>Profit for the year</b>	<b>7,670.3</b>	<b>14.9</b>	<b>6,107.7</b>	<b>12.9</b>	<b>5,605.3</b>	<b>12.7</b>

Remark: \* The ratio in statement of income is presented in percentage of total incomes. Except cost of real estate sales, it is presented in percentage of revenue from sale of real estate.

**Statement of Comprehensive Income (Cont.)**

(Unit: Million Baht)

Statement of Other Comprehensive Income	Accounting Year Ended					
	December 31, 2015		December 31, 2016		December 31, 2017	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Transaction that will not be reclassified into profit or loss</b>						
Actuarial gain (Losses) on employee benefit plans	0.0	-	0.0	-	(12.0)	-
	0.0	-		-	(12.0)	-
<b>Transaction that may be reclassified into profit or loss</b>						
Exchange difference on translating foreign operation	49.1	-	(20.2)	-	6.7	-
Gains (loss) on remeasuring available-for-sale investments	(0.2)	-	0.1	-	(0.1)	-
	48.9		(20.2)		6.6	
<b>Other comprehensive income/(expense) for the year, net of tax</b>	<b>48.9</b>	<b>-</b>	<b>(20.2)</b>	<b>-</b>	<b>(5.4)</b>	<b>-</b>
<b>Profit (loss) attributable to</b>						
Owners of the parent	7,680.4		6,107.7		5,605.3	
Non-controlling interests	(10.1)		-		-	
<b>Profit for the Year</b>	<b>7,670.3</b>		<b>6,107.7</b>		<b>5,605.3</b>	
<b>Earnings Per Share</b>						
Basic earnings (loss) per share	3.44		2.74		2.51	
Diluted earnings per share	3.44		-		-	

## Statement of Cash Flows

(Unit: Million Baht)

Statement of Cash Flows	Accounting Year Ended		
	2015	2016	2017
<b>Cash flows from operating activities</b>			
Profit for the year	7,670.3	6,107.7	5,605.3
Adjustment entries for:			
(Reversal of) losses on real estate projects under development devaluation	(38.7)	(4.3)	5.2
Reversal of impairment losses on investment properties	(12.9)	-	(5.8)
Reversal of impairment losses on equipment	(0.5)	-	(0.5)
Reversal of impairment loss on deposit for purchase of land	-	-	(23.0)
Depreciation and amortization	425.9	453.7	467.1
Loss (gain) from disposal of equipment	(4.1)	1.5	18.4
Loss from disposal of intangible assets	-	2.8	-
Loss (gain) from sale of investment properties	5.9	(3.2)	(6.4)
Loss from donation of investment properties	140.1	-	-
Currency translation differences	66.8	(25.3)	8.8
Employee benefits	43.5	42.1	69.3
Share-based payment	61.4	1.7	(25.4)
Provision for litigation and claims	4.3	26.8	69.5
Gain on disposal of current investments	(2.4)	(2.2)	(0.1)
Share of (profit) loss of investments in joint ventures	(3.1)	1.6	0.3
Reversal of share of loss of joint ventures	-	(1.6)	(0.3)
Financial costs	327.8	287.3	234.3
Income tax expense	1,798.0	1,478.1	1,582.4
<b>Total</b>	<b>10,482.3</b>	<b>8,366.9</b>	<b>8,049.9</b>
<i>Change in operating assets and liabilities</i>			
Real estate projects under development	(2,976.0)	(1,769.7)	(3,785.2)
Deposits for purchase of land	(330.1)	(12.8)	36.7
Advance payment for goods	300.6	209.9	(70.3)
Other current assets	(16.1)	(13.6)	44.5
Other non-current assets	(2.5)	(19.4)	(50.4)
Other payable-Holding Company	-	-	37.2
Trade accounts payable-other companies	(553.2)	419.2	383.0
Payable for purchase of land	2,688.1	(1,132.7)	(1,951.8)

**Statement of Cash Flows (Cont.)**

(Unit: Million Baht)

Statement of Cash Flows	Accounting Year Ended		
	2015	2016	2017
Customers' deposits	(464.9)	(164.5)	251.5
Other current liabilities	524.4	178.1	344.7
Cash used in operating activities	9,652.6	6,061.4	3,289.8
Income tax paid	(1,837.1)	(1,630.5)	(1,769.6)
<b>Net cash received from (used in) operating activities</b>	<b>7,815.5</b>	<b>4,430.9</b>	<b>1,520.2</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment properties	35.5	17.4	7.8
Purchase of property, plant and equipment	(427.7)	(227.2)	(434.5)
Purchase from sale of equipment	8.4	29.1	18.0
Purchase of intangible assets	(81.5)	(72.3)	(55.9)
Increase in short-term loans to other relevant businesses	-	-	(23.3)
Cash received from short-term loans to other relevant businesses	-	-	22.6
Acquisition of current investments	(7,135.9)	(3,333.6)	(56.9)
Proceeds from sale of current investments	7,259.7	3,415.4	303.3
<b>Net cash received from (used in) investing activities</b>	<b>(341.5)</b>	<b>(171.1)</b>	<b>(218.9)</b>
<b>Cash flows from financing activities</b>			
Interest paid	(1,038.5)	(803.1)	(764.7)
Dividends paid	(3,346.0)	(4,130.5)	(5,626.4)
Cash received from short-term loans from other relevant businesses	-	-	4,353.0
Cash paid for repayment of short-term loans from other relevant businesses	-	-	(2,941.6)
Increase (decrease) in bank overdraft and short-term loans from financial institutions	(2,047.6)	1,898.0	902.0
Proceeds from issue of ordinary shares	76.2	26.2	-
Proceeds from long-term loans	1,050.0	-	-
Repayment of long-term loans	(1,297.0)	-	-
Proceeds from long-term debentures	3,000.0	4,000	9,500
Repayment of long-term debentures	(3,000.0)	(6,000)	(6,000)
<b>Net cash received from (used in) financing activities</b>	<b>(6,602.9)</b>	<b>(5,009.4)</b>	<b>(577.7)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>871.0</b>	<b>(749.6)</b>	<b>723.6</b>
Cash and cash equivalents at the beginning date of the year	463.9	1,335.0	585.4
<b>Cash and cash equivalents at the ending date of the year</b>	<b>1,335.0</b>	<b>585.4</b>	<b>1,309.0</b>

*Non-cash transactions:*

Payable for outstanding equipment cost	(41.3)	19.5	(10.1)
Acceptance of transfer of investment properties from real estate projects under development, net	(38.3)	(27.2)	(391.0)

**3. Significant Financial Ratios**

Yearly		2015	2016	2017
<b>LIQUIDITY RATIO</b>				
Current Ratio	Times	3.73	3.52	3.46
Cash Ratio	Times	0.54	0.26	0.08
Inventory Turnover	Times	0.61	0.53	0.46
Average Collection Period	Days	598	687	799
<b>PROFITABILITY RATIO</b>				
Gross Profit Margin	Percent	33.68	33.55	35.76
Operating Profit Margin	Percent	18.48	16.17	16.36
Net Profit Margin	Percent	14.91	12.95	12.70
Return on Equity	Percent	24.03	17.34	15.49
<b>EFFICIENCY RATIO</b>				
Return on Assets	Percent	15.50	11.96	10.79
Asset Turnover	Times	0.81	0.72	0.64
<b>FINANCIAL POLICY RATIO</b>				
Debt to Equity Ratio	Times	0.91	0.83	0.97
Interest Bearing Debt/Equity Ratio	Times	0.58	0.55	0.71
Dividend Payout Ratio*	Percent	50.87	76.64	54.98

Remark : \*

- Dividend paid for 2015 was approved for payment at dividend payout ratio of 1.75 Baht per share from 2016 Annual General Meeting of Shareholders on April 28, 2016.
- Dividend paid for 2016 was approved for payment at dividend payout ratio of 2.10 Baht per share from 2017 Annual General Meeting of Shareholders on April 21, 2017.
- On February 19, 2018, the Board of Directors' Meeting No. 2/2018 resolved to pay dividend for 2017 in the ratio of 1.38 Baht per share, and on August 11, 2017, the Board of Directors' Meeting resolved to pay interim dividend (for operating results for the first six months period from January 1, 2017-June 30, 2017) in the ratio of 1.02 Baht per share. The schedule of dividend payment was on September 6, 2017. The approval of annual dividend payment will be subject to 2018 Annual General Meeting of Shareholders which will be held on April 20, 2018. If the resolution is approved, the Company shall execute according to the relevant consecutive procedure.

**Definition of Financial Ratio****LIQUIDITY RATIO**

Current Ratio	= Current Assets / Current Liabilities	(Times)
Cash Ratio	= Operating Cash Flows / Current Liabilities (Average)	(Times)
Inventory Turnover	= Cost of Sale / Inventory (Average)	(Times)
Average Collection Period	= 365 / Inventory Turnover	(Days)

**PROFITABILITY RATIO**

Gross Profit Margin	= Gross Profit / Revenue from Sale of Real Estate	(Percent)
Operating Profit Margin	= Operating Profit / Revenue from Sale of Real Estate	(Percent)
Net Profit Margin	= Net Profit / Total Incomes	(Percent)
Return on Equity	= Net Profit / Equity (Average)	(Percent)

**EFFICIENCY RATIO**

Return on Assets	= Earnings before Interest and Tax (EBIT) / Total Assets (Average)	(Percent)
Asset Turnover	= Total Incomes / Total Assets (Average)	(Times)

**FINANCIAL POLICY RATIO**

Debt to Equity Ratio	= Total Liabilities / Equity	(Times)
Interest Bearing Debt/Equity Ratio	= Interest Bearing Debt / Equity	(Times)
Dividend Payout Ratio*	= Dividend per Share) / Earnings Per Share (EPS)	(Percent)

Remark: \* calculated from consolidated financial statements.

## Management Discussion and Analysis

Regarding to interpreting management and discussion analysis of financial position and performance, investors should study the Company's audited or reviewed financial information and consolidated financial statements as well as notes to financial statements and information presented herein. The financial information presented in the table in this Topic is information under consolidated financial statements of the year and interim consolidated financial statements. In analysis of financial ratios, average information from statement of financial position which is calculated from annual financial statements of the Company is applied.

### I. Operating Results

#### Overview of Past Operating Results

The Company engages in the private real estate development business in type of single detached house, townhouse and condominium. The Company has been the leader of townhouse market for low to middle-income segments. In 2012 onwards, the Company has commenced to focus on condominium project investments along the routes of sky trains and extension line, adjacent to communities and more convenient transportation routes to satisfy the group of target customers. In addition, the Company has been one of just few entrepreneurs of real estate development business that manages constructions by their own, resulting in increasing ability to effectively manage construction costs. In accompany with the adoption of modern technology in construction such as REM (Real Estate Manufacturing) System which is the house construction system developed by the Company under application of concept from industrial production process to maximize construction efficiency, this has contributed to development of house construction quality and creation of skills to the contractors for each type of work. Therefore, good quality houses are built with maximum efficiency and contributes to shortening the construction duration, personnel management by controlling labors that work in each procedure and reducing redundant working, enabling the Company to apply pricing strategy which are able to set the price lower than other entrepreneurs when compared with residences in similar style, size and location. The Company therefore has still been constantly able to carry the consumers' favors and resulted in continuity of total of continuous new presales and revenue from sale of real estate.

Unit : Million Baht

	For the Year Ended December 31					
	2015	Increase (Decrease) %	2016	Increase (Decrease) %	2017	Increase (Decrease) %
Net presales*	42,386	8.4	44,414	4.8	47,536	7.0
Total revenue	51,438	19.5	47,173	(8.3)	44,124	(6.5)
Net profit for the period	7,670	15.3	6,108	(20.4)	5,605	(8.2)
Net profit - attributable to owners of the parent	7,680	15.4	6,108	(20.5)	5,605	(8.2)

Remark: \* net presales mean total of new presales minus with number of cancellations

In 2015, the Company generated total revenues of Baht 51,438 million or 19.5% increased from last year. In 2016, total revenues were Baht 47,173 million, a decrease of Baht 4,265 million or a decrease of 8.3% compared with 2015, total incomes comprising of revenue from sale of real estate for Baht 46,926 million and other incomes for Baht 247 million. One of the significant causes of income decrease from previous year was due to somewhat deflation of economic situation in accompany with expiration of government stimulus package for real estate business in Quarter 2/2016, resulting in delay of the consumer groups in making decision of ownership transfer in the said period of the second-half of the year 2016.



In 2017, the Company generated Baht 44,124 million of total revenues, a decrease of Baht 3,049 million or 6.5% when compared with 2016. The major decrease was from Baht 1,781 million or 12.9% of condominium segment since most of condominium projects have not yet reached the period of ownership transfer.

### Total revenues of the Company

Unit : Million Baht

Type of Product <sup>(1)</sup>	Accounting Year Ended December 31					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Townhouse (Thailand)	23,023	44.8	23,529	49.9	22,694	51.4
Single Detached House (Thailand)	10,135	19.7	9,413	20.0	9,159	20.8
Condominium (Thailand)	17,236	33.5	13,849	29.4	12,068	27.4
International	278	0.5	129	0.3	13	0.0
<b>Total</b>	<b>50,672</b>	<b>98.5</b>	<b>46,920</b>	<b>99.5</b>	<b>43,935</b>	<b>99.6</b>
Others <sup>(2)</sup>	568	1.1	6	0.0	-	0.0
<b>Revenue from sale of real estate</b>	<b>51,240</b>	<b>99.6</b>	<b>46,926</b>	<b>99.5</b>	<b>43,935</b>	<b>99.6</b>
Other incomes	198	0.4	247	0.5	189	0.4
<b>Total incomes</b>	<b>51,438</b>	<b>100.0</b>	<b>47,173</b>	<b>100.0</b>	<b>44,124</b>	<b>100.0</b>

Remark: (1) In notes to financial statements for 2015-2017, the Company presented work section-classified revenue. The revenue is classified based on organizational and management structure while information under the above table is classified based on type of product.

(2) Others consist of revenue from sale of empty land and revenue from construction cost.

In 2015, the Company's revenue from sale of real estate was Baht 51,240 million, an increase of Baht 8,459 million or 19.8% from last year. The said revenue could be classified into Baht 23,023 million of revenue from townhouse which is the major product of the Company and its subsidiaries, an increase of Baht 232 million. In 2015, total of 34 Projects were launched for sale whereas the main revenue was generated from 4 Projects e.g. Pruksa Ville 66/1 (Bangna-Nam Daeng) Project, Baan Pruksa 60/1 Project, Pruksa Ville 73 Project, and The Connect 31 (Donmuang-Therd Rachan) Project.

Revenue from condominium for Baht 17,236 million as the following revenue under significant growth in this year increased for Baht 7,542 million or 77.8% since several condominium projects have completed the construction and enabled to transfer the ownership in this year, resulting in more revenue from condominium group.

Revenue from single detached house was Baht 10,135 million, an increase of Baht 359 million or 3.7% when compared with 2014. In 2015, total of 6 projects of the single detached house group were launched. The main revenue was derived from The Palm Pattanakarn Project for Baht 757 million or 7.5% of revenue of single detached house group. Moreover, the Company's revenue recognition amount was derived from The Plant Simpls (Ramkhamhaeng) Project, The Plant Exclusique (Songprapa-Vibhavadi) Project and other Projects.

In 2016, the Company generated Baht 47,173 million of total revenues, a decrease of Baht 4,265 million or 8.3% when compared with last year. Total revenues comprised of Baht 46,926 million of revenue from sale of real estate and Baht 247 million of other incomes. One of the significant causes of revenue decrease from previous year was due to somewhat deceleration of economic situation in accompany with termination of government stimulus package for real estate business

in Quarter 2/2016, resulting in delay of the consumer groups in making decision of ownership transfer in the second-half period of the year 2016.

Revenue from sale of real estate in 2016 was Baht 46,926 million, a decrease of Baht 4,314 million or 8.4%. Mainly from condominium segment decreased for Baht 3,387 million or 19.7%. One of the causes was due to non-revenue recognition of several condominium projects of the Company which have been under construction in the period of Quarter 4/2016. For the time being in the period of Quarter 4/2015, the condominium projects completed the constructions and the ownership was transferred in the end of the year. Single detached houses generated revenue for Baht 9,413 million, a decrease of Baht 722 million or 7.1%. However, revenue from townhouse product was Baht 23,529 million which has still increased from previous year for Baht 506 million as the highest proportion of the Company's revenue.

In 2017, total revenues of the Company from real estate business comprised of Baht 43,935 million of revenue from sale of real estate and Baht 189 million of other incomes, totaling to Baht 44,124 million of total revenues.

For 2017, the revenue generated by real estate business group was Baht 43,935 million, a decrease of Baht 2,991 million or 6.4% when compared with last year. The major decrease was from condominium product for 1,781 million Baht or 12.9% since most of condominium projects have not yet reached the period of the ownership transfer. There was decrease in revenue from townhouse for Baht 834 million or 3.5%, revenue from single detached house for Baht 253 million or 2.7%, and revenue for foreign projects for Baht 116 million or 89.8% due to 100% complete transfer of the projects in 2017. The Company has not initiated additional plan for project launch in international segment.

## Expenses

### *Cost of real estate sales and gross profit*

Items	Accounting Year Ended December 31					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sale of real estate	51,239.8	100.0	46,925.9	100.0	43,934.8	100.0
Cost of real estate sales	33,984.3	66.3	31,184.2	66.5	28,221.9	64.2
<b>Gross Profit</b>	<b>17,255.5</b>	<b>33.7</b>	<b>15,741.7</b>	<b>33.5</b>	<b>15,712.9</b>	<b>35.8</b>

In 2015, the Company's cost of real estate sales was Baht 33,984 million or 66.3% of revenue from sale of real estate while cost of real estate sales in last year was Baht 27,095 million or 63.3% of revenue from sale of real estate. The rate of cost of real estate sales in 2015 increased from 2014. The major factor was due to considerable increase in land cost in the past 1-2 years, resulting in higher cost of real estate sales. However, the Company always adheres to maintenance of standard product quality.

In 2016, the Company's cost of real estate sales was Baht 31,184 million or 66.5% of revenue from sale of real estate while cost of real estate sales in previous year was Baht 33,984 million or 66.3% of revenue from sale of real estate which was rather similar to the previous year as the result of effective cost management and control.

In 2017, the Company's cost of real estate sales was Baht 28,222 million or 64.2% of revenue from sale of real estate while cost of real estate sales in previous year was Baht 31,184 million or 66.5% of revenue from sale of real estate as the result of improved cost management and control.

## Selling and administrative expenses

### Selling expenses

Selling expenses	Accounting Year Ended December 31					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Advertising expense	1,138	30.2	1,257	31.6	1,431	32.6
Ownership transfer expense	1,924	51.1	1,757	44.1	1,758	40.1
Sales promotion expense	626	16.6	857	21.5	1,094	25.0
Public relations expense	79	2.1	112	2.8	100	2.3
<b>Total selling expenses</b>	<b>3,767</b>	<b>100.0</b>	<b>3,983</b>	<b>100.0</b>	<b>4,383</b>	<b>100.0</b>
Proportion in percentage of selling expenses per total revenues	7.3		8.4		9.9	

### Administrative Expenses

Administrative Expenses	Accounting Year Ended December 31					
	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Employee benefit expense	2,377	61.0	2,322	56.2	2,469	60.3
Consultancy fee	185	4.7	369	8.9	244	5.9
Rent	182	4.7	192	4.6	239	5.8
Depreciation and amortization	112	2.9	115	2.8	117	2.9
Others	1,038	26.7	1,133	27.4	1,028	25.1
<b>Total administrative expenses</b>	<b>3,894</b>	<b>100.0</b>	<b>4,131</b>	<b>100.0</b>	<b>4,097</b>	<b>100.0</b>
Proportion in percentage of selling expenses per total revenues	7.6		8.8		9.3	

In 2015, the Company's selling and administrative expenses were Baht 7,661 million, an increase of Baht 580 million or 8.2% from last year under the following causes.

- Selling expenses for 2015 were Baht 3,767 million, an increase of Baht 403 million or 12.0% from last year. The said increase was the increase in Baht 35 million of advertising and public relations expenses, Baht 118 million of sales promotion expense, and Baht 250 million of specific business tax and ownership transfer expense.
- Administrative expenses for 2015 were Baht 3,894 million, an increase of Baht 177 million or 4.8% from last year resulting from increase in Baht 188 million of employee expense and Baht 67 million of consultancy fee, and decrease in Baht 78 million of other administrative expense.

The Company's selling and administrative expenses for 2016 were Baht 8,114 million, an increase of Baht 454 million or 5.9% from previous year. Selling expenses were Baht 3,983 million, an increase of Baht 216 million or 5.7% due to increase in Baht 119 million of advertising and public relations expenses, and Baht 231 million of sales promotion and other promotion expenses. However, ownership transfer expense decreased from previous year for Baht 167 million from initiation of government measure in the first-half of the year. Administrative expenses were Baht 4,131 million, an increase of Baht 237 million or 6.1% from previous year. The main cause was due to increase in approximate Baht 184 million of consultant and expert fee in study on growth strategy and Baht 89 million of public utility maintenance expense in common area, etc.

In 2017, the Company's selling expenses increased for Baht 400 million or 10.0% from previous year due to increase in Baht 161 million of advertising and public relations expenses, Baht 125 million of condominium project launching expense as the result of the Company's launches of 10 condominium projects while in 2016, 9 condominium projects were launched. In particular, the expense of condominium project launches in 4 projects of premium business group was quite high but good feedback was acquired, resulting in increase in overall sales volume of the Company. Ownership transfer fee increased for Baht 92 million since in Jan to Apr, 2016, it has still been the period of government stimulus package for transfer fee reduction. Total administrative expenses were Baht 4,097 million, a decrease of Baht 34 million or 0.8%. The decreased expense was mainly from expense related to consultant fee which was lower than the same period of last year.

#### *Financial Costs*

In 2015, the Company's financial costs were Baht 328 million or 0.6% of total revenues, a decrease of Baht 48 million or 12.8% from previous year.

In 2016, the Company's financial costs were Baht 287 million or 0.6% of total revenues which was the same proportion as in 2015.

In 2017, the Company's financial costs were Baht 234 million or 0.5% of total revenues which was the same proportion as in 2016.

Interest Bearing Debt to Equity Ratio as of December 31, 2017 at 0.71 and Interest Bearing Debt Deducted with Cash and Cash Equivalents to Equity Ratio at 0.68 were the satisfactory ratios from continuous effective debt management of the Company.

#### *Income Tax Expense*

Income tax expense of the Company comprised of corporate income tax and deferred income tax. The Company's income tax expense in 2015, 2016 and 2017 was Baht 1,798 million, Baht 1,478 million and Baht 1,582 million, respectively, or 3.5%, 3.1%, and 3.6% of total revenues, respectively.

Income tax expense for 2015 was Baht 1,798 million or 3.5% of total revenues, a decrease of Baht 16 million or 0.9% from previous year due to the compliance of the Company with the order of the Revenue Department No. Por. 148/2014 Re: Calculation of Net Profit and Net Income for Real Estate Selling Business of Listed Companies in Stock Exchange of Thailand that prescribes the application of income recognition basis upon transfer of ownership, resulting in the same standard of accounting and tax basis.

Income tax expense for 2016 was Baht 1,478 million or 3.1% of total revenues. In 2015, income tax expense was Baht 1,798 million or 3.5% of total revenues.

Income tax expense for 2017 was Baht 1,582 million or 3.6% of total revenues, an increase from 2016 due to decrease in the proportion of BOI income.

#### *Net Profit*

From the aforesaid operating results, the Company and its subsidiaries reported net profit in 2015, 2016 and 2017 for Baht 7,670 million, Baht 6,108 million, and Baht 5,605 million, respectively, or 14.9%, 12.9% and 12.7% of total revenues, respectively.

The Company earned Baht 7,670 million of net profit or 14.9% of total revenues for 2015, an increase of Baht 1,016 million or 15.3% from previous year. The main factor was due to increase in revenue from sale of real estate particularly in increase in revenue from ownership transfer of condominium product, and ability to satisfactorily control and manage selling and administrative expenses of the Company and its subsidiaries, resulting in decrease in Baht 580 million of selling and administrative expenses or 8.2% when compared with those in 2014. Despite of an increasing rate of cost of sale, net profit was classified into Net profit attributable to owners of the parent for Baht 7,680 million and loss of non-controlling interests for Baht 10 million.

Net profit for 2016 was Baht 6,108 million or 12.9% of total revenues and earnings per share of the Company for 2016 was 2.74 Baht per Share.

Net profit for 2017 was Baht 5,605 million or 12.7% of total revenues and 2016 net profit was Baht 6,108 million or 12.9% of total revenues. The Company earned decreasing profits for Baht 503 million or 8.2% mostly due to increase of advertising and public relations expenses and new project launching expense.

#### *Capital Structure*

The Company has spent its capital for project development through issuance of debentures and profit generated in each operating cycle to be used in project investment and as working capital in the business. As of December 31, 2017, Interest Bearing Debt to Equity Ratio at 0.71 and Interest Bearing Debt Deducted with Cash and Cash Equivalents to Equity Ratio at 0.68 were improved ratios from effective debt management of the Company.

#### *Research and Development Expense*

The Company's vision aims to be the number one brand in customers' minds and step upward to become a top ten real estate business brand in Asia by creating valuable homes for all families to experience happiness, warmth and better life every day. Its mission is to be willful to assist all customers to fulfill every dream of owning a valuable home for joyful life of every family. The Company creates the atmosphere of innovative organization for development and improvement of good products and services and ability to deliver to all levels of customers to meet their demands. Therefore, the policy for promotion of corporate innovation invention is established to improve work processes for efficiency and customer satisfaction. For instance, the Company has applied the global modern construction innovation of "Pruksa Precast" to produce precast concrete used in house construction in the Company's projects, invented new innovation of "Pruksa REM" (Real Estate Manufacturing) which is the industrial quality house construction system, applied "Pruksa BIM" (Building Information Modeling) System as aid of design and data management for price estimation and construction management. In addition, Pruksa Innovation Center in the organization manages international corporate innovation (being awarded for Certificate of Innovation Management System (CEN/TS 16555-1:2013) for management to generate new body of knowledge applied with products. In 2017, the Company has allocated budget of research and development promotion in all dimensions for 1% of the estimated net profit.

Such budget has been spent to support the creativity and cross function working in all levels of employees. The contest project has been proposed under the name of "Innovation Awards" being classified into the contest from Individual Create Value Contest, as well as Cross Function Working Team Improvement and Innovation Contest Project for Innovation Creativity in developing new products and services to meet customer demands. Moreover, the Company has promoted Open Innovation through promoting students of Faculty of Architecture, Faculty of Engineering, and relevant programs in reinforcement of experiences, experimental and on the job learning such as the collaborative project with Faculty of Architecture to design single detached house with precast parts, design lighting in common area and increase construction efficiency with precast work pieces, etc. In addition, the Company has collaborated with Asian Institute of Technology (AIT) in Research and Development Projects such as research on new joint bearing behavior, DGNB Certified energy saving house style construction, invention of model aided equipment in Blow Count to help in accurate and proper data collection, etc. From the aforesaid, it has indicated that the Company gives precedence to research and development in type of Innovation leading to valuable product development for more customer satisfaction. The Company has also

improved and developed to extend ideas/products/services until initiating the development into business and social innovation under development of Application Prukpa Family of the Company through mobile phone so that its customers can use more services in different areas e.g. accessibility to view details-information of the projects, promotion, house knowledge, purchase of furniture in special price, repair notification and other services under implementation, improvement and development such as search for housekeepers for cleaning, air-conditioner cleaning, gardening or even meal order via App. on mobile phone, etc.

The Company assesses and measures the result/compares consequence of pre-and post-application of invented innovations. Usually, the assessment is conducted in all dimensions prior to application such as overall cost, time, quality and customer satisfaction. In part of overall key targets of the Company, it depends on quality of products handed over to customers for maximum customer satisfactions. Therefore, product quality is measured with DPU (Defect per unit), resulting in minimum repair work per unit.

The Company regularly discloses business and social innovation developed/invented by the Company to contribute to learning and compliance of the external stakeholders via various channels both in Online and Offline Media. The registration of IP (Intellectual Property) has been commenced. The Company also always promotes/collaborates with its business partners to develop business and social innovations of business partners. In last year, the development has been mutually conducted with its business partners such as making prefabricated bathroom, making prefabricated staircase, developing prefabricated framework and door panel, etc. In this year, the Company has mutually developed with SCG to develop quality cement appropriate for use of Precast and for usability in each type of works so that works can be performed easier and more quality and diminish skilled labor dependency, etc.

## 2. Financial Position

### Assets

As of December 31, 2015, the Company's total assets were Baht 65,309 million, an increase of Baht 4,280 million or 7.0% from the end of 2014, consisting of increase in Baht 750 million of cash and current investments, Baht 330 million of deposits for purchase of land, Baht 3,763 million of real estate under development which included projects under construction and built for sale projects, resulting in increase in Baht 3,498 million of land and house for sale and Baht 5,229 million of lands waiting for development to support newly launched projects in 2015. In 2016, the new 60-65 projects were launched. Property, plant and equipment decreased for Baht 18 million due to the construction completion of new Precast Concrete factory (PCF6, PCF7) and production startup. Therefore, in 2015, expense from asset depreciation for deferred income tax assets decreased for Baht 104 million due to the compliance of the Company with the order of Revenue Department No. Por. 148/2014 Re: Calculation of Net Profit and Net Income for Real Estate Selling Business of Listed Companies in Stock Exchange of Thailand that prescribes the application of income recognition basis upon ownership transfer, resulting in the same standard of accounting and tax basis and affecting decrease in deferred income tax assets.

As of 31 December, 2016, the Company's total assets were Baht 66,382 million, an increase of Baht 1,074 million or 1.6% from the end of 2015. In the end of 2016, cash and current investments decreased for Baht 750 million and Baht 80 million, respectively, at the time of increase in Baht 2,248 million or 4% of real estate projects under development which were estimated to be 90.1% of total assets due to increase in Baht 1,367 million of project value under construction and Baht 1,796 million of lands waiting for development or an increase of 25% to support new project launches in the future. Ready for sale land and house decreased for Baht 1,061 million or 9.0% due to the Company's continuity of house construction completion and ownership transfer.

As of 31 December, 2017, the Company's total assets were Baht 71,228 million, an increase of Baht 4,846 million or 7.3% from the end of 2016. In the end of 2017, cash increased for Baht 724 million and current investments decreased for Baht

246 million at the time of increase in Baht 3,953 million or 6.6% of real estate projects under development due to increase in Baht 3,228 million of project value under construction and Baht 380 million of ready for sale land and house due to increase in projects under sale and development. Lands waiting for development decreased for Baht 91 million or 1% due to the Company's acceleration on more project launches and land developments.

In 2017, the Company's total presales was Baht 47,536 million, an increase of Baht 3,122 million or 7.0% when compared with Baht 44,414 million of total presales in 2016. In 2017, the new 56 projects were launched with project value of Baht 59,247 million. The Company has still focused on launches of 36 townhouse group projects with total value of Baht 28,942 million, 10 single detached house projects with total value of Baht 10,180 million, and 10 condominium projects with total value of Baht 20,125 million.

### **Liabilities**

On December 31, 2015, the Company's total liabilities were Baht 31,091 million, a decrease of Baht 231 million from the end of 2014. In 2015, payable for purchase of land increased for Baht 2,688 million, being classified into increase in Baht 2,198 million of payable for purchase of land which was due for payment within one year, and increase in Baht 490 million of payable for purchase of land which was more than one year. During the year, short-term loans from bank were entirely repaid. For debenture balance of Baht 20,000 million, it has been classified into Baht 6,000 million of short-term debentures which will be matured and Baht 14,000 million of long-term debentures. In meanwhile, trade accounts payable and customers' deposits decreased for Baht 553 million and Baht 465 million, respectively.

As of December 31, 2016, the Company's liabilities were Baht 30,179 million, a decrease of Baht 912 million or 3% from the end of 2015 due to decrease in Baht 2,229 million of non-current liabilities. Current liabilities increased for Baht 1,318 million due to increase in Baht 1,898 million of short-term loans from financial institutions and Baht 419 million of trade accounts payable. In meanwhile, long-term debentures and payable for purchase of land decreased for Baht 2,000 million and Baht 1,133 million, respectively.

As of December 31, 2017, the Company's liabilities were Baht 35,073 million, an increase of Baht 4,894 million or 16.2% from the end of 2016 due to the issuance of Baht 9,500 million of debentures during 2017, repayment of Baht 6,000 million of matured debentures and increase in Baht 1,472 million of short-term loans from the Holding Company.

Interest Bearing Debt to Equity Ratio as of December 31, 2017 was 0.71 and Interest Bearing Debt Deducted with Cash and Cash Equivalents to Equity Ratio as of December 31, 2017 was 0.68.

### **Shareholders' Equity**

As of December 31, 2015, the Company's total shareholders' equity was Baht 34,218 million, an increase of Baht 4,511 million or increasing rate of 15.2% from last year. Shareholders' equity increased from the Company's operating results. In 2015, the Company generated Baht 7,670 million of net profit, being classified into Baht 7,680 million of the net profit attributable to owners of the parent, and Baht 10 million of non-controlling interests' loss. During 2015, interim dividend was paid to the shareholders for Baht 1,115 million. This demonstrated annual increase in shareholders' equity of the Company and ability to pay back dividend to shareholders in an annual increasing ratio, indicating secure financial stability of the Company.

Due to the Company's business growth and more secure financial position in accompany with the policy determined by other various companies in the same industry as the Company in dividend payment at higher ratio than the primary dividend payment policy determined by the Company, the Board of Directors' Meeting No. 1/2016 on January 22, 2016 resolved to give consent on change in dividend payment policy for benefit of the shareholders. The changing policy is effective from turnover for 2015 onwards. The Company has determined the policy in considering annual dividend payment to shareholders twice a year at the ratio of not below 50% from net profit of operating results of the Group of Companies (from consolidated financial

statements) after deduction of all reserve capital. The Board of Directors' Meeting resolved to give consent on proposing dividend payment in the Shareholders' Meeting at the ratio of 1.75 Baht per share from 2015 operating results. On October 21, 2015, interim dividend was paid for 0.50 Baht per share and another 1.25 Baht per share of dividend payment has been outstanding.

As of December 31, 2016, the Company's shareholders' equity was Baht 36,212 million, an increase of Baht 1,985 million or 5.8% from the end of 2015. Shareholders' equity increased from 2016 operating results for Baht 6,108 million.

On August 11, 2016, the Company approved interim dividend payment in the ratio of 0.60 Baht per share in total amount of Baht 1,340 million. The payment was due on September 9, 2016.

As of December 31, 2017, the Company's shareholders' equity was Baht 36,165 million, a decrease of Baht 47 million or 0.1% from the end of 2016.

On August 11, 2017, the Company approved the appropriation of its earnings to be interim dividend in the ratio of 1.02 Baht per share in total amount of Baht 2,277 million and the said dividend was paid to the shareholders on September 6, 2017. The Company's shareholders' equity has continuously increased and dividend can be paid to the shareholders in an increasing ratio every year. This has indicated the secure financial stability of the Company.

## Statement of Cash Flows

As of December 31, 2015, the Company's total cash and cash equivalents increased for Baht 871 million from the end of 2014.

As of December 31, 2016, the Company's total cash and cash equivalents decreased for Baht 750 million from the end of 2015.

As of December 31, 2017, the Company's total cash and cash equivalents increased for Baht 724 million from the end of 2016.

### Increase and decrease in cash and cash equivalents in 2015 as per the following details

#### *Cash flows from operating activities*

As of December 31, 2015, the Company's net cash and cash equivalents increased for Baht 871 million. In 2015, the Company's balance of cash flows from operating activities after non-cash adjustment entries consisting of depreciation and amortization, accounting reserve and allowance, gain or loss from disposal of equipment, and provision for litigation damage, was Baht 10,482 million. In 2015, the said balance was used for continuous investment in real estate projects for Baht 2,976 million. There were increase in Baht 301 million of advance payment for goods, and Baht 2,688 million of payment of payable for purchase of land; and decrease in Baht 465 million of customers' deposits and Baht 377 million of other assets and liabilities, respectively. In addition, the Company paid Baht 1,837 million of corporate income tax payment. The aforesaid cash flows resulted in Baht 7,815 million of the Company's cash flows received from operating activities.

#### *Cash flows from investing activities*

The Company's net cash used in investment activities was Baht 342 million by investing in Baht 428 million of property, plant and equipment as the remaining portion from installation of machineries in PCF 6 and PCF 7 Plants. In 2015, the Company additionally invested in Baht 82 million of intangible assets. The investment in intangible assets is the investment in software and information technology system for organizational working development in various areas to support business growth. During the year, cash was received from Baht 124 million of net trading of temporary investments.

#### *Cash flow from financing activities*

During 2015, the Company's net cash used in financing activities was Baht 6,603 million. During 2015, the Company issued Baht 3,000 million of long-term debentures whereas 3,000 million Baht of debentures was matured. The Company also repaid Baht 2,295 million of net loans from financial institutions and paid Baht 1,039 million of financial costs and Baht 3,346 million of dividend to shareholders.



*Increase and decrease in cash and cash equivalents in 2016 as per the following details**Cash flows from operating activities*

According to the Company's financial statements for 2016, cash flows received from operating activities were Baht 4,431 million. The non-cash adjustment entries included Baht 454 million of depreciation and amortization, Baht 27 million of provision for litigation damage, and Baht 287 million and Baht 1,478 million of financial costs and income tax, etc. Cash flows were increased from Baht 1,770 million of real estate projects under development, increase in payment for Baht 210 million of advance payment for goods and Baht 1,133 million of payable for purchase of land, and payment of Baht 1,631 million of income tax, resulting in Baht 4,431 million of the Company's cash flows received from operating activities.

*Cash flows from investing activities*

The Company's net cash used in investment activities was Baht 171 million by investing in Baht 227 million of property, plant and equipment and Baht 72 million of intangible assets. The investment in intangible assets is the investment in software and information technology system for organizational working development in various areas. During the year, cash was received from Baht 17 million of investment properties, Baht 29 million of sale of equipment, and Baht 82 million of net trading of temporary investments.

*Cash flow from financing activities*

During 2016, the Company newly issued Baht 4,000 million of long-term debentures and additionally borrowed Baht 1,898 million of short-term loans from other relevant businesses. The money derived from the said financing has been used for repaying Baht 6,000 million of long-term debentures which were matured for redemption, paying Baht 4,131 million of dividend to shareholders and Baht 803 million of financial costs, resulting in Baht 5,009 million of the Company's net cash used in financing activities.

*Increase and decrease in cash and cash equivalents in 2017 as per the following details**Cash flows from operating activities*

According to the Company's financial statements for 2017, cash flows received from operating activities were Baht 1,520 million. The non-cash adjustment entries included Baht 467 million of depreciation and amortization, Baht 70 million of provision for litigation damage, and Baht 234 million and Baht 1,582 million of financial costs and income tax, etc. Cash flows was decreased from Baht 3,785 million of real estate projects under development, increase in payment for Baht 70 million of advance payment for goods and Baht 1,952 million of payable for purchase of land, and payment of Baht 1,770 million of income tax, resulting in Baht 1,520 million of the Company's cash flows received from operating activities.

*Cash flows from investing activities*

The Company's net cash used in investment activities was Baht 219 million by investing in Baht 434 million of property, plant and equipment and Baht 56 million of intangible assets. The investment in intangible assets is the investment in software and information technology system for organizational working development in various areas. During the year, cash was received from Baht 8 million of investment properties for, Baht 18 million of sale of equipment and Baht 246 million of net trading of temporary investments.

*Cash flows from financing activities*

During 2017, the Company newly issued Baht 9,500 million of long-term debentures and additionally borrowed Baht 1,411 million of net short-term loans from other relevant businesses and Baht 902 million of short-term loans. The money derived from the said financing has been used for repaying Baht 6,000 million of long-term debentures which were matured for redemption, paying Baht 5,626 million of dividend to shareholders and Baht 764 million of financial costs, resulting in Baht 578 million of the Company's net cash used in financing activities in 2017.

## Attachment I Details of board directors, management, regulators and company secretary

### Item I

<b>The Board &amp; Management Profile</b>			
<b>Name</b>	Dr.Pisit Leeahtam		
<b>Age</b>	67 Years		
<b>Shareholding (%)</b>	<b>as on January 1, 2017</b>	<b>as on December 30, 2017</b>	<b>Change (+/-)</b>
1. I	1. 0.0596% (1,329,900 Shares)	1. 0.0596% (1,329,900 Shares)	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
<b>Family Relationship Among the Executives</b>	-		
<b>Positions</b>	Chairman of the Board of Directors / Independent Director (Started on April 27, 2005)		
<b>Education</b>	<ul style="list-style-type: none"> <li>- Doctorate Degree (Economics), The Netherlands School of Economics, Erasmus University, Netherlands</li> <li>- Master Degree (Economics), The Netherlands School of Economics, Erasmus University, Netherlands</li> <li>- Bachelor Degree (Economics), The Netherlands School of Economics, Erasmus University, Netherlands</li> </ul>		
<b>Other Position(s)</b> (Listed Companies and Others)	<p><b>Listed Companies</b></p> <ul style="list-style-type: none"> <li>- Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee / Independent Director - Pruksa Holding Public Company Limited</li> <li>- Vice Chairman of the Board of Directors / Chairman of the Audit Committee - KGI Securities (Thailand) Plc.</li> <li>- Independent Director / Chairman of the Audit Committee - Tirathai Plc.</li> <li>- Independent Director / Chairman of the Audit Committee - Global Connections Plc.</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>- Chairman - Thai Tank Terminal Limited</li> <li>- Independent Director / Chairman of the Audit Committee - Muangthai Life Assurance Plc.</li> <li>- Independent Director - SHERA Plc.</li> <li>- President - Provident Fund Association</li> <li>- President - Thai Bond Market Association</li> <li>- Council Member - Rajamangala University of Technology Krungthep</li> <li>- Council Member - King Mongkut's University of Technology, Thonburi</li> <li>- Council Member - Faculty of Commerce and Accountancy, Thammasat University Etc.</li> </ul>		

Work Experience	<ul style="list-style-type: none"> <li>- 2006-May 2017 Country Chairman (Thailand) - Jardines Matheson (Thailand) Ltd.</li> <li>- 2008-2016 Dean - Faculty of Economics, Chiang Mai University</li> <li>- 2006-2016 Chairman - Netherlands, Thai Chamber of Commerce</li> <li>- 2014-2015 Member of the National Reform Council</li> <li>- 2001-2003 President &amp; CEO - TT&amp;T Plc.</li> <li>- 1997-2001 Deputy Minister of Finance, Ministry of Finance</li> <li>- 1995-1997 Executive Vice President, Head of Investment Banking Group - Bangkok Bank Pcl.</li> <li>- 1991-1994 Director, Office of the Governor - Bank of Thailand</li> <li>- 1987-1990 Economist, Exchange and Trade Relations Department, The International Monetary Fund, Washington D.C., USA</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Director Certification Program - DCP 18/2002 / Thai Institute of Directors (IOD)</li> <li>- Corporate Governance for Capital Market Intermediaries - CGI 2/2015 / Thai Institute of Directors (IOD)</li> </ul>

## Item 2

The Board & Management Profile			
Name	Mr.Thongma Vijitpongpan		
Age	60 Years		
Shareholding (%)	as of January 1, 2017	as of December 30, 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	Elder brother of Mrs.Rattana Promsawad		
Positions	Authorized Director / Executive Vice Chairman of the Board of Directors (Started on April 27, 2005)		
Education	<ul style="list-style-type: none"> <li>- (Honors) Ph.D. (Civil Engineering), KMUTT</li> <li>- (Honors) Ph.D. (Engineering Science in Civil Engineering), SPU</li> <li>- (Honors) Ph.D. (Civil Engineering), RMUTK</li> <li>- B.SC (Civil Engineering), Chulalongkorn University</li> </ul>		

Other Position(s) (Listed Companies and Others)	<b>Listed Companies</b> <ul style="list-style-type: none"> <li>- Executive Vice Chairman of the Board of Directors / Member of the Nomination and Remuneration Committee / Chairman of the Executive Committee / Group Chief Executive Officer - Prukha Holding Public Company Limited</li> </ul> <b>Others</b> <ul style="list-style-type: none"> <li>- Director - Vimut Hospital Holding Co., Ltd.</li> <li>- Director - Prukha Overseas Co., Ltd.</li> <li>- Director - Prukha International Co., Ltd.</li> </ul>
Work Experience	<ul style="list-style-type: none"> <li>- 1998-2005 Kaysorn Construction Co., Ltd.</li> <li>- 1985-1993 Siam Engineering Partnership</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Director Certification Program - DCP 51/2004 / Thai Institute of Directors (IOD)</li> <li>- Finance for Non-Finance Directors / Thai Institute of Directors (IOD)</li> </ul>

### Item 3

<b>The Board &amp; Management Profile</b>			
Name	Dr.Piyasvasti Amranand		
Age	64 Years		
Shareholding (%)	as of January 1, 2017	as of December 30, 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Independent Director / Chairman of the Audit (Started on March 21, 2014)		
Education	<ul style="list-style-type: none"> <li>- Ph.D. Economics, London School of Economics, University of London, UK</li> <li>- Master's Degree (Distinction) Economics, (Econometrics and Mathematical Economics), London School of Economics, University of London, UK</li> <li>- Bachelor's Degree (First Class Honors) Mathematics, University of Oxford, UK</li> </ul>		
Other Position(s) (Listed Companies and Others)	<b>Listed Companies</b> <ul style="list-style-type: none"> <li>- Chairman of the Audit Committee (Independent Director) - Prukha Holding Public Company Limited</li> <li>- Chairman of the Board of Directors (Independent Director) - PTT Public Company Limited</li> <li>- Chairman of the Audit Committee (Independent Director) - Kasikorn Bank Public Company Limited</li> </ul> <b>Others</b> <ul style="list-style-type: none"> <li>- Chairman, Energy for Environment Foundation</li> </ul>		

Work Experience	<ul style="list-style-type: none"> <li>- 2009-2012 President - Thai Airways International Public Company Limited</li> <li>- 2008-2009 Chief Advisor to Chief Executive Officer - Kasikorn Bank Public Company Limited</li> <li>- 2006-2008 Minister - Ministry of Energy</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Director Accreditation Program - DAP 35/2005 / Thai Institute of Directors (IOD)</li> </ul>

#### Item 4

The Board & Management Profile			
Name	Mr.Adul Chandanachulaka		
Age	71 Years		
Shareholding (%)	as of January 1, 2017	as of December 30, 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Independent Director / Member of the Audit Committee (Started on April 27, 2005)		
Education	- Bachelor Degree (Commerce and Accountancy), Chulalongkorn University		
Other Position(s) (Listed Companies and Others)	Listed Companies - Independent Director / Member of the Audit Committee / Member of the Corporate Governance Committee - Pruksa Holding Public Company Limited - Independent Director and Audit Committee - Jutha Maritime Public Company Limited Others -		
Work Experience	- 2003-2004 Director - Siam Press Management Co., Ltd. - 2001-2002 Chairman of the Board of Directors - Siam Integrated Service Co., Ltd. Director - Dusit Sinthorn Co., Ltd. - 2000-2002 Director - Jalapraphan Cement Plc. - 1968-2002 Last Position: Executive Vice President - Siam Commercial Bank Plc.		
Training	- Director Accreditation Program - DAP 5/2003 / Thai Institute of Directors (IOD) - Audit Committee Program - ACP 7/2005 / Thai Institute of Directors (IOD) - Role of the Compensation Committee - RCC 3/2007 / Thai Institute of Directors (IOD)		

## Item 5

<b>The Board &amp; Management Profile</b>			
<b>Name</b>	Mr.Weerachai Ngamdeevilaisak		
<b>Age</b>	55 Years		
<b>Shareholding (%)</b>	<b>as of January 1, 2017</b>	<b>as of December 30, 2017</b>	<b>Change (+/-)</b>
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
<b>Family Relationship Among the Executives</b>	-		
<b>Positions</b>	Independent Director / Member of the Audit Committee (Started on April 27, 2005)		
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor Degree (Commerce and Accountancy), Thammasat University</li> <li>- Advanced Certificate, Public Administration and Law (King Prajadhipok's Institute)</li> </ul>		
<b>Other Position(s)</b> (Listed Companies and Others)	<p><b>Listed Companies</b></p> <ul style="list-style-type: none"> <li>- Independent Director / Member of the Audit Committee / Member of the Enterprise Risk Committee / Chairman of the Nomination and Remuneration Committee - Pruksa Holding Public Company Limited</li> <li>- Independent Director / Member of the Audit Committee / Member of Nomination and Remuneration Committee / Chairman of Risk Management Committee - Srisawad Corporation Public Co., Ltd.</li> <li>- Independent Director / Chairman of the Board of Directors / Chairman of the Audit Committee - Alla Public Co., Ltd.</li> <li>- Independent Director / Chairman of the Audit Committee - SYN Mun Kong InsurancePublic Co., Ltd.</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>- Independent Director / Chairman of the Audit Committee - Autocorp Holding Co., Ltd.</li> <li>- Director - Audit One Co., Ltd.</li> <li>- Director - F&amp;A Solutions Co., Ltd.</li> <li>- Director - Smile P Co., Ltd.</li> </ul>		
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>- 2003-2015 Director - Professional Outsourcing Solutions Co., Ltd. Director - Accounting &amp; Business Advisory Co., Ltd.</li> <li>- 1999-2003 Executive Director - Arthur Andersen Thailand's Group of companies</li> <li>- 1996-1999 Assistant Director - SGV-Na-Thalang Co., Ltd.</li> <li>- 1992-1996 Audit Manager - SGV-Na-Thalang Co., Ltd.</li> <li>- 1985-1992 Assistant Auditor - SGV-Na-Thalang Co., Ltd.</li> </ul>		
<b>Training</b>	<ul style="list-style-type: none"> <li>- Director Certification Program - DCP 0/2000 / Thai Institute of Directors (IOD)</li> <li>- Finance for Non-Finance Director - FN 1/2003 / Thai Institute of Directors (IOD)</li> <li>- Role of the Compensation Committee - RCC 3/2007 / Thai Institute of Directors (IOD)</li> <li>- Successful Formulation &amp; Execution of Strategy - SFE 4/2009 / Thai Institute of Directors (IOD)</li> <li>- Chartered Director Class - CDC 8/2014 / Thai Institute of Directors (IOD)</li> </ul>		

## Item 6

The Board & Management Profile			
Name	Dr.Anusorn Sangnimnuan		
Age	63 Years		
Shareholding (%)	as of January 1, 2017	as of December 30, 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Independent Director (Started on December 4, 2014)		
Education	<ul style="list-style-type: none"> <li>- Ph.D. (Chemical Engineering), Monash University, Melbourne, Australia</li> <li>- M.Eng. (Environmental Engineering), Asian Institute of Technology (AIT)</li> <li>- B.Sc. (Chemical Engineering), Chulalongkorn University</li> </ul>		
Other Position(s) (Listed Companies and Others)	<p><b>Listed Companies</b></p> <ul style="list-style-type: none"> <li>- Independent Director / Chairman of the Corporate Governance Committee / Member of the Nomination and Remuneration Committee - Pruksa Holding Public Company Limited</li> <li>- Independent Director - IRPC Public Company Limited</li> <li>- Independent Director - B.Grimm Power Public Company Limited</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>- Committee member- Audit and Evaluation Committee - Ministry of Science and Technology</li> <li>- Consultant - The Ubon Bio Ethanol Co., Ltd.</li> </ul>		
Work Experience	<ul style="list-style-type: none"> <li>- 2013-2016 Director - The Krungthep Thanakom Company Limited</li> <li>- 2014-2015 Member of the National Reform Council</li> <li>- 2014-2015 Director - Loxley Public Company Limited</li> <li>- 2013-2015 Senior Consultant - The Bangchak Petroleum Public Company Limited</li> <li>- 2005-2012 President - The Bangchak Petroleum Plc.</li> <li>- 2011-2012 Chairman - The Bangchak Solar Energy Co., Ltd.</li> <li>- 2011-2012 Chairman - The Ubon Bioethanol Co., Ltd.</li> <li>- 2008-2012 Chairman - The Bangchak Biofuel Co., Ltd.</li> <li>- 2008-2011 Chairman - Thailand Business Council for Sustainable Development (TBCSD)</li> <li>- 2008-2011 Director - Thai Capital Market Organizations</li> <li>- 2007-2011 Director - Thai Listed Companies Association</li> <li>- 2006-2008 Member - The Legislative Assembly / Commissioner and Secretary, Energy</li> </ul>		
Training	<ul style="list-style-type: none"> <li>- Diploma, The Joint State-Private Sector Course / National Defence College (Class of 20 )</li> <li>- Leadership Program, Capital Market Academy (Class of 10) / The Stock Exchange of Thailand</li> <li>- Advanced Diploma, Public Administration and Public Law / King Prajadhipok's Institute (Class of 5)</li> <li>- Public Director Certification Program (Class of 1 ) / Public Director Institute</li> <li>- Director Certification Program - DCP 62/2005 / Thai Institute of Directors (IOD)</li> <li>- Director Accredited Program - DAP 40/2005 / Thai Institute of Directors (IOD)</li> </ul>		

## Item 7

The Board & Management Profile			
Name	Dr.Prasarn Trairatvorakul		
Age	65 Years		
Shareholding (%)	as of January 1, 2017	as of December 30, 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Independent Director / Member of the Audit Committee (Started on January 22, 2016)		
Education	<ul style="list-style-type: none"> <li>- Honorary Doctor of Philosophy, National Institute of Development Administration</li> <li>- Honorary Doctor of Economics, Chulalongkorn University</li> <li>- Honorary Doctor of Economics, The University of the Thai Chamber of Commerce</li> <li>- Honorary Doctor of Economics, Khon Kaen University</li> <li>- Honorary Doctor of Business Administration, Rajamangala University of Technology Suvarnabhumi</li> <li>- Doctor of Business Administration, Harvard University, Massachusetts, USA</li> <li>- Master in Business Administration, Harvard University, Massachusetts, USA</li> <li>- Master of Engineering in Industrial Engineering and Management, Asian Institute of Technology, Bangkok, Thailand</li> <li>- Bachelor of Engineering in Electrical Engineering (First class Honors), Chulalongkorn University</li> </ul>		
Other Position (s) (Listed Companies and Others)	<p><b>Listed Companies</b></p> <ul style="list-style-type: none"> <li>- Independent Director / Member of the Audit Committee / Chairman of the Enterprise Risk Management Committee - Puksa Holding Public Company Limited</li> <li>- Director / Member of the Remuneration Committee / Member of CSR Committee for Sustainable Development - The Siam Cement Public Company Limited</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>- Chair Professor, Faculty of Commerce and Accountancy - Chulalongkorn University</li> <li>- Member, Asset Management Committee of Vajiravudh College</li> <li>- Member, Committee on King's Scholarships for Thai Buddhist Monks</li> <li>- Chairman, National Economic Reform Committee</li> <li>- Member, Education Reform Committee</li> <li>- Member, Committee Preparing the Long-term National Strategy</li> <li>- Chairman, Public Procurement Committee</li> <li>- Chairman of the Council of Trustees and the Board of Director, Thailand Development Research Institute (TDRI)</li> <li>- Senior Advisor, the CENTRAL Group</li> <li>- Member, Property Management Committee, Chulalongkorn University</li> <li>- Director, Thailand Sustainable Development Foundation</li> <li>- Advisor, Board of Investment</li> </ul>		



<b>Other Position (s) (Cont.)</b> <b>(Listed Companies and Others)</b>	<ul style="list-style-type: none"> <li>- Advisor, Crown Property Bureau</li> <li>- Member, Anti-corruption Committee</li> <li>- Member, Committee to Enhance Competitiveness of the Nation</li> <li>- Member, State Enterprises Supervisory Board</li> <li>- Executive Director, Thai Red Cross Society</li> </ul>
<b>Work Experience</b>	<ul style="list-style-type: none"> <li>- 2010-2015 Governor - Bank of Thailand</li> <li>- 2010-2010 Vice Chairman - Muangthai Life Assurance Co., Ltd.</li> <li>- 2010-2010 Chairman - Thai Bankers' Association (TBA)</li> <li>- 2008-2016 Council Member - Chulalongkorn University</li> <li>- 2005-2010 Chairman - KLeasing Co., Ltd.</li> <li>- 2005-2009 Chairman - KFactoring Co., Ltd.</li> <li>- 2004-2010 Chairman - Anandamahidol Fellows Club</li> <li>- 2004-2010 President - Kasikorn Bank Public Company Limited</li> <li>- 2002-2003 Member of Economic Policy Working Group - Ministry of Finance</li> <li>- 2001-2005 Chairman - Thai Red Cross Society's Eye Bank</li> <li>- 2001-2003 Director and Chairman of Audit Committee - Thailand Asset Management Corporation</li> <li>- 2000-2003 Director - State Enterprises Capital Policy Committee</li> <li>- 1999-2003 Secretary-General - Securities and Exchange Commission of Thailand</li> <li>- 1998-2004 Member, the Law Reform Commission of the Council of State</li> <li>- 1998-2000 Director of the Financial Reform Advisory Committee - Ministry of Finance</li> <li>- 1992-1999 Deputy Secretary-General - Securities and Exchange Commission of Thailand</li> <li>- 1983-1992 Bank of Thailand               <ul style="list-style-type: none"> <li>- Economist, Department of Economic Research</li> <li>- Section Chief, Department of Bank Supervision and Examination</li> <li>- Deputy Director, Department of Financial Institutions Supervision and Examination</li> </ul> </li> <li>- 1981-1983 Research Fellow, International Food Policy Research Institute, Washington, D.C., USA</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>- Role of the Chairman Program - RCP 2/2001 / Thai Institute of Directors (IOD)</li> <li>- Director Certification Program - DCP 21/2002 / Thai Institute of Directors (IOD)</li> <li>- Ethical Leadership Program - ELP 2/2015 / Thai Institute of Directors (IOD)</li> <li>- Top Executives in the Energy Education Program, Batch 9 / Thailand Energy Academy</li> <li>- The National Defence Course for the Joint State-Private Sectors, Batch 15 / Thailand National Defence College</li> </ul>

## Item 8

The Board & Management Profile			
Name	Mr.Wichian Mektrakarn		
Age	63 Years		
Shareholding (%)	as of January 1, 2017	as of December 30, 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Director (Started on November 10, 2014)		
Education	- BS EEE (Honor), California State Polytechnic University, Pomona, USA		
Other Position(s) (Listed Companies and Others)	<b>Listed Companies</b> - Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee - Prukha Holding Public Company Limited - Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee - AAPICO Hitech Plc. - Chairman - CS Loxinfo Plc. <b>Others</b> - Chairman - Aira & Aiful Plc. - Director / Member of the Audit Committee - Thanachart Insurance Plc.		
Work Experience	- 2009-June 2014 Chief Executive Officer - Advanced Info Service Plc. - 2006-2009 President - Advanced Info Service Plc.		
Training	- Advanced Technical in Microwave California State University - Northridge - Mini MBA for Shinawatra Executives / Chulalongkorn University - Advanced Executive Program Kellogg School of Management, Northwestern University, USA - Capital Market Academy Class 8 (CMA 8) Capital Market Academy / The Stock Exchange of Thailand - Director Certification Program - DCP 107/2008 / Thai Institute of Directors (IOD) - Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 17 / The College of Politics and Governance, King Prajadhipok's Institute - Board that Make a Difference - BMD 3/2016 / Thai Institute of Directors (IOD) - Role of the Chairman Program - RCP 40/2017 / Thai Institute of Directors (IOD)		

## Item 9

The Board & Management Profile			
Name	Mrs.Rattana Promsawad		
Age	56 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	Younger sister of Mr.Thongma Vijitpongpan		
Positions	Authorized Director / Director of CEO Office (Started on April 27, 2005)		
Education	- Bachelor Degree (Law), Ramkhamhaeng University		
Other Position(s) (Listed Companies and Others)	<b>Listed Companies</b> - Director / Member of the Corporate Governance Committee - Pruksha Holding Public Company Limited  <b>Others</b> - Director - Pruksha Overseas Co., Ltd. - Director - Pruksha International Co., Ltd - Director - Kaysorn Construction Co., Ltd. - Director - Pruksha India Housing Private Limited		
Work Experience	- 2003-2005 Finance Advisor - Pruksha Real Estate Co., Ltd. - 1998-2004 Director - Kaysorn Restaurant Co., Ltd. (stopped operating the business on January 28, 2005) - 1993-2003 Finance Manager - Pruksha Real Estate Co., Ltd. - 1986-2001 Finance Manager - Siam Engineering Limited Partnership		
Training	- Director Certification Program - DCP 52/2004 / Thai Institute of Directors (IOD)		

## Item 10

The Board & Management Profile			
Name	Mr.Piya Prayong		
Age	48 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Authorized Director / Chief Executive Officer - Prukso Real Estate (Started on April 27, 2005)		
Education	- Bachelor Degree (Engineering), Kasetsart University		
Other Position(s) (Listed Companies and Others)	<b>Listed Companies</b> - Director / Member of the Executive Committee / Member of the Enterprise Risk Management Committee - Prukso Holding Public Company Limited <b>Others</b> - Director - Kaysorn Construction Co.,Ltd		
Work Experience	- 2016 - Jan 2017    Director / Member of the Executive and Strategy Committee / Member of the Corporate Risk Management Committee / President-Value Business - Prukso Real Estate Public Company Limited - 2010                    Chief Business Officer - Prukso Real Estate Public Company Limited - 2008                    Chief Operating Officer - Prukso Real Estate Public Company Limited - 2004                    Executive Vice President - Prukso Real Estate Company Limited - 2003                    Project Construction Manager - Prukso Real Estate Company Limited		
Training	- Director Certification Program - DCP 59/2005 / Thai Institute of Directors (IOD) - Risk Management Program for Corporate Leaders - RCL 8/2017 / Thai Institute of Directors (IOD) - Capital Market Academy Leadership Program (Batch 25/2017) / Capital Market Academy		

## Item 11

The Board & Management Profile			
Name	Mr.Prasert Taedullayasatit		
Age	50 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Authorized Director / Chief Executive Officer Prukha Real Estate, Premium (Started on April 27, 2005)		
Education	<ul style="list-style-type: none"> <li>- Master Degree {Business Administration (Marketing &amp; Finance)}, Chulalongkorn University</li> <li>- Bachelor Degree (Accountancy: 2<sup>nd</sup> class Honor), Thammasat University</li> </ul>		
Other Position(s) (Listed Companies and Others)	<p><b>Listed Companies</b></p> <ul style="list-style-type: none"> <li>- Director / Member of the Executive Committee / Member of the Enterprise Risk Management Committee - Prukha Holding Public Company Limited.</li> </ul> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>- President - Thai Condominium Association</li> <li>- Director - The Committee on The Thai Chamber of commerce and Board of Trade Thailand</li> <li>- Advisor - Housing Business Association</li> <li>- Director - Board of Directors of Housing Development office (Housing Development office, business unit of Bangkok Metropolitan administration)</li> <li>- Director - Board of Directors Real Estate Information Center (REIC)</li> <li>- Advisor - Chulalongkorn University Demonstration School Parents and Teachers Association</li> <li>- Advisor - MBA Alumni Association Chulalongkorn University</li> </ul>		
Work Experience	<ul style="list-style-type: none"> <li>- 2016-Jan 2017 Director / Member of the Executive and Strategy Committee / Member of the Corporate Risk Management Committee / President Premium Business - Prukha Real Estate Public Company Limited.</li> <li>- 2013-2016 Director / Managing Director Condominium Group 1 (MD) - Prukha Real Estate Public Company Limited.</li> <li>- 2010-2013 Director / Senior Executive Vice President / Chief Business Officer (CBO) - Prukha Real Estate Public Company Limited</li> <li>- 2008-2009 Director / Senior Executive Vice President / Chief Operating Officer (COO) - Prukha Real Estate Public Company Limited.</li> <li>- 2007-2008 Director / Senior Executive Vice President / Chief Business Officer (CBO) - Prukha Real Estate Public Company Limited.</li> </ul>		

Work Experience (Cont.)	<ul style="list-style-type: none"> <li>- 2005-2007 Director / Executive Vice President (Marketing / Sales &amp; Business Development) - Pruksa Real Estate Public Company Limited.</li> <li>- 2002-2005 Director / Executive Director / Executive Vice President (Business Development) - Lalin Property Public Company Limited.</li> <li>- 1999-2002 Senior Marketing and Business Development Manager - Lalin Property Co., Ltd.</li> <li>- 1993-1999 Marketing and Business Development Manager - Lalin Property Co., Ltd.</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Advanced Security Management Program (Class 8) / The National Defence College (NDC)</li> <li>- Capital Market Academy Leadership Program (Class 21), Capital Market Academy / The Stock Exchange of Thailand</li> <li>- 3<sup>rd</sup> Metropolis Development Program for Top Executive (Metropolis class 3) / Institute of metropolitan development (Navamindradhiraj University)</li> <li>- Director Certification Program - DCP 56/2005 / Thai Institute of Directors (IOD)</li> <li>- Director Accreditation Program - DAP 1/2003 / Thai Institute of Directors (IOD)</li> <li>- Public Economic Management for Executives Program - 5/2006 / King Prajadhipok's Institute</li> <li>- Property Management for Executives Program - RECU10, Faculty of Architecture / Chulalongkorn University</li> </ul>

## Item 12

The Board & Management Profile			
Name	Mr.Nimit Poonsawat		
Age	57 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Authorized Director / Managing Director - Single Detached House (Started on June 9, 2008)		
Education	<ul style="list-style-type: none"> <li>- Master Degree (Business Administration), Thammasat University</li> <li>- Bachelor Degree (Engineering), Chiang Mai University</li> </ul>		

Other Position(s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -	
Work Experience	- 1990-2008	Quality House Plc.
	- 1985-1990	Metropolitan Waterworks Authority Organization
	- 1983-1985	Royal Irrigation Department
	- 1983	Land and House Co., Ltd
Training	- Executive Coaching - Executive Development Program - EDP - Director Certification Program - DCP 236/2017 / Thai Institute of Directors (IOD)	

### Item 13

<b>The Board &amp; Management Profile</b>			
Name	Mr.Theeradej Kerdsamang		
Age	50 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Authorized Director / Managing Director - Townhouse Group 1 (Started on July 18, 2000)		
Education	- EXECUTIVE MINI M.B.A., National Institute of Development Administration - Bachelor of Engineering Degree (Civil Engineering), Chiang Mai University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - Member of the Executive Committee - Pruksa Holding Public Company Limited. <b>Others</b> - Director - Phanalee Estate Co., Ltd.		
Work Experience	- 2016-Present Managing Director Townhouse Group 1 Pruksa Real Estate Public Company Limited. - 2000-2015 FEVP - Townhouse Brand Baan Pruksa Pruksa Real Estate Public Company Limited. - 1989-1999 Project Manager Kasemkij Constuction Co.,Ltd.		
Training	- Successful Formulation & Execution of Strategy - SFE 28/2016 / Thai Institute of Directors (IOD) - Director Certification Program - DCP 240/2017 / Thai Institute of Directors (IOD)		

## Item 14

The Board & Management Profile			
Name	Mr.Pakarin Dattibongs		
Age	48 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Managing Director - Condominium Group 2 (Started on May 22, 2013)		
Education	- Master of Science in Land and Real Estate Development, Texas A&M University, Texas, USA - Bachelor of Architecture, Chulalongkorn University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	- 2015-Present     Managing Director - Condominium Group 2 - Pruksa Real Estate Public Company Limited - 2013-2015       Executive Vice President - Condo 5 - Pruksa Real Estate Public Company Limited - 2013-2013       Chief Strategy Officer - Infinite Real Estate Co., Ltd. - 2005-2012       Managing Director - Aquarius Estate Co., Ltd - 2004-2005       General Manager - Maleenont Tower Co., Ltd. - 2000-2003       Director of Business Development & Marketing - Plus Property Partner Co., Ltd. - 1997-1999       Development Manager - Central Pattana Public Company Limited - 1996-1997       Project Manager, Raimon Land Public Company Limited - 1991-1993       Project Architect, Southeast Asia Technology Co., Ltd.		
Training	-		



## Item 15

The Board & Management Profile			
Name	Mrs.Surattana Jeeracheeweeekul		
Age	47 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Managing Director - Townhouse Group 2 (Started on March 19, 2007)		
Education	- Mini MBA, Thammasat University - Bachelor Degree (Faculty of Education), Srinakharinwirot University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	- 2005-Present      Managing Director (Townhouse Group 2) - Pruksa Real Estate Public Company Limited Executive Vice President (Pruksa Ville) - Pruksa Real Estate Public Company Limited Sr. Vice President (Pruksa Ville) - Pruksa Real Estate Public Company Limited - 1989-2005      Present - Assistant Director - Quality Houses Public Company Limited		
Training	-		

## Item 16

The Board & Management Profile			
Name	Mr.Amorndol Thupawirote		
Age	61 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Managing Director - Precast Factories and Condominium Construction (Started on June 21, 2004)		
Education	<ul style="list-style-type: none"> <li>- Master Degree (Public &amp; Private Management), National Institute of Development Administration</li> <li>- Bachelor Degree (Engineering), Khon Kaen University</li> </ul>		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	<ul style="list-style-type: none"> <li>- 2016-Present MD Precast Factories and Condominium Construction - Prukha Real Estate Public Company Limited</li> <li>- 2015-2016 MD Precast Factories and Condominium Construction (Acting), EVP-Condo Construction Center (Acting) - Prukha Real Estate Public Company Limited</li> <li>- 2004-2015 EVP-Prukha Precast - Prukha Real Estate Public Company Limited</li> <li>- 1980-2004 Project Advisors - Construction Projects- Italian Thai Development Public Company Limited General Manager - ITD Industrial Complex- Italian Thai Development Public Company Limited General Manager - Asia Turnouts Joint Venture Project Manager - Construction Projects- Italian Thai Development Public Company Limited</li> </ul>		
Training	<ul style="list-style-type: none"> <li>- Executive Coaching / Indigo Consulting</li> <li>- Executive Coaching / C.E. Enterprise</li> <li>- The 7 habits of Highly Effective Leaders / Pac Rim Consulting Group</li> <li>- Top Management Development Program / NIDA/ITD</li> </ul>		

## Item 17

The Board & Management Profile			
Name	Mrs.Orranuch Ittikosin		
Age	50 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Managing Director - Premium - High Rise (Started on September 3, 2007)		
Education	<ul style="list-style-type: none"> <li>- ASEP. Sasin Graduate Institute of Business Administration &amp; Kellogg School of Management, Northwestern University</li> <li>- MS. Marketing program, Thammasart Business School</li> <li>- BA. Faculty of liberal arts, Thammasart University</li> </ul>		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	<ul style="list-style-type: none"> <li>- 2007-2016 Executive Vice President - Prukha Real Estate Public Company Limited</li> <li>- 2006-2007 Senior Vice President - Areeya Property Public Company Limited</li> <li>- 2004-2006 Vice President - Sansiri Property Public Company Limited</li> <li>- 2003-2004 Associate Director - Plus Property Partners Co., Ltd.</li> <li>- 1995-2002 Assistant Vice President - Noble Development Public Company Limited</li> </ul>		
Training	-		

## Item 18

The Board & Management Profile			
Name	Mr.Chinnapan Treetipchumsiri		
Age	56 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Acting Chief Land Officer (Started on February 15, 2008)		
Education	- Master Degree (Business Administration), Chulalongkorn University - Bachelor Degree (Accounting), Chulalongkorn University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	- 15 Oct 2017-Present      Acting Chief Land Officer Pruksa Real Estate Public Company Limited - 1 Apr 2017-14 Oct 2017      Executive Vice President-Procurement Pruksa Real Estate Public Company Limited - 22 Sep 2014-31 Mar 2017      Senior Vice President-Procurement Pruksa Real Estate Public Company Limited - 1 Jun 2014-21 Sep 2014      Senior Vice President-Governance, Risk Management and Compliance Pruksa Real Estate Public Company Limited - 2011-30 May 2014      Senior Vice President-Financial Accounting Pruksa Real Estate Public Company Limited - 2008      Vice President-Financial Accounting Pruksa Real Estate Public Company Limited		
Training	-		

## Item 19

The Board & Management Profile			
Name	Mr.Manu Trakulwattanakit		
Age	57 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Managing Director - Premium Low Rise (Started on June 1,2016)		
Education	- Master of Business Administration, National Institute of Development Administration - Bachelor of Architecture, Chulalongkorn University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	- 2007-2016      Executive Vice President - Sansiri Public Company Limited - 2003-2007      Managing Director - BLISS Bangkok - 1988-2003      Counselor - Nawarat Pattanakarn Public Company Limited		
Training	- Capital Market Academy Leadership Program (Class 21) / The Stock Exchange of Thailand		

## Item 20

The Board & Management Profile			
Name	Mr.Thitiphat Adilucktharadol		
Age	48 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Managing Director - Condominium Group 1 (Started on June 1, 2016)		
Education	<ul style="list-style-type: none"> <li>- Master of Construction Management, Washington University, St.Louis, Missouri, USA</li> <li>- Bachelor of Science, Mechanical Engineering, Kasetsart University, Bangkok, Thailand</li> </ul>		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> -		
Work Experience	<ul style="list-style-type: none"> <li>- 2015-2016 CEO, JV Company - Magnolia Quality Development Corporation Limited &amp; CP Group</li> <li>- 2011-2014 Managing Director, Project Division - Country Group Development Public Company Limited</li> <li>- 2007-2011 EVP &amp; Head of Condominium Business - Ananda Development Public Company Limited</li> <li>- 2006-2007 Business Development Director - Starbucks Coffee (Thailand) Co., Ltd.</li> <li>- 2000-2006 Country Real Estate - IBM (Thailand) Limited</li> </ul>		
Training	-		

## Item 21

The Board & Management Profile			
Name	Ms.Suporn Treewichayapong		
Age	57 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Executive Vice President - Accounting (Started on February 1, 2011)		
Education	<ul style="list-style-type: none"> <li>- Master Degree (Finance), Thammasat University</li> <li>- Master Degree (Accounting), Thammasat University</li> <li>- Bachelor Degree (Commerce and Accountancy, 2<sup>nd</sup> Honor), Thammasat University</li> </ul>		
Other Position (s) (Listed Companies and Others)	<p>Listed Companies</p> <ul style="list-style-type: none"> <li>-</li> </ul> <p>Others</p> <ul style="list-style-type: none"> <li>- Kaysorn Construction Co., Ltd.</li> <li>- Phanalee Estate Co., Ltd.</li> <li>- Putthachart Estate Co., Ltd.</li> <li>- Prukha International Co., Ltd.</li> <li>- Prukha Overseas Co., Ltd.</li> </ul>		
Work Experience	<ul style="list-style-type: none"> <li>- 2011-Present Executive Vice President - Accounting - Prukha Real Estate Public Company Limited</li> <li>- 1994-2005 Executive Vice President - Accounting and Finance - Prukha Real Estate Public Company Limited</li> <li>- 1992-1994 System Development Manager - American Engineering Co., Ltd.</li> <li>- 1988-1992 Accounting Manager - Bradford Contracting &amp; Engineering (Thailand) Co., Ltd.</li> <li>- 1983-1988 Senior Accountant - Nava Finance &amp; Securities Co., Ltd.</li> </ul>		
Training	<ul style="list-style-type: none"> <li>- Chief Finance Officer Certification Program - CFO / Federation of Accounting Professions</li> <li>- Director Certification Program - DCP / Thai Institute of Directors (IOD)</li> </ul>		

## Item 22

The Board & Management Profile			
Name	Mr.Vatcharakris Nopakun		
Age	52 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Executive Vice President - Finance (Started on August 25, 2016)		
Education	- Master of Business Administration (Finance), Columbia University, New York, USA - Bachelor of Engineering (Computer), Chulalongkorn University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - <b>Others</b> - Director - Vimut International Hospital Co., Ltd. - Director - Vimut Holding Co., Ltd.		
Work Experience	- 2016-Present    Executive Vice President - Finance - Pruksa Real Estate Public Company Limited - 2012-2016    Chief Financial Officer - ItalThai Industrial Co., Ltd. - 2007-2012    Chief Financial Officer - CFG Services Co., Ltd. - 2006-2007    Financial Controller - BMW (Thailand) Ltd. - 2002-2006    Business Unit Controller - Nestle (Thai) Ltd. - 1998-2002    Country FP&A Senior Manager - GE Capital Thailand Ltd. - 1994-1998    AVP-Corporate Planning - Sitca Investment & Securities Public Company Limited. - 1985-1994    Assistant Treasurer - Siam Cement Public Company Limited Analyst - Siam Cement Public Company Limited		
Training	-		



## Item 23

The Board & Management Profile			
Name	Mr.Premsak Vallikul		
Age	53 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Acting - EVP Internal Audit & Compliance/ Secretary to the Audit Committee (Started on September 24, 2008)		
Education	<ul style="list-style-type: none"> <li>- Certified Information Systems Auditor - CISA (0126580/2001 / ISACA)</li> <li>- Master Degree in Commerce, University of New South Wales, Australia</li> <li>- Graduate Diploma in Information Systems, University of Wollongong, Australia</li> <li>- Bachelor Degree in Accounting, Chulalongkorn University</li> </ul>		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - Secretary of the Audit Committee - Pruksa Holding Public Company Limited. <b>Others</b> -		
Work Experience	<ul style="list-style-type: none"> <li>- 2017-Present Acting - EVP Internal Audit &amp; Compliance - Pruksa Real Estate Public Company Limited</li> <li>- 2015-2016 Senior Vice President -Internal Audit - Pruksa Real Estate Public Company Limited</li> <li>- 2009-2014 Vice President - Internal Audit - Pruksa Real Estate Public Company Limited</li> <li>- 2008-2009 Vice President - Land Acquisition - Pruksa Real Estate Public Company Limited</li> <li>- 2007-2008 Chief Audit Officer - Grande Asset Development Public Co., Ltd.</li> <li>- 2004-2007 Manager - Pruksa Real Estate Public Company Limited</li> <li>- 2003-2004 Senior Manager Internal Audit Department - Betagro Group Co., Ltd.</li> <li>- 1999-2002 Manager - PricewaterhouseCoopers Co., Ltd.</li> <li>- 1996-1999 Senior Internal Auditor-Shell Company of Thailand</li> </ul>		
Training	- Director Certification Program - DCP 56/2005 / Thai Institute of Directors (IOD)		

## Item 24

The Board & Management Profile			
Name	Mr.Paisarl Rumphan		
Age	58 Years		
Shareholding (%)	as of January 1, 2017	as of 30 December 2017	Change (+/-)
1. I	1. None	1. None	1. -
2. Spouse/Cohabiting couple	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship Among the Executives	-		
Positions	Company Secretary (Started on April 1, 2008)		
Education	- Barrister-at-Law, The Institute of Legal Education, Thai Bar Association - LL.B., Thammasat University		
Other Position (s) (Listed Companies and Others)	<b>Listed Companies</b> - Company Secretary - Pruksa Holding Public Company Limited. <b>Others</b> -		
Work Experience	- 2009-Present      Company Secretary - Pruksa Real Estate Public Company Limited - 2008-2009      Senior Legal Manager / Company Secretary - Pruksa Real Estate Public Company Limited - 2005-2006      Vice President, Broker Business Department - Ayudhya Allianz C.P. Life Public Company Limited - 1992-2005      Vice President, Legal Department - Ayudhya Allianz C.P. Life Public Company Limited Member of the Law Sub-committee, The Thai Life Assurance Association		
Training	- Company Secretary Program - CSP 27/2008 / Thai Institute of Directors (IOD) - Effective Minute Taking - EMT 13/2009 / Thai Institute of Directors (IOD) - Board Reporting Program - BRP 3/2010 / Thai Institute of Directors (IOD) - CGM Workshop 2017 / Thai Institute of Directors (IOD)		

## Attachment 2 Detail Board of Directors and Its Subsidiaries

Controlling Persons of The Company and Its Subsidiaries (as of December 31, 2017)

Name	Company	Kaysorn Construction Co., Ltd.	Phanalee Estate Co., Ltd.	Puthachart Co., Ltd.	Pruksa International Co., Ltd.	Pruksa Overseas Co., Ltd.	Pruksa Overseas Service Co., Ltd. *
1. Dr.Pisit Leeahtam	X	-	-	-	-	-	-
2. Mr.Thongma Vijitpongpun	/	-	-	-	X	X	X
3. Dr.Piyasvasti Amranand	/	-	-	-	-	-	-
4. Mr.Adul Chandanachulaka	/	-	-	-	-	-	-
5. Mr.Weerachai Ngamdeevilaisak	/	-	-	-	-	-	-
6. Dr.Anusorn Sangnimnuan	/	-	-	-	-	-	-
7. Dr.Prasarn Triratvorakul	/	-	-	-	-	-	-
8. Mr.Wichian Mektrakarn	/	-	-	-	-	-	-
9. Mrs.Rattana Promsawad	/	/	-	-	/	/	-
10. Mr.Piya Prayong	/	/	-	-	-	-	/
11. Mr.Prasert Taedullayasatit	/	-	-	-	-	-	-
12. Mr.Theeradej Kerdsamang <sup>(2)</sup>	/	-	/	-	-	-	-
13. Mr.Nimit Poonsawat <sup>(3)</sup>	/	-	-	-	-	-	-
14. Mr.Lersuk Chuladesa <sup>(1)</sup>	/	-	-	-	-	-	-
15. Ms.Suporn Treewichayapong	-	/	/	/	/	/	/

Remarks : / = Director X = Chairman

(1) Mr.Lersuk Chuladesa resigned from the Company Director since April 21, 2017 onwards.

(2) Mr.Theeradej Kerdsamang was appointed as the Company Director since February 16, 2017 onwards.

(3) Mr.Nimit Poonsawat was appointed as the Company Director since April 21, 2017 onwards.

\* Pruksa Overseas Service Co., Ltd. Liquidation on October 4, 2017

## Attachment 3 Detail of Head of Internal Audit and Head of Operating Governance of the Company

Profile of Director and Executive			
Name-Surname	Mr. Premsak Wallikul		
Age	53 years		
Shareholding Position (%)	As on 1 January 2017	As on 30 December 2017	Change (Increase/Decrease)
1. I	1. None	1. None	1. -
2. Spouse	2. None	2. None	2. -
3. Minor Children	3. None	3. None	3. -
Family Relationship among the Executives	-		
Current Position	Acting for Assistant Chief Internal Audit and Operating Governance/ Secretary of Audit Committee (Executive Office Date on 24 September 2008)		
Education	<ul style="list-style-type: none"> <li>- Certificate of Certified Information Systems Auditor - CISA (0126580/2001 / ISACA)</li> <li>- Master's Degree (Administration) / University of New South Wales, Australia</li> <li>- Diploma (Information) / University of Wollongong, Australia</li> <li>- Bachelor's Degree (Accounting) / Chulalongkorn University</li> </ul>		
Main Past Experience	<ul style="list-style-type: none"> <li>- 2017 - Present Acting for Assistant Chief Internal Audit and Operating Governance, Pruksa Real Estate Public Company Limited</li> <li>- 2015 - 2016 Senior Director of Internal Audit Division, Pruksa Real Estate Public Company Limited</li> <li>- 2009 - 2014 Director of Internal Audit Division, Pruksa Real Estate Public Company Limited</li> <li>- 2008 - 2009 Director of Land Division, Pruksa Real Estate Public Company Limited</li> <li>- 2007 - 2008 Director, Grand Asset Development Public Company Limited</li> <li>- 2004 - 2007 Manager, Pruksa Real Estate Public Company Limited</li> <li>- 2003 - 2004 Senior Manager of Internal Audit Division, Betagro Group Co., Ltd.</li> <li>- 1999 - 2002 Manager, PricewaterhouseCoopers Ltd.</li> <li>- 1996 - 1999 Senior Internal Auditor, Shell Thailand Co., Ltd.</li> </ul>		
Training	- Director Certification Program - DCP 56/2005 / Thai Institute of Directors		

## Attachment 4 The asset appraisal

For further details please in Part 1 The nature of business, Item 4.2 The project inventory

## Attachment 5 Report of the Audit Committee

### Report of the Audit Committee

The Audit Committee of Pruksa Real Estate Public Company Limited (“Company”) consists of independent directors who are expert and experienced in management. During 2017, there were four members of the Audit Committee as follows: Dr. Piyasvasti Amranand as Chairman of the Audit Committee, Dr. Prasarn Trairatvorakul Mr. Adul Chandanachulaka and Mr. Weerachai Ngamdeevilaisak as the members of the Audit Committee.

The Audit Committee performs duty according to the scope of responsibilities entrusted by the Board of Directors in governing the operation of the Company under the goal of clear management with honesty and responsibility of the Executive Committee and the executives that should have with the Company’s shareholders, and executes to ensure that the Executive Committee and the Management properly and completely manage the business according to the policies of the Company in standardized manner.

In Year 2017, the Audit Committee held total of twelve meetings and attended the meetings with the executives, internal auditor, and auditor for acknowledgement and giving consent, mutual discussion, and exchange of opinions in various issues under the summary of the following essences.

1. **Giving Consent towards Financial Statements.** The Audit Committee gave consent on quarterly financial statements and Annual Financial Statements for 2017 which have been verified and audited by the Auditor before proposing to the Board of Directors for consideration and approval, inquired the auditor and executives in the issues of accuracy and completeness of financial statements and adequacy of information disclosure, as well as attended the meeting with the auditor without the attendance of the Management for independent discussion on important issues in preparing financial statements and disclosing information which are useful for the users of financial statements. In addition, the suggestion of the auditor was considered to improve weakness of internal control system and acknowledge annual audit plan for 2017.

The Audit Committee remarked the opinion that the accounting and finance report preparation process of the Company has been adequately controlled to ensure that financial report properly presents financial position and operating result of the Company according to Accounting Standards, and discloses adequate data in financial statements.

2. **Review of Practical Procedure for Entry to Perform Connected Transaction.** The Audit Committee verified the appropriateness and adequacy related to rule and practice for entry to perform connected transaction or transaction that may have conflict of interests, verified transactions within the nature of connected transaction or transaction that may have conflict of interests that occurred during the year, as well as verified the said information disclosure to be proper and complete pursuant to the relevant notification, requirement and practical guideline of Stock Exchange of Thailand.

The Audit Committee remarked the opinion that the said transactions which were existent or occurred during the year have been the transactions occurred according to business regularity under the Company’s benefit and disclosure of adequate data.

3. **Review of Legal Compliance.** The Audit Committee determines review and monitoring so that the Company shall execute in compliance with Securities Law, and requirement of Stock Exchange of Thailand, and other important laws related to core business of the Company whereas the Internal Audit Unit is entrusted to determine as main aspect required for audit. At present, the Company has assigned Compliance Unit to perform duty in supervising the operation of work units to govern the operation according to the relevant laws. The quarterly meetings are regularly held for acknowledgement of performance result of Law Division and Corporate Governance & Compliance Division of the Company.

From the said review of the Audit Committee, it was found that apart from litigating case from the consumer which has been underlined by the Audit Committee that the Company shall be careful in presentation of project information in order to avoid disputes which may be caused from discrepant understanding, the Audit Committee did not detect the indication convincing the intention of the Company in omitting not to comply with and/or performing any act in conflict with the essential requirement of laws.

4. **Review of Internal Control and Risk Management System.** The Audit Committee verified internal control and risk management system for assessment of adequacy and appropriateness of internal control and risk management system according to internal audit standard as well as guideline prescribed by the Office of Securities and Exchange Commission, considered internal audit result report according to the approved audit plan, and considered audit result report of the external consulting firm. In 2017, the Company has still hired the external consulting firm to audit control system of the significant work system of the Company in addition to the operation of the Company's internal auditor, such as land selection and procurement work system, progress of construction work, etc. However, the finding of the audit result indicated none of essential weakness or fault of the internal control system.

Moreover, due to realization of the Company on the significance of risk management in enterprise target achievement both in short-term and long-term for the enterprise sustainable growth under changing situation. In 2017, the Company executed in various issues such as formulation of policies, strategies, and guidelines of enterprise risk management, preparation of risk management plan, and managed the overall enterprise risks. In addition, the Company also conducted Risk Control Self-Assessment (RCSA) to assess the contingent risks and effectiveness of internal control under execution through collaboration between Risk Management Division, executives, operators, and Internal Audit Division under purpose to ensure that the Company can achieve business objective and to be the aided tool in making executives and operators participate in corporate risk assessment and internal control of the Company, and also offer opinions and suggestions which are useful for management to be used as guideline of continuous operation development. The Audit Committee suggested that Internal Audit Unit shall enter to verify RCSA conducting process again later.

The Company held the mutual meetings between the Audit Committee and Risk Management Committee for more effective coordination between Internal Audit Unit and Risk Management Unit.

The Audit Committee therefore deemed that the Company has proper and adequate internal control and risk management system.

5. **Governance of Internal Audit Works.** The Audit Committee governs works of Internal Audit Unit covering the main tasks, scope of operation, scope of duties and responsibilities, independence in audit operation, and organizing and manpower arrangement. The Audit Committee verified and approved internal audit works for 2017 prepared according to the risk assessment result in the Company's work units, determination of audit work quality development plan, and development of knowledge, skill and expertise of the internal audit personnel, as well as assessment of satisfaction from the audited executives and work units in all levels.

The Audit Committee commented that the operation of Internal Audit Unit of the Company is satisfactorily independent, efficient and effective.

6. **Good Corporate Governance.** The Audit Committee deemed that the Company always focuses on business operation under adherence to ethics and principle of corporate governance. In 2017, the Company executed in the area of corporate governance and was granted for awards, for instance, the Company was certified as Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), granted for the Seventh Admiration NACC Integrity Awards 2017, and assessed for CGR Assessment for 2017 of Thai Listed Companies (LC) in "excellent" level. All of the aforesaid awards have been resulted from the determination of obvious

policies by the Company so that the directors of the Company, executives, and employees shall concretely apply anti-corruption policy, continuously formulate anti-internal corruption prevention measure, and contain in annual audit plan of the Company.

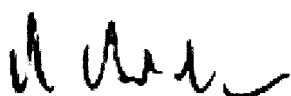
7. **Operational Performance Reporting.** The Audit Committee regularly and quarterly reported operational performance to the Board of Directors by proposing opinions and suggestions which are useful for management of the Management. The Management have properly improved and corrected according to suggestions. In addition, the Audit Committee also conducted self-assessment to be used as guideline of continuous operational development.
8. **Review of Charter of the Audit Committee.** During 2017, the Audit Committee reviewed charter of the Audit Committee for consideration on roles, duties, responsibilities, and practical guideline of the Audit Committee as entrusted by the Board of Directors. The Audit Committee deemed that charter should be improved in the matter of duties and responsibilities of the Audit Committee covering review of duties related to anti-corruption measure in order to be consistent with good corporate governance policy for listed companies in 2017. This resulted in the ability of the Audit Committee to effectively perform its duties under the requirement of Stock Exchange of Thailand and being important mechanism that supports its function based on responsibilities of the Audit Committee.
9. **Consideration on Appointment of Auditor for 2017.** The Audit Committee considered selecting and nominating for appointment of the auditor, and determination of annual remuneration of the auditor for 2017 by considering from performance result, independence and code of conduct from review of the auditor's qualification under concern on the Notification of Office of Securities and Exchange Commission and Stock Exchange of Thailand. The Audit Committee resolved to propose the Board of Directors to request for approval of the Shareholders' Meeting to appoint the auditor from KPMG Phoomchai Audit Ltd. as auditor for 2017 for another consecutive term.

In 2017, the Audit Committee operated according to the entrusted duty and responsibility using knowledge, competency, diligence and prudence and having adequate independence without limitation of information acquisition both from executives, employees and related parties, as well as remarked opinions and suggestions for equal benefit of all parties of stakeholders.

In overall conclusion, the Audit Committee deemed that the Board of Directors of the Company and its subsidiaries, executives and employees of the Company have the will of function to achieve target through high emphasis on operation under concise and appropriate internal control and risk management system, adequate, transparent and reliable good corporate governance, and development and improvement of working system to have better continuous quality.

This report has been reviewed and consented by the Audit Committee on 19 January 2018.

On behalf of the Audit Committee



Dr. Piyasvasti Amranand  
Chairman of the Audit Committee  
January 19, 2018



## Report of the Responsibility for the Financial Reporting of the Board of Directors

The Board of Directors of Pruksha Real Estate Public Company Limited (“Company”) takes responsibilities of the financial statements and consolidated financial statements of the Company including financial information presenting in Annual Report. The said financial statements have been prepared in accordance with Generally Accepted Accounting Standards by selecting appropriate accounting policies for application and regular observance, and disclosing adequate information in notes to financial statements under audit and unqualified opinion from the independent certified public accountant. The financial statements then reflect a true consolidated financial position, revenues, expenses and cash flows of the Company.

The Board of Directors set up and maintained effective risk management and internal audit systems to reasonably ensure that the accounting information is accurate, complete and adequate to safeguard assets of the Company and to be aware of weaknesses in order to prevent any risk occurred from irregular material operation.

In so doing, the Board of Directors appointed the Audit Committee consisting of the independent committee members to effectively govern financial statements and evaluate internal control system in order to ensure the appropriate, complete, adequate and timely accounting information recording to prevent the occurrence of anti-corruption or irregular operation. The opinion of the Audit Committee has been shown in the Report of the Audit Committee which has already been presented in this Annual Report.

The Board of Directors is of opinion that the Company’s overall internal audit system is satisfactory and can assure the reasonable creditability of financial statements of the Company and its subsidiaries as of December 31, 2017.



Dr. Pisit Leeahtam  
Chairman of the Board



Mr. Piya Prayong  
Chief Executive Officer, Pruksha Real Estate

## Independent Auditor's Report

### Independent Auditor's Report

#### To the shareholders of Prukso Real Estate Public Company Limited

##### *Opinion*

I have audited the consolidated and separate financial statements of Prukso Real Estate Public Company Limited and its subsidiaries (the "Group") and of Prukso Real Estate Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

##### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my 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 consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

*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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company'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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



(Vannaporn Jongperadechanon)  
Certified Public Accountant  
Registration No. 4098

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2018

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2017	2016	2017	2016
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	5	1,308,984,638	585,384,840	879,482,931	393,666,550
Current investments	6	-	246,378,150	-	-
Other receivables - subsidiaries	4	-	-	81,472,402	119,793,375
Short-term loans and accrued interest	4				
- parent		724,952	-	724,952	-
- subsidiaries		-	-	1,254,338,063	673,126,050
Real estate projects under development	7, 14	63,791,078,880	59,838,108,296	56,601,950,433	51,605,953,718
Deposits for purchase of land		622,483,624	636,244,656	622,483,624	636,244,656
Advance payment for goods		266,288,544	196,018,027	248,564,890	193,664,964
Other current assets	4	197,350,683	241,811,000	149,482,490	180,260,962
<b>Total current assets</b>		<b>66,186,911,321</b>	<b>61,743,944,969</b>	<b>59,838,499,785</b>	<b>53,802,710,275</b>
<b>Non-current assets</b>					
Investments in joint ventures	8	107,540,634	107,540,634	-	-
Investments in subsidiaries	9	-	-	3,199,998,800	3,199,998,800
Investment properties	10	640,607,687	245,170,371	579,973,681	189,537,138
Property, plant and equipment	11	3,662,657,712	3,683,088,004	3,633,276,015	3,629,160,518
Intangible assets	12	331,812,564	334,418,725	331,361,093	333,667,301
Deferred tax assets	13	52,014,136	72,063,896	35,951,071	51,590,061
Other non-current assets	4	246,653,861	196,206,736	190,432,437	141,608,145
<b>Total non-current assets</b>		<b>5,041,286,594</b>	<b>4,638,488,366</b>	<b>7,970,993,097</b>	<b>7,545,561,963</b>
<b>Total assets</b>		<b>71,228,197,915</b>	<b>66,382,433,335</b>	<b>67,809,492,882</b>	<b>61,348,272,238</b>

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2017	2016	2017	2016
		(in Baht)			
<b>Current liabilities</b>					
Short-term loans from financial institutions	14	2,800,000,000	1,897,950,018	2,800,000,000	1,897,950,018
Trade accounts payable					
- subsidiaries	4, 15	-	-	862,584,188	366,269,267
- others	15	2,378,152,939	1,995,130,254	2,145,457,371	1,702,913,708
Other payables - parent	4	37,205,749	-	37,205,749	-
Current portion of payables for purchase of land		1,697,872,385	3,404,738,861	1,697,872,385	3,404,738,861
Short-term loans and accrued interest	4, 14				
- parent		1,472,160,157	-	1,472,160,157	-
- subsidiaries		-	-	2,257,372,783	2,077,814,287
Current portion of long-term debentures	14	6,000,000,000	6,000,000,000	6,000,000,000	6,000,000,000
Current portion of finance lease liabilities	14	-	33,924	-	33,924
Customers' deposits		1,061,925,502	810,395,354	1,033,955,151	735,952,357
Current tax payable		296,513,484	505,008,121	54,154,592	276,630,366
Other current liabilities	4, 16	3,384,532,146	2,912,959,022	2,717,792,993	2,246,919,391
<b>Total current liabilities</b>		<b>19,128,362,362</b>	<b>17,526,215,554</b>	<b>21,078,555,369</b>	<b>18,709,222,179</b>
<b>Non-current liabilities</b>					
Payables for purchase of land		-	244,980,951	-	244,980,951
Long-term debentures	14	15,500,000,000	12,000,000,000	15,500,000,000	12,000,000,000
Non-current provisions for employee benefits	17	373,773,684	289,534,759	361,701,051	279,557,028
Provision for litigation and claims	34	70,835,308	118,654,240	70,485,308	114,804,240
<b>Total non-current liabilities</b>		<b>15,944,608,992</b>	<b>12,653,169,950</b>	<b>15,932,186,359</b>	<b>12,639,342,219</b>
<b>Total liabilities</b>		<b>35,072,971,354</b>	<b>30,179,385,504</b>	<b>37,010,741,728</b>	<b>31,348,564,398</b>

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of financial position

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December		31 December	
<b>Liabilities and equity</b>		2017	2016	2017	2016
		<i>(in Baht)</i>			
<b>Equity</b>					
Share capital	18				
Authorised share capital		2,232,682,000	2,232,682,000	2,232,682,000	2,232,682,000
Issued and paid-up share capital		2,232,682,000	2,232,682,000	2,232,682,000	2,232,682,000
Premium on ordinary shares	18	1,828,229,301	1,828,229,301	1,828,229,301	1,828,229,301
Warrants	19	-	21,431,089	-	21,431,089
Retained earnings					
Appropriated					
Legal reserve	20	228,529,880	228,529,880	228,529,880	228,529,880
Unappropriated		31,923,577,604	31,956,578,890	26,509,309,973	25,688,835,569
Other components of equity	20	(48,459,566)	(55,415,685)	-	1
<b>Equity attributable to owners</b>					
<b>of the parent</b>		<b>36,164,559,219</b>	<b>36,212,035,475</b>	<b>30,798,751,154</b>	<b>29,999,707,840</b>
Non-controlling interests		(9,332,658)	(8,987,644)	-	-
<b>Total equity</b>		<b>36,155,226,561</b>	<b>36,203,047,831</b>	<b>30,798,751,154</b>	<b>29,999,707,840</b>
<b>Total liabilities and equity</b>		<b>71,228,197,915</b>	<b>66,382,433,335</b>	<b>67,809,492,882</b>	<b>61,348,272,238</b>

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
		<i>(in Baht)</i>			
<b>Revenue</b>					
Revenue from sale of real estate	21	43,934,799,376	46,925,869,711	37,166,716,972	36,098,486,077
Revenue from sale of raw materials	4	-	-	282,402,681	393,016,863
Dividend income	4,9	-	-	2,199,999,475	1,999,999,600
Other income	4	188,837,551	247,372,962	215,753,780	307,205,170
<b>Total revenue</b>		<b>44,123,636,927</b>	<b>47,173,242,673</b>	<b>39,864,872,908</b>	<b>38,798,707,710</b>
<b>Expenses</b>					
Cost of real estate sales		28,221,940,659	31,184,209,549	24,119,917,392	24,349,178,924
Cost of raw material sales		-	-	262,965,706	376,996,782
Distribution costs	22	4,382,580,574	3,983,136,976	3,805,825,682	3,254,895,418
Administrative expenses	4, 23	4,096,715,429	4,131,196,395	3,849,776,512	3,820,894,672
Finance costs	4, 27	234,288,187	287,326,436	296,811,669	343,595,154
<b>Total expenses</b>		<b>36,935,524,849</b>	<b>39,585,869,356</b>	<b>32,335,296,961</b>	<b>32,145,560,950</b>
Share of loss of joint ventures	8	(347,770)	(1,606,889)	-	-
<b>Profit before income tax expense</b>		<b>7,187,764,308</b>	<b>7,585,766,428</b>	<b>7,529,575,947</b>	<b>6,653,146,760</b>
Tax expense	28	(1,582,429,221)	(1,478,097,307)	(1,070,351,471)	(931,803,653)
<b>Profit for the year</b>		<b>5,605,335,087</b>	<b>6,107,669,121</b>	<b>6,459,224,476</b>	<b>5,721,343,107</b>

The accompanying notes are an integral part of these financial statements.



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
		(in Baht)			
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		6,665,881	(20,211,427)	-	-
Gains (loss) on remeasuring available-for-sale investments		(54,776)	54,784	(1)	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>6,611,105</b>	<b>(20,156,643)</b>	<b>(1)</b>	<b>-</b>
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans		(11,977,733)	-	(12,391,432)	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>(11,977,733)</b>	<b>-</b>	<b>(12,391,432)</b>	<b>-</b>
<b>Other comprehensive income/(expense) for the year, net of tax</b>	28	<b>(5,366,628)</b>	<b>(20,156,643)</b>	<b>(12,391,433)</b>	<b>-</b>
<b>Total comprehensive income/(expense) for the year</b>		<b>5,599,968,459</b>	<b>6,087,512,478</b>	<b>6,446,833,043</b>	<b>5,721,343,107</b>
<b>Profit attributable to:</b>					
Owners of the parent		5,605,335,087	6,107,669,121	6,459,224,476	5,721,343,107
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>5,605,335,087</b>	<b>6,107,669,121</b>	<b>6,459,224,476</b>	<b>5,721,343,107</b>
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of the parent		5,600,313,473	6,087,512,478	6,446,833,043	5,721,343,107
Non-controlling interests		(345,014)	-	-	-
<b>Total comprehensive income/(expense) for the year</b>		<b>5,599,968,459</b>	<b>6,087,512,478</b>	<b>6,446,833,043</b>	<b>5,721,343,107</b>
<b>Earnings per share (in Baht)</b>					
Basic earnings per share	30	2.51	2.74	2.89	2.56
Diluted earnings per share	30	-	-	-	-

The accompanying notes are an integral part of these financial statements.

## Pruksa Real Estate Public Company Limited and its Subsidiaries

### Statement of changes in equity

Consolidated financial statements												
		Retained earnings			Other components shareholders' equity							
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Translating foreign operations (in Baht)	available-for-sale investments	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2016												
Balance at 1 January 2016												
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
	18, 19	1,611,000	50,280,276	(25,664,197)	-	-	-	-	-	26,227,079	-	26,227,079
	19	-	-	1,740,337	-	-	-	-	-	1,740,337	-	1,740,337
	19	-	-	(21,431,089)	-	-	-	-	-	(21,431,089)	-	(21,431,089)
	19	-	-	21,431,089	-	-	-	-	-	21,431,089	-	21,431,089
	31	-	-	-	-	(4,130,461,700)	-	-	-	(4,130,461,700)	-	(4,130,461,700)
Total transactions with owners, recorded directly in equity		1,611,000	50,280,276	(23,923,860)	-	(4,130,461,700)	-	-	-	(4,102,494,284)	-	(4,102,494,284)
Comprehensive income for the year												
		-	-	-	-	6,107,669,121	-	-	-	6,107,669,121	-	6,107,669,121
		-	-	-	-	-	(20,211,427)	54,784	(20,156,643)	(20,156,643)	-	(20,156,643)
Total comprehensive income for the year		-	-	-	-	6,107,669,121	(20,211,427)	54,784	(20,156,643)	6,087,512,478	-	6,087,512,478
Balance at 31 December 2016												
		2,232,682,000	1,828,229,301	21,431,089	228,529,880	31,956,578,890	(55,470,461)	54,776	(55,415,685)	36,212,035,475	(8,987,644)	36,203,047,831

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of changes in equity

Consolidated financial statements												
		Retained earnings				Other components shareholders' equity						
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve	Unappropriated	Translating foreign operations <i>(in Baht)</i>	available-for-sale investments	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Year ended 31 December 2017												
Balance at 1 January 2017												
		2,232,682,000	1,828,229,301	21,431,089	228,529,880	31,956,578,890	(55,470,461)	54,776	(55,415,685)	36,212,035,475	(8,987,644)	36,203,047,831
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
	19	-	-	(21,431,089)	-	-	-	-	-	(21,431,089)	-	(21,431,089)
	31	-	-	-	-	(5,626,358,640)	-	-	-	(5,626,358,640)	-	(5,626,358,640)
Total transactions with owners, recorded directly in equity												
		-	-	(21,431,089)	-	(5,626,358,640)	-	-	-	(5,647,789,729)	-	(5,647,789,729)
Comprehensive income for the year												
		-	-	-	-	5,605,335,087	-	-	-	5,605,335,087	-	5,605,335,087
		-	-	-	-	(11,977,733)	7,010,895	(54,776)	6,956,119	(5,021,614)	(345,014)	(5,366,628)
Total comprehensive income for the year												
		-	-	-	-	5,593,357,354	7,010,895	(54,776)	6,956,119	5,600,313,473	(345,014)	5,599,968,459
Balance at 31 December 2017												
		2,232,682,000	1,828,229,301	-	228,529,880	31,923,577,604	(48,459,566)	-	(48,459,566)	36,164,559,219	(9,332,658)	36,155,226,561

The accompanying notes are an integral part of these financial statements.

## Pruksa Real Estate Public Company Limited and its Subsidiaries

### Statement of changes in equity

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve (in Baht)	Retained earnings	Other components shareholders' equity available-for-sale investments	
<b>Year ended 31 December 2016</b>								
<b>Balance at 1 January 2016</b>		<b>2,231,071,000</b>	<b>1,777,949,025</b>	<b>45,354,949</b>	<b>228,529,880</b>	<b>24,097,954,162</b>	<b>1</b>	<b>28,380,859,017</b>
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Warrants exercised	18, 19	1,611,000	50,280,276	(25,664,197)	-	-	-	26,227,079
Share-based payment transaction	19	-	-	1,740,337	-	-	-	1,740,337
Revocation of warrants of the company	19	-	-	(21,431,089)	-	-	-	(21,431,089)
Warrant under restructuring plan	19	-	-	21,431,089	-	-	-	21,431,089
Dividends	31	-	-	-	-	(4,130,461,700)	-	(4,130,461,700)
<b>Total transactions with owners, recorded directly in equity</b>		<b>1,611,000</b>	<b>50,280,276</b>	<b>(23,923,860)</b>	<b>-</b>	<b>(4,130,461,700)</b>	<b>-</b>	<b>(4,102,494,284)</b>
<b>Comprehensive income for the year</b>								
Profit		-	-	-	-	5,721,343,107	-	5,721,343,107
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,721,343,107</b>	<b>-</b>	<b>5,721,343,107</b>
<b>Balance at 31 December 2016</b>		<b>2,232,682,000</b>	<b>1,828,229,301</b>	<b>21,431,089</b>	<b>228,529,880</b>	<b>25,688,835,569</b>	<b>1</b>	<b>29,999,707,840</b>

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of changes in equity

Seperate financial statements								
		Retained earnings			Other components shareholders' equity			
		Issued and paid-up share capital	Share premium	Warrants	Legal reserve <i>(in Baht)</i>	Unappropriated	available-for-sale investments	Total equity
	<i>Note</i>							
Year ended 31 December 2017								
Balance at 1 January 2017		2,232,682,000	1,828,229,301	21,431,089	228,529,880	25,688,835,569	1	29,999,707,840
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Revocation of warrants of the company		-	-	(21,431,089)	-	-	-	(21,431,089)
Dividends		-	-	-	-	(5,626,358,640)	-	(5,626,358,640)
Total transactions with owners, recorded directly in equity		-	-	(21,431,089)	-	(5,626,358,640)	-	(5,647,789,729)
Comprehensive income for the year								
Profit		-	-	-	-	6,459,224,476	-	6,459,224,476
Other comprehensive income		-	-	-	-	-12,391,432	(1)	(12,391,433)
Total comprehensive income for the year		-	-	-	-	6,446,833,044	(1)	6,446,833,043
Balance at 31 December 2017								
		2,232,682,000	1,828,229,301	-	228,529,880	26,509,309,973	-	30,798,751,154

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of cash flows

Note	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	5,605,335,087	6,107,669,121	6,459,224,476	5,721,343,107
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	1,582,429,221	1,478,097,307	1,070,351,471	931,803,653
Finance costs	234,288,187	287,326,436	296,811,669	343,595,154
Depreciation and amortisation	467,084,240	453,742,679	449,260,375	431,770,034
(Reversal of) losses on real estate projects under development devaluation	5,155,613	(4,255,920)	6,964,786	(3,640,885)
Reversal of impairment losses on equipment	(498,154)	-	(498,154)	-
Impairment losses on advance payment for goods	-	-	-	11,717,590
Reversal of impairment losses on deposits for purchase of land	(22,968,000)	-	(22,968,000)	-
Reversal of impairment losses on investment properties	(5,836,000)	-	-	-
Loss from disposal of equipment	18,388,236	1,516,968	16,197,971	1,697,566
Loss from disposal of intangible assets	-	2,771,880	-	2,772,298
Gain on sale of investment properties	(6,407,448)	(3,202,432)	(6,403,875)	(3,202,432)
Dividend income from subsidiaries	-	-	(2,199,999,475)	(1,999,999,600)
Currency translation differences	8,763,619	(25,264,230)	-	-
Provisions for employees benefits	69,267,189	42,092,000	66,654,732	41,149,152
Shared-based payment transaction	25,438,693	1,740,337	25,438,693	1,740,337
Provision for litigation and claims	69,513,068	26,832,000	69,313,068	23,732,000
Gain on disposal of current investments	(70,314)	(2,202,997)	-	(2,202,997)
Share of loss of investments in joint ventures	347,770	1,606,889	-	-
Reversal of share of loss of joint ventures	(347,770)	(1,606,889)	-	-
	8,049,883,237	8,366,863,149	6,230,347,737	5,502,274,977
<b><i>Changes in operating assets and liabilities</i></b>				
Receivable from subsidiaries	-	-	38,320,973	164,524,758
Real estate projects under development	(3,785,167,777)	(1,769,661,578)	(4,829,446,374)	(4,032,550,681)
Deposits for purchase of land	36,729,032	(12,829,756)	36,729,032	(12,829,756)
Advance payment for goods	(70,270,517)	209,924,607	(54,899,926)	180,425,195
Other current assets	44,460,317	(13,600,303)	(19,674,821)	(21,459,762)
Other non-current assets	(50,447,125)	(19,391,758)	(48,824,292)	(19,699,176)
Trade accounts payable - subsidiary	-	-	496,314,921	208,462,037
Trade accounts payable - others	383,022,685	419,181,985	442,543,663	431,119,617
Other payables - parent	37,205,749	-	37,205,749	-
Payables for purchase of land	(1,951,847,427)	(1,132,717,887)	(1,951,847,427)	(1,132,717,888)
Customers' deposits	251,530,148	(164,523,470)	298,002,794	(65,073,133)
Other current liabilities	344,705,242	178,130,860	344,623,958	(54,671,076)
Net cash generated from operating	3,289,803,564	6,061,375,849	1,019,395,987	1,147,805,112
Taxes paid	(1,769,632,669)	(1,630,454,743)	(1,274,090,397)	(1,127,119,286)
<b>Net cash from (used in) operating activities</b>	<b>1,520,170,895</b>	<b>4,430,921,106</b>	<b>(254,694,410)</b>	<b>20,685,826</b>

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Statement of cash flows

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended		Year ended	
	31 December		31 December	
<i>Note</i>	2017	2016	2017	2016
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Proceeds from sale of equipment	18,017,876	29,148,026	6,387,820	7,976,947
Acquisition of property, plant and equipment	(434,486,691)	(227,150,530)	(424,261,320)	(197,852,141)
Acquisition of intangible assets	(55,948,970)	(72,312,688)	(55,948,969)	(72,138,812)
Proceeds from sale of investment properties	7,828,800	17,360,000	6,990,000	17,360,000
Short-term loans to subsidiaries	-	-	(3,850,946,020)	(6,735,633,793)
Proceeds from repayment of short-term loans to subsidiaries	-	-	3,320,187,299	9,086,586,999
Short-term loans to other related parties	(23,358,128)	-	(23,358,128)	-
Proceeds from repayment of short-term loans to other related parties	22,633,176	-	22,633,176	-
Proceeds from sale of current investments	303,334,890	3,415,418,976	-	3,044,785,945
Acquisition of current investments	(56,941,202)	(3,333,599,146)	-	(3,042,582,948)
Dividend received	-	-	2,199,999,475	1,999,999,600
<b>Net cash from (used in) investing activities</b>	<b>(218,920,249)</b>	<b>(171,135,362)</b>	<b>1,201,683,333</b>	<b>4,108,501,797</b>
<b><i>Cash flows from financing activities</i></b>				
Proceeds from issue of shares	-	26,227,080	-	26,227,080
Proceed from short-term loans from subsidiaries	-	-	6,103,460,437	3,872,759,325
Repayment of short-term loans from subsidiaries	-	-	(5,922,684,478)	(3,748,059,775)
Proceed from short-term loans from other related parties	4,352,975,000	-	4,352,975,000	-
Repayment of short-term loans from other related parties	(2,941,606,545)	-	(2,941,606,545)	-
Increase in short-term loans from financial institutions, net	902,049,982	1,897,950,018	902,049,982	1,897,950,018
Proceed from long-term debentures	9,500,000,000	4,000,000,000	9,500,000,000	4,000,000,000
Repayment of long-term debentures	(6,000,000,000)	(6,000,000,000)	(6,000,000,000)	(6,000,000,000)
Dividends paid to owner of the Company	(5,626,358,640)	(4,130,461,700)	(5,626,358,640)	(4,130,461,700)
Interest paid	(764,710,645)	(803,075,054)	(829,008,298)	(777,863,862)
<b>Net cash used in financing activities</b>	<b>(577,650,848)</b>	<b>(5,009,359,656)</b>	<b>(461,172,542)</b>	<b>(4,859,448,914)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>723,599,798</b>	<b>(749,573,912)</b>	<b>485,816,381</b>	<b>(730,261,291)</b>
Cash and cash equivalents at 1 January	585,384,840	1,334,958,752	393,666,550	1,123,927,841
<b>Cash and cash equivalents at 31 December</b>	<b>1,308,984,638</b>	<b>585,384,840</b>	<b>879,482,931</b>	<b>393,666,550</b>
<b><i>Non-cash transactions:</i></b>				
Increase (decrease) in equipment payable	(10,100,775)	19,516,612	(7,019,013)	19,935,207
Transfer of investment properties from real estate projects under development, net	(391,022,668)	(27,162,469)	(391,022,668)	(36,009,515)

The accompanying notes are an integral part of these financial statements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

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# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2018.

### 1 General information

Pruksa Real Estate Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 1177, Pearl Bangkok Tower 23<sup>th</sup> floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok.

During 2016, the Company pursuant to the restructuring plan which was approved by the annual general shareholders meeting of the Company, held on 28 April 2016, the Company has arranged to establish Pruksa Holding Public Company Limited (“Pruksa Holding”) to make a tender offer for all shares of the Company in exchange for the newly issued share of Pruksa Holding at the swap ratio of 1:1. The tender offer was completed on 25 November 2016. The total share swap is 97.90 % of the Company’s total issued share. Pruksa Holding’s shares was listed on the Stock Exchange of Thailand in place of the Company’s shares which were delisted from the Stock Exchange of Thailand on the same day.

The immediate parent company during the financial year was Pruksa Holding Public Company Limited (97.90% shareholding), which incorporated in Thailand.

The principal activity of the Company is real estate development in Thailand. Details of the Company’s subsidiaries and joint ventures as at 31 December 2017 and 2016 are disclosed in notes 4, 8 and 9.

### 2 Basis of preparation of the financial statements

#### (a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”).

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group has made a preliminary assessment of the potential initial impact on the Group’s financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

#### (b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### *Items*

Available-for-sale investments  
Defined benefit liability

### *Measurement bases*

Fair value  
Present value of the defined benefit obligation as explained in Note 3 (n)

#### (c) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

#### (d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### (i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 25              Lease classification

##### (ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 7              Net realisable value test of real estate projects under development;  
Note 10            Net realisable value test of investment properties;  
Note 13            Recognition of deferred tax assets;  
Note 17            Measurement of defined benefit obligations: key actuarial assumptions; and  
Note 34            Recognition and measurement of provisions and contingencies

### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes.

- Note 10 - Investment property
- Note 19 - Warrants; and
- Note 32 - Financial instruments.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) *Basic of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **(b) Foreign currencies**

### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of a joint venture while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

### (c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange arising from investing activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

#### *Hedge of exchange rates*

The Group has a policy to mitigate the foreign exchange risk by entering into forward exchange contracts covering foreign currency monetary transactions. In this regard, all monetary transactions are translated to the functional currency at the rates prevailing at the reporting date, adjusted by net receivables/payables arising from the related forward exchange contracts and the remaining deferred forward premium/discount. The related forward premium/discount is recorded as income/expense over the forward contract term. The amortised forward premium/discount and gains/losses on the forward exchange contracts covering foreign currency monetary transactions are offset against the related exchange losses or gains on the foreign currency monetary transactions being hedged.

### (d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

### (e) *Other accounts receivable*

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### (f) *Real estate development projects*

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate projects under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development property are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

The cost of construction materials is calculated using the moving-weighted average cost principle.

The cost of sample houses and real estate projects under development is calculated using standard cost adjusted to approximate average cost which includes an appropriate share of production overheads based on normal developing capacity.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

The cost of land is calculated using specifically identified costs.

### (g) *Investments*

#### *Investments in subsidiaries and joint ventures*

Investments in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

#### *Investments in mutual fund*

Mutual funds are marketable equity securities, classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the profit or loss.

The fair value of investments in mutual fund is determined as the net asset value at the reporting date.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, 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.

### (h) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties comprised land, which is measured at cost less impairment losses.

### (i) *Property, plant and equipment*

#### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	8 - 10	Years
Building and decoration	3 - 27	Years
Machinery and equipment	3 - 20	Years
Furniture, fixtures and office equipment	3, 5	Years
Public utilities	20	Years
Transportation equipment	5	Years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## **(j) Intangible assets**

### *Software licenses*

Software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are 10 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### (k) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

#### *Calculation of recoverable amount*

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### *Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

**(l) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings.

**(m) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(n) Employee benefits**

*Defined contribution plan*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plan*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### (o) *Share-based payments*

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

### (p) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### *Warranties*

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

### (q) *Revenue*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### *Sale of goods and rendering of services*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

#### *Construction contracts*

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

### *Revenue from sale of real estate*

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or delivery, revenue is recognised when the criteria described above for sales of goods and services are met.

### *Dividend income*

Dividend income is recognised in the profit or loss on the date the Group's right to receive payments is established.

### *Interest and other income*

Interest and other income are recognised in the profit or loss as they accrue.

### **(r) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale.

### **(s) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### (t) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (u) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### (v) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly primarily the Company's headquarters assets and head office revenues and expenses and tax assets.

### 4 **Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and joint ventures are described in notes 8 and 9. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Pruksa Holding Public Company Limited	Thai	Immediate parent companies (97.90% shareholding).
Kaysorn Construction Company Limited	Maldives	Branch of Kaysorn Construction Company Limited
Vimut Hospital Holding Co., Ltd.	Thai	Common directors
Vimut International Hospital Co., Ltd.	Thai	Common directors
T C T Co., Ltd.	Thai	Common directors
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of raw materials	Cost plus margin
Sale of lands	Agreed price
Interest income	MLR, MLR-2 and 4%
Dividend income	The declared amount
Management income	Agreed prices
Other income	Cost plus 1% to 5%
Interest expense	MLR, MLR-2% and 4%
Management fee	Agreed prices
Rental and service charges	Agreed prices

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Parent</b>				
Management income	1.31	-	1.31	-
Management fee	37.21	-	37.21	-
Interest income	0.56	-	0.56	-
Interest expense	36.92	-	36.92	-
<b>Subsidiaries</b>				
Sales of raw materials	-	-	282.40	393.02
Sale of lands	-	-	299.96	102.42
Interest income	-	-	56.93	119.38
Other income	-	-	8.47	10.29
Dividend income	-	-	2,200.00	2,000.00
Interest expense	-	-	71.06	64.42
<b>Other related parties</b>				
Management income	8.81	-	8.81	-
Rental and service charges	56.81	-	50.52	-
Interest income	0.01	-	0.01	-
Interest expense	0.21	-	0.21	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	208.84	209.12	208.84	209.12
Post-retirement benefits	4.48	3.22	4.48	3.22
Share-base payments	5.18	0.49	5.18	0.49
<b>Total key management personnel compensation</b>	<b>218.50</b>	<b>212.83</b>	<b>218.50</b>	<b>212.83</b>

Balances as at 31 December with related parties were as follows:

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
<b>Receivable from subsidiaries</b>		
Phanalee Estate Co., Ltd.	3.83	-
Kaysorn Construction Co., Ltd.	77.64	118.92
Pruksa India Housing Private Limited	-	0.87
	<b>81.47</b>	<b>119.79</b>
<b>Short-term loans to parent</b>		
Pruksa Holding Public Company Limited	<b>0.72</b>	-

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Movements during the years ended 31 December of short-term loans to parent were as follows:

	Separate financial statements	
	2017	2016
	(in million Baht)	
At 1 January	-	-
Increase	23.36	-
Decrease	(22.64)	-
<b>At 31 December</b>	<b>0.72</b>	<b>-</b>

	Separate financial statements	
	2017	2016
	(in million Baht)	
<b>Short-term loans to subsidiaries</b>		
Phanalee Estate Co., Ltd.	3.21	64.48
Putthachart Estate Co., Ltd.	0.01	-
Kaysorn Construction Co., Ltd.	1,190.00	597.99
	<b>1,193.22</b>	<b>662.47</b>
<b>Accrued interest income - subsidiaries</b>		
Phanalee Estate Co., Ltd.	2.40	0.01
Kaysorn Construction Co., Ltd.	58.71	10.65
	<b>61.11</b>	<b>10.66</b>
<b>Total short - term loans and accrued interest income-subsidiaries</b>	<b>1,254.33</b>	<b>673.13</b>

Movements during the years ended 31 December of short-term loans to subsidiaries were as follows:

	Separate financial statements	
	2017	2016
	(in million Baht)	
At 1 January	662.47	3,013.42
Increase	3,850.94	6,735.63
Decrease	(3,320.19)	(9,086.58)
<b>At 31 December</b>	<b>1,193.22</b>	<b>662.47</b>

	Separate financial statements	
	2017	2016
	(in million Baht)	
<b>Advance payment - parent (presents under other current assets)</b>		
Pruksa Holding Public Co., Ltd.	-	39.59

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
<b>Deposit for rental and service - Other related party (presents under other non-current assets)</b>				
T C T Co., Ltd.	44.41	-	35.34	-



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
<b><i>Trade accounts payable - subsidiaries</i></b>		
Phanalee Estate Co., Ltd.	-	7.34
Putthachart Estate Co., Ltd.	4.36	34.71
Kaysorn Construction Co., Ltd.	858.22	324.22
	<b>862.58</b>	<b>366.27</b>
<b><i>Other payables - parent</i></b>		
Pruksa Holding Public Co., Ltd.	<b>37.21</b>	-
<b><i>Short-term loans from parent</i></b>		
Pruksa Holding Public Company Limited	<b>1,458.24</b>	-
<b><i>Accrued interest expense - parent</i></b>		
Pruksa Holding Public Company Limited	<b>13.92</b>	-
<b><i>Total short-term loans and accrued interest expense - parent</i></b>	<b>1,472.16</b>	-

Movements during the years ended 31 December of short-term loans from parent were as follows:

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
At 1 January	-	-
Increase	4,399.84	-
Decrease	(2,941.60)	-
<b>At 31 December</b>	<b>1,458.24</b>	-

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
<b><i>Short-term loans from subsidiaries</i></b>		
Pruksa International Co., Ltd.	711.50	540.00
Pruksa Oversea Co., Ltd.	325.00	239.50
Phanalee Estate Co., Ltd.	400.00	537.43
Putthachart Estate Co., Ltd.	790.77	701.77
Kaysorn Construction Co., Ltd.	-	27.80
	<b>2,227.27</b>	<b>2,046.50</b>
<b><i>Accrued interest expense - subsidiaries</i></b>		
Pruksa International Co., Ltd.	13.90	20.12
Pruksa Oversea Co., Ltd.	6.81	9.41
Phanalee Estate Co., Ltd.	0.93	0.30
Putthachart Estate Co., Ltd.	8.46	1.48
	<b>30.10</b>	<b>31.31</b>
<b><i>Total short-term loans and accrued interest expense-subsidiaries</i></b>	<b>2,257.37</b>	<b>2,077.81</b>



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Movements during the years ended 31 December of short-term loans from subsidiaries were as follows:

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
At 1 January	2,046.50	1,921.80
Increase	6,103.45	3,872.76
Decrease	(5,922.68)	(3,748.06)
<b>At 31 December</b>	<b>2,227.27</b>	<b>2,046.50</b>

	<b>Separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
<b><i>Retention payable - subsidiary (presents under other current liabilities)</i></b>		
Thanatep Engineering and Construction Co., Ltd.	<b>5.71</b>	<b>5.90</b>

### ***Significant agreements with related parties***

- The Company had lease agreements covering office space (including related service charges) with a director of the Company, which ended in November 2017. The rental and service charges for the years ended 31 December 2017 amounted to Baht 2.9 million (2016: Baht 3.2 million).
- The Company and subsidiaries had 3 years lease agreements covering office space (including related service charges) with other related party, during 1 November 2017- 31 October 2020. The lessor delivered the premises to the Group from 1 August 2017. The rental and service charges for the years ended 31 December 2017 for consolidated and separate financial statement amounted to Baht 56.8 million and Baht 50.5 million, respectively.
- The Company and subsidiaries had partly registered land servitude accumulative value of Baht 15.3 million and Baht 1,754.56 million (2016: Baht 14.9 million and Baht 1,320.2 million), respectively, which is subject to servitudes and restrictions to the projects of the Group for construction of the utilities of the projects with no time limit. During the year ended 31 December 2017, the Company and the subsidiaries have registered land servitude and ceded land for the public interest amounting to Baht 7.5 million and Baht 711.0 million (2016: Baht 6.5 million and Baht 213.3 million), respectively, and for which the Company and subsidiaries have received compensation of Baht 7.5 million and Baht 718.1 million (2016: Baht 6.6 million and Baht 215.4 million), respectively.
- The Company and subsidiaries had loan agreements for loan lines totaling Baht 7,100 million which interest rate at MLR -2% per annum and are repayable on demand. In addition, the subsidiaries had advance agreement with the Company at rate MLR per annum.
- The Company and parent had loan agreements for the loan lines to Baht 3,800 million which interest rate at MLR-2% per annum and are repayable on demand. In addition, the parent had advance agreement with the Company at rate MLR per annum.
- The Company and other related parties had loan agreements for the loan lines to Baht 102 million which interest rate at MLR-2% per annum and are repayable on demand. In addition, the other related parties had advance agreement with the Company at rate MLR per annum.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Cash on hand	19	4	19	4
Cash at banks-current accounts	41	27	12	8
Cash at banks-savings accounts	264	145	141	57
Cash at banks-fixed deposits	102	-	-	-
Cheques on hand	880	408	704	324
Others	3	1	3	1
<b>Total</b>	<b>1,309</b>	<b>585</b>	<b>879</b>	<b>394</b>

### 6 Current investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
<b>Current investments</b>				
Mutual fund-available for sale investments	-	246	-	-
<b>Total</b>	<b>-</b>	<b>246</b>	<b>-</b>	<b>-</b>

Movements during the years ended 31 December of mutual fund-available for sale investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	246	326	-	-
Purchases during the year	57	3,334	-	3,043
Sales during the year	(303)	(3,414)	-	(3,043)
<b>At 31 December</b>	<b>-</b>	<b>246</b>	<b>-</b>	<b>-</b>

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 7 Real estate projects under development

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Note</i>	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Construction materials	677	455	626	410
Sample houses	1,302	1,083	1,149	847
Projects under development				
- land	30,353	27,267	27,671	24,880
- land improvements	1,473	1,468	1,252	1,189
- construction cost	4,114	4,908	3,817	4,393
- public utilities	2,233	1,840	2,008	1,638
- overhead costs	2,279	1,870	2,125	1,724
- interest costs	723	594	785	669
	41,175	37,947	37,658	34,493
Land, and land and houses for sale	11,743	11,363	9,552	8,450
Land held for development	8,999	9,090	7,642	7,424
<b>Total</b>	<b>63,896</b>	<b>59,938</b>	<b>56,627</b>	<b>51,624</b>
Less Losses on real estate projects under development devaluation	(105)	(100)	(25)	(18)
<b>Net</b>	<b>63,791</b>	<b>59,838</b>	<b>56,602</b>	<b>51,606</b>
Finance costs capitalised during the year	27 564	502	565	433
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(projects)</i>			
<b>Number of projects under development</b>				
Townhouse	140	127	113	98
Single house	51	41	47	39
Twin house	10	9	6	5
Condominium	20	16	20	15
Foreign	-	1	-	-
<b>Total projects</b>	<b>221</b>	<b>194</b>	<b>186</b>	<b>157</b>

Real estate projects under development (land and structure thereon) are used as collateral for credit facilities from banks (see note 14 to the financial statements).

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 8 Investments in joint ventures

	<b>Consolidated financial statements</b>	
	<b>2017</b>	<b>2016</b>
	<i>(in million Baht)</i>	
<b>Joint ventures</b>		
At 1 January	108	108
Share of net losses in joint ventures	-	(2)
Reversal of share of loss of investments in joint ventures	-	2
<b>At 31 December</b>	<b>108</b>	<b>108</b>

During the year ended 31 December 2017 and 2016 there were no acquisitions and disposals of investments in joint ventures.

## Prukسا Real Estate Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

Investments in joint ventures as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended, were as follows:

#### Consolidated financial statements

Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<i>Joint ventures - indirect shareholding by a subsidiary</i>											
Pruksa HDC	Property										
Housing Private Limited	development and construction	80.00	80.00	129.6	129.6	129.6	129.6	108.0	108.0	-	-
Pruksa - Luxora	Property										
Housing Private Limited	development and construction	50.00	50.00	0.3	0.3	0.3	0.3	-	-	-	-
<b>Total</b>						<b>129.9</b>	<b>129.9</b>	<b>108.0</b>	<b>108.0</b>	<b>-</b>	<b>-</b>

The joint venture agreement provides that the joint venturers have joint control and management.

None of the Group's joint ventures are publicly listed and consequently do not have published price quotations.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 9 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<i>(in million Baht)</i>	
At 1 January	3,200	3,200
<b>At 31 December</b>	<b>3,200</b>	<b>3,200</b>

During the year ended 31 December 2017 and 2016 there were no acquisitions and disposals of investments in subsidiaries.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Investments in subsidiaries as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended were as follows:

		Separate financial statements								
	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost method (in million Baht)		Dividend income	
			2017	2016	2017	2016	2017	2016	2017	2016
<b>Subsidiaries</b> <b>Direct</b> Kaysorn Construction Co., Ltd.	Services, management, home decoration and construction	Thailand	100.00	100.00	100.0	100.0	100.0	100.0	-	-
	Sale of real estate	Thailand	100.00	100.00	800.0	800.0	800.0	800.0	500.0	1,600.0
	Sale of real estate	Thailand	100.00	100.00	800.0	800.0	800.0	800.0	1,700.0	400.0
	Investment	Thailand	100.00	100.00	500.0	500.0	500.0	500.0	-	-
	Investment	Thailand	100.00	100.00	1,000.0	1,000.0	1,000.0	1,000.0	-	-
<b>Indirect</b> Pruksa India Housing Private Limited	Property development and construction	India	100.00	100.00	9.8	13.1	-	-	-	-
	Construction	India	100.00	100.00	0.7	0.7	-	-	-	-
	Property development and construction	Vietnam	100.00	100.00	106.1	106.1	-	-	-	-
	Service and management	Thailand	100.00	100.00	2.5	2.5	-	-	-	-
	Property development and construction	India	84.85	84.85	-	0.6	-	-	-	-

## Pruksa Real Estate Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

Separate financial statements									
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost method		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016
		(%)				(in million Baht)			
Thanatep Engineering and Construction Company Limited****	Thailand	51.00	51.00	5.0	5.0	-	-	-	-
<b>Total</b>						<b>3,200.0</b>	<b>3,200.0</b>	<b>2,200.0</b>	<b>2,000.0</b>

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

\* - Ownership interest in Pruksa Vietnam Company Limited, according to the agreement, is 85:15 when all shares are fully paid. However, as at 31 December 2017, the Company indirectly held 100% of share in Pruksa Vietnam Company Limited because the joint venture hasn't paid for the shares.

\*\* - Pruksa Oversea Service Company Limited has registered for dissolution with the Ministry of Commerce on 4 October 2017. The company is in liquidation process.

\*\*\* - Pruksa Mohan Mutha Real Estate Private Limited was liquidated during the year.

\*\*\*\* - Thanatep Engineering and Construction Company Limited has registered for dissolution with the Ministry of Commerce on 25 August 2011. The company is in liquidation process.



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 10 Investment properties

	Consolidated financial statements (in million Baht)	Separate financial statements
<b>Cost</b>		
At 1 January 2016	385	281
Disposals	(14)	(14)
Transfer from real estate projects under development	71	36
Transfer to real estate projects under development	(44)	-
<b>At 31 December 2016 and 1 January 2017</b>	<b>398</b>	<b>303</b>
Disposals	(1)	(1)
Transfer from real estate projects under development	427	427
Transfer to real estate projects under development	(36)	(36)
<b>At 31 December 2017</b>	<b>788</b>	<b>693</b>
<b>Impairment loss</b>		
At 1 January 2016	153	113
<b>At 31 December 2016 and 1 January 2017</b>	<b>153</b>	<b>113</b>
Decrease	(6)	-
<b>At 31 December 2017</b>	<b>147</b>	<b>113</b>
<b>Net book value</b>		
At 1 January 2016	232	168
<b>At 31 December 2016 and 1 January 2017</b>	<b>245</b>	<b>190</b>
<b>At 31 December 2017</b>	<b>641</b>	<b>580</b>

The fair value of investment properties as at 31 December 2017 of the Group and the Company of Baht 682.0 million and 614.3 million. (2016: Baht 275.2 million and 219.6 million), respectively was determined by independent professional valuers, at market values. The fair value measurement for investment property has been categorised as a Level 2 fair value.

The Group's investment properties comprise land held for which there is no specific intention to use in the future.

#### Measurement of fair value

##### Fair value hierarchy

The fair value of investment property was determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for investment property has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 11 Property, plant and equipment

#### Consolidated financial statements

	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation	Total
				<i>(in million Baht)</i>				
<b>Cost</b>								
At 1 January 2016	846	1,675	2,886	341	17	44	47	5,856
Additions	-	-	130	20	-	3	94	247
Transfers, net	-	24	38	30	-	1	(93)	-
Disposals	-	-	(203)	(40)	-	(9)	-	(252)
<b>At 31 December 2016 and 1 January 2017</b>	<b>846</b>	<b>1,699</b>	<b>2,851</b>	<b>351</b>	<b>17</b>	<b>39</b>	<b>48</b>	<b>5,851</b>
Additions	-	16	75	61	-	3	259	414
Transfers, net	5	108	27	42	-	-	(182)	-
Disposals	(4)	(52)	(121)	(92)	-	(5)	-	(274)
<b>At 31 December 2017</b>	<b>847</b>	<b>1,771</b>	<b>2,832</b>	<b>362</b>	<b>17</b>	<b>37</b>	<b>125</b>	<b>5,991</b>
<b>Accumulated depreciation and impairment losses</b>								
At 1 January 2016	12	416	1,241	264	17	34	-	1,984
Depreciation charge for the year	4	95	259	43	-	3	-	404
Disposals	-	-	(176)	(38)	-	(6)	-	(220)
<b>At 31 December 2016 and 1 January 2017</b>	<b>16</b>	<b>511</b>	<b>1,324</b>	<b>269</b>	<b>17</b>	<b>31</b>	<b>-</b>	<b>2,168</b>
Depreciation charge for the year	4	101	260	40	-	3	-	408
Disposals	-	(52)	(105)	(86)	-	(5)	-	(248)
<b>At 31 December 2017</b>	<b>20</b>	<b>560</b>	<b>1,479</b>	<b>223</b>	<b>17</b>	<b>29</b>	<b>-</b>	<b>2,328</b>

For the year ended 31 December 2017

## Consolidated financial statements

*Net book value*

**At 1 January 2016**

Owned assets

## Assets under finance leases

**At 31 December 2016 and**

1 January 2017

Owned assets

Assets under finance leases

**At 31 December 2017**

Owned assets

Assets under finance leases

## For the year ended 31 December 2017

Separate financial statements									
	Land and land improvement	Building and decoration	Machinery and equipment	Furniture, fixtures and office equipment	Public utilities	Transportation equipment	Assets under construction and installation	Total	
	<i>(in million Baht)</i>								
<b>Cost</b>									
At 1 January 2016	846	1,675	2,730	306	17	35	47	5,656	
Additions	-	-	102	19	-	2	94	217	
Transfers, net	-	24	39	30	-	1	(94)	-	
Disposals	-	-	(132)	(34)	-	(5)	-	(171)	
<b>At 31 December 2016 and 1 January 2017</b>	<b>846</b>	<b>1,699</b>	<b>2,739</b>	<b>321</b>	<b>17</b>	<b>33</b>	<b>47</b>	<b>5,702</b>	
Additions	-	16	70	59	-	3	259	407	
Transfers, net	5	108	27	42	-	-	(182)	-	
Disposals	(4)	(52)	(79)	(84)	-	(4)	-	(223)	
<b>At 31 December 2017</b>	<b>847</b>	<b>1,771</b>	<b>2,757</b>	<b>338</b>	<b>17</b>	<b>32</b>	<b>124</b>	<b>5,886</b>	
<b>Accumulated depreciation and impairment losses</b>									
At 1 January 2016	12	414	1,144	237	17	28	-	1,852	
Depreciation charge for the year	4	95	240	40	-	3	-	382	
Disposals	-	-	(124)	(33)	-	(4)	-	(161)	
<b>At 31 December 2016 and 1 January 2017</b>	<b>16</b>	<b>509</b>	<b>1,260</b>	<b>244</b>	<b>17</b>	<b>27</b>	<b>-</b>	<b>2,073</b>	
Depreciation charge for the year	4	100	246	38	-	3	-	391	
Disposals	-	(52)	(76)	(79)	-	(4)	-	(211)	
<b>At 31 December 2017</b>	<b>20</b>	<b>557</b>	<b>1,430</b>	<b>203</b>	<b>17</b>	<b>26</b>	<b>-</b>	<b>2,253</b>	

For the year ended 31 December 2017

## Separate financial statements

The gross amount of the Company and the Group's fully depreciated property, plant and equipment but was still in use as at 31 December 2017 amounted to Baht 545 million and Baht 561 million (2016: Baht 656 million and Baht 685 million), respectively.

## Collateral

At 31 December 2017, the Company's property, plant and equipment with a net book value of Baht 1,267 million (2016: Baht 1,344 million) are used as collateral for credit facilities with banks (see note 14 to the financial statements).

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 12 Intangible assets

	Consolidated financial statements Software licenses (in million Baht)	Separate financial statements Software licenses
<b>Cost</b>		
At 1 January 2016	512	494
Additions	72	72
Disposals	(6)	(3)
<b>At 31 December 2016 and 1 January 2017</b>	<b>578</b>	<b>563</b>
Additions	57	57
<b>At 31 December 2017</b>	<b>635</b>	<b>620</b>
<b>Accumulated amortisation</b>		
At 1 January 2016	198	182
Amortisation charge for the year	49	48
Disposals	(3)	(1)
<b>At 31 December 2016 and 1 January 2017</b>	<b>244</b>	<b>229</b>
Amortisation charge for the year	59	59
<b>At 31 December 2017</b>	<b>303</b>	<b>288</b>
<b>Net book value</b>		
<b>At 1 January 2016</b>	<b>314</b>	<b>312</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>334</b>	<b>334</b>
<b>At 31 December 2017</b>	<b>332</b>	<b>332</b>

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 13 Deferred tax

Movements in total deferred tax assets and liability during the years were as follows:

	As at 1 January 2017	Consolidated financial statements (Charged) / credited to (Note 28)		As at 31 December 2017
		Profit or loss	Other comprehensive income	
		(in million Baht)		
<b>Deferred tax assets</b>				
Real estate projects under development	3	1	-	4
Investment properties	29	(1)	-	28
Property, plant and equipment	23	-	-	23
Employee benefit obligations	52	10	3	65
Customers' deposits	2	(2)	-	-
Provision for litigation and claims	23	(9)	-	14
Foreign currency translation for foreign operations	14	-	(2)	12
Others	10	(8)	-	2
<b>Total</b>	<b>156</b>	<b>(9)</b>	<b>1</b>	<b>148</b>
<b>Deferred tax liability</b>				
Property, plant and equipment	(84)	(12)	-	(96)
<b>Total</b>	<b>(84)</b>	<b>(12)</b>	<b>-</b>	<b>(96)</b>
<b>Net</b>	<b>72</b>	<b>(21)</b>	<b>1</b>	<b>52</b>

	As at 1 January 2016	Consolidated financial statements (Charged) / credited to (Note 28)		As at 31 December 2016
		Profit or loss	Other comprehensive income	
		(in million Baht)		
<b>Deferred tax assets</b>				
Real estate projects under development	4	(1)	-	3
Investment properties	29	-	-	29
Property, plant and equipment	23	-	-	23
Employee benefit obligations	44	8	-	52
Customers' deposits	11	(9)	-	2
Provision for litigation and claims	29	(6)	-	23
Foreign currency translation for foreign operations	9	-	5	14
Others	14	(4)	-	10
<b>Total</b>	<b>163</b>	<b>(12)</b>	<b>5</b>	<b>156</b>
<b>Deferred tax liability</b>				
Property, plant and equipment	(65)	(19)	-	(84)
<b>Total</b>	<b>(65)</b>	<b>(19)</b>	<b>-</b>	<b>(84)</b>
<b>Net</b>	<b>98</b>	<b>(31)</b>	<b>5</b>	<b>72</b>

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

**Separate financial statements**

(Charged) / credited to

(Note 28)

	As at 1 January 2017	Profit or loss	Other comprehensive income	As at 31 December 2017
		(in million Baht)		
<b>Deferred tax assets</b>				
Real estate projects under development	3	2	-	5
Investment properties	23	-	-	23
Property, plant and equipment	23	-	-	23
Employee benefit obligations	51	10	3	64
Provision for litigation and claims	23	(9)	-	14
Others	13	(10)	-	3
<b>Total</b>	<b>136</b>	<b>(7)</b>	<b>3</b>	<b>132</b>
<b>Deferred tax liability</b>				
Property, plant and equipment	(84)	(12)	-	(96)
<b>Total</b>	<b>(84)</b>	<b>(12)</b>	<b>-</b>	<b>(96)</b>
<b>Net</b>	<b>52</b>	<b>(19)</b>	<b>3</b>	<b>36</b>

**Separate financial statements**

(Charged) / credited to

(Note 28)

	As at 1 January 2016	Profit or loss	Other comprehensive income	As at 31 December 2016
		(in million Baht)		
<b>Deferred tax assets</b>				
Real estate projects under development	4	(1)	-	3
Investment properties	22	1	-	23
Property, plant and equipment	23	-	-	23
Employee benefit obligations	43	8	-	51
Provision for litigation and claims	29	(6)	-	23
Others	14	(1)	-	13
<b>Total</b>	<b>135</b>	<b>1</b>	<b>-</b>	<b>136</b>
<b>Deferred tax liability</b>				
Property, plant and equipment	(64)	(20)	-	(84)
<b>Total</b>	<b>(64)</b>	<b>(20)</b>	<b>-</b>	<b>(84)</b>
<b>Net</b>	<b>71</b>	<b>(19)</b>	<b>-</b>	<b>52</b>



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 14 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
<b>Current</b>				
Short-term loans from financial institutions				
Secured	1,160	-	-	-
Unsecured	1,640	1,898	2,800	1,898
Current portion of long-term debentures				
Unsecured	6,000	6,000	6,000	6,000
Short-term loans from parent				
Unsecured	1,458	-	1,458	-
Short-term loans from subsidiaries				
Unsecured	-	-	2,227	2,078
<b>Total current interest-bearing liabilities</b>	<b>10,258</b>	<b>7,898</b>	<b>12,485</b>	<b>9,976</b>
<b>Non-current</b>				
Long-term debentures				
Unsecured	15,500	12,000	15,500	12,000
<b>Total non-current interest-bearing liabilities</b>	<b>15,500</b>	<b>12,000</b>	<b>15,500</b>	<b>12,000</b>
<b>Total</b>	<b>25,758</b>	<b>19,898</b>	<b>27,985</b>	<b>21,976</b>

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Within one year	10,258	7,898	12,485	9,976
After one year but within five years	15,500	12,000	15,500	12,000
<b>Total</b>	<b>25,758</b>	<b>19,898</b>	<b>27,985</b>	<b>21,976</b>

As at 31 December 2017, unutilised credit facilities totaled Baht 23,892 million, US Dollars 4 million (Baht 131 million) and India Rupee 65 million (Baht 35 million) (2016: Baht 20,697 million, US Dollars 4 million (Baht 144 million) and India Rupee 65 million (Baht 36 million)) for the Group, and Baht 23,267 million, US Dollars 4 million (Baht 131 million) and India Rupee 65 million (Baht 35 million) (2016: Baht 20,072 million, US Dollars 4 million (Baht 144 million) and India Rupee 65 million (Baht 36 million)) for the Company.

Credit facilities of the Company and the Group that used assets as collateral as at 31 December 2017 were as follows:

- Loan lines from banks of Baht 1,197 million (2016: Baht 789 million) for the Company and the Group.
- Bank overdraft lines of Baht 50 million (2016: Baht 50 million) for the Company and the Group.

## Pruksa Real Estate Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

- (c) Letter of guarantee lines of Baht 5,400 million, US Dollars 4 million (Bath 131 million) and Indian Rupee 65 million (Baht 35 million) (2016: Baht 5,400 million, US Dollars 4 million (Baht 144 million) and India Rupee 65 million (Baht 36 million)) for the Company and Baht 5,911 million, US Dollars 4 million (Bath 131 million) and India Rupee 65 million (Baht 35 million) (2016: Baht 5,911 million, US Dollars 4 million (Baht 144 million) and India Rupee 65 million (Baht 36 million)) for the Group.
- (d) Promissory note lines from bank of Baht 10,856 million (2016: Baht 9,792 million) for the Company and the Group.
- (e) Other credit facilities of Baht 605 million (2016: Baht 605 million) for the Company and the Group.

Credit facilities were secured on the following assets at carrying value:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Property, plant and equipment	1,267	1,344	1,267	1,344
Real estate projects under development (Land and properties)	3,305	4,301	3,305	4,121
<b>Total</b>	<b>4,572</b>	<b>5,645</b>	<b>4,572</b>	<b>5,465</b>

In addition, some part of subsidiaries' credit facilities are guaranteed by the Company.

#### *Loans from financial institutions*

Loans from financial institutions bear interest at market rates.

Certain loans contain restrictions on financial ratios, interest-bearing liabilities to equity ratio and payment of dividends.

# Prukسا Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### Debentures

Debentures of the Group as at 31 December 2017 and 2016 were unsubordinated and unsecured with face value of Baht 1,000 per unit. At shareholders' meetings of the Company, the shareholders approved the issuance and offer for sale of debt securities as follows:

Consolidated financial statements / separate financial statements								
Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Units Amount		
						2017 (million units)	2016 (million units)	2017 (in million Baht)
<b>No. 1/2012*</b>								
Set 2	4.60%	every 3 months	5 years	September 2012	September 2017	-	0.6	600
Set 4	4.60%	every 3 months	5 years	September 2012	September 2017	-	1.4	1,400
<b>No. 1/2013**</b>								
Set 2	4.09%	every 3 months	5 years	May 2013	May 2018	3.0	3.0	3,000
<b>No. 1/2014*</b>								
Set 1	3.88%	every 3 months	3 years	January 2014	January 2017	-	2.0	2,000
<b>No. 2/2014***</b>								
Set 1	3.71%	every 3 months	2 years 9 months	September 2014	June 2017	-	2.0	2,000
Set 2	3.90%	every 3 months	3 years 6 months	September 2014	March 2018	2.0	2.0	2,000
<b>No. 1/2015***</b>								
Set 1	2.68%	every 3 months	3 years 6 months	May 2015	November 2018	1.0	1.0	1,000
Set 2	3.23%	every 3 months	5 years	May 2015	May 2020	2.0	2.0	2,000
<b>No. 1/2016****</b>								
Set 1	2.05%	every 3 months	3 years	March 2016	March 2019	2.3	2.3	2,300
Set 2	2.08%	every 3 months	3 years 6 months	March 2016	September 2019	1.7	1.7	1,700
<b>No. 1/2017****</b>								
Set 1	2.63%	every 3 months	2 years 10 months	February 2017	November 2019	2.4	-	-
Set 2	2.85%	every 3 months	3 years 6 months	February 2017	July 2020	2.6	-	-
<b>No. 2/2017*****, *****</b>								
Set 1	2.64%	every 6 months	3 years 5 months	June 2017	November 2020	2.5	-	-

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Type of debenture	Interest rate (% per annum)	Interest payment due	Term	Issuance date	Maturity date	Consolidated financial statements / separate financial statements		
						Units	Amount	
						2017 (million units)	2016 (million units)	2017 (in million Baht)
<b>No.3/2017*****</b>						2.0	-	-
Set 1	2.27%	every 6 months	3 years 6 month	September 2017	March 2021	21.5	18.0	18,000
						(6.0)	(6.0)	(6,000)
						<b>15.5</b>	<b>12.0</b>	<b>12,000</b>
Total								
Less current portion of long-term debentures								
<b>Unsubordinated and unsecured debentures - net of current portion</b>								

## Pruksa Real Estate Public Company Limited and its Subsidiaries Notes to the financial statements

For the year ended 31 December 2017

- \* At the annual general meeting of the shareholders of the Company held on 27 April 2012, the shareholders approved the issue and offer for sales of debt securities not exceeding Baht 7,000 million to decrease the financial costs and support the expansion of project development. Such debentures will be offered to public investors and / or private investors following the declaration of the Securities and Exchange Commission that the Company may offer one-time sales and/or separate sales from time to time. During the third quarter of 2012, the Company issued debenture no. 1/2012 amounting to Baht 5,000 million and during the first quarter of 2014, the Company issued debenture no. 1/2014 amounting to Baht 2,000 million.
- \*\* At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the issue and offer for sales of debt securities to support future expansion of the Company in the aggregate principal amount of not exceeding Baht 6,000 million and maturity of not exceeding 5 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the second quarter of 2013, the Company issued debenture no. 1/2013 amounting to Baht 6,000 million.
- \*\*\* At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the issuance and offer for sale of debt securities to support future expansion of the Company in the aggregate principal amount of not exceeding Baht 7,000 million and maturity of not exceeding 7 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the third quarter of 2014, the Company issued debenture no. 2/2014 amounting to Baht 4,000 million and during the second quarter of 2015, the Company issued debenture no. 1/2015 amounting to Baht 3,000 million.
- \*\*\*\* At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the issuance and offer for sale of debt securities to support future expansion of the Company in the aggregate principal amount of not exceeding Baht 10,000 million and maturity of not exceeding 7 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the first quarter of 2016, the Company issued debenture no. 1/2016 amounting to Baht 4,000 million and during the first quarter of 2017, the Company issued debenture no. 1/2017 amounting to Baht 5,000 million and the second quarter of 2017, the Company issued debenture no. 2/2017 amounting to Baht 1,000 million.
- \*\*\*\*\* At the annual general meeting of the shareholders of the Company held on 28 April 2016, the shareholders approved the issuance and offer for sale of debt securities to support future expansion of the Company in the aggregate principal amount of not exceeding Baht 7,000 million and maturity of not exceeding 7 years. The type and interest rate of debt securities depend upon the market condition at the time of the issuance and offer for sale. During the second quarter of 2017, the Company issued debenture no. 2/2017 amounting to Baht 1,500 million. During the third quarter of 2017, the Company issued debenture no. 3/2017 amounting to Baht 2,000 million.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Movements during the years ended 31 December of debentures were as follows:

	<b>Consolidated financial statements / separate financial statements</b>	
	2017	2016
	<i>(in million Baht)</i>	
At 1 January	18,000	20,000
Issued during the year	9,500	4,000
Matured during the year	(6,000)	(6,000)
<b>At 31 December</b>	<b>21,500</b>	<b>18,000</b>

### 15 Trade accounts payable

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Related parties	-	-	863	366
Other parties	2,378	1,995	2,145	1,703
<b>Total</b>	<b>2,378</b>	<b>1,995</b>	<b>3,008</b>	<b>2,069</b>

### 16 Other current liabilities

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Accrued for real estate projects under development	790	744	565	485
Accrued for public utility	919	758	740	602
Accrued bonus	340	295	329	280
Retention payable	510	517	462	373
Accrued interest expense	73	53	73	53
Accrued withholding tax	56	60	52	54
Others	697	486	497	400
<b>Total</b>	<b>3,385</b>	<b>2,913</b>	<b>2,718</b>	<b>2,247</b>

### 17 Non-current provisions for employee benefit

#### *Defined benefit plan*

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Movement in the present value of the defined post-employment benefit obligations:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
At 1 January	290	247	280	238
<b>Included in profit or loss:</b>				
Current service costs	67	37	65	36
Interest cost	10	8	9	8
	<b>77</b>	<b>45</b>	<b>74</b>	<b>44</b>
<b>Included in other comprehensive income</b>				
Actuarial loss	15	-	15	-
<b>Other</b>				
Benefits paid	(8)	(2)	(7)	(2)
<b>At 31 December</b>	<b>374</b>	<b>290</b>	<b>362</b>	<b>280</b>

### Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
Discount rate (%)	1.41 - 4.15	3.6	1.41 - 4.15	3.6
Future salary growth				
Employees (%)	5, 6, 8 and 9	5 and 8	5, 6, 8 and 9	5 and 8
Retirement age (year old)	60	60	60	60

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2017, the weighted-average duration of the defined benefit obligation was 18 years (2016: 25 years).

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	(in million Baht)			
31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(38)	43	(37)	43
Future salary growth (1% movement)	41	(36)	40	(34)
Future mortality (1% movement)	1	(1)	1	(1)

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	(in million Baht)			
31 December 2016				
Discount rate (1% movement)	(27)	33	(26)	31
Future salary growth (1% movement)	37	(32)	35	(30)
Future mortality (1% movement)	-	-	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

### 18 Share capital

	Par value per share (in Baht)	2017 Number	2017 Amount (million shares / in million Baht)	2016 Number	2016 Amount
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	2,233	2,233	2,285	2,285
Reduction of shares	1	-	-	(52)	(52)
<b>At 31 December</b>					
<b>ordinary shares</b>	1	<b>2,233</b>	<b>2,233</b>	<b>2,233</b>	<b>2,233</b>
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	2,233	2,233	2,231	2,231
Warrant exercise	1	-	-	2	2
<b>At 31 December</b>					
<b>ordinary shares</b>	1	<b>2,233</b>	<b>2,233</b>	<b>2,233</b>	<b>2,233</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

#### *Reduction in authorised share capital*

At the annual general meeting of shareholders of the Company held on 28 April 2016, the shareholders approved the reduction in the Company's authorised share capital from Baht 2,285 million (2,285 million ordinary shares with a par value of Baht 1 per share) to Baht 2,233 million (2,233 million ordinary shares with a par value of Baht 1 per share) to accommodate the exercise of warrants (PS-WE, PS-WF and PS-WG). The Company registered the increase in the authorised share capital with the Ministry of Commerce on 11 May 2016.

#### *Issue of ordinary shares*

During the years ended 31 December 2017 and 2016, holders of warrants exercised their option to purchase ordinary shares of the Company as follows:

	Exercise price per share (in Baht)	Consolidated financial statements / separate financial statements	
		2017	2016
		(in million units)	
PS-WF	16.28	-	1.6
<b>Total</b>		<b>-</b>	<b>1.6</b>



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

## 19 Warrants

### *PS-WE*

At the annual general shareholders’ meeting held on 26 April 2013, the shareholders passed resolutions to approve the issuance of 15 million units of warrants under the Employee Stock Option Program (ESOP) to directors (who had been allotted as the Company’s management) and management of the Company and/or its subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Propose to	Directors (who had been allotted as the Company’s management) and management of the Company and/or its subsidiaries
Issued and allotted as at 31 December 2016	4,838,447 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 28.19 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2014), the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.

### *Measurement of fair value*

The fair value of the PS-WE warrants granted was measured based on the Binomial option pricing model. Expected volatility is estimated by considering historic at average share price volatility during the period 24 February 2009 to 25 February 2014.

The inputs used in the measurement of the fair values of PS-WE warrants were as follows:

Average fair value at grant date (Baht)	2.55
Share price at grant date (Baht)	18.8
Exercise price (Baht)	28.19
Expected volatility (%)	45.0
Expected dividends (%)	3.0
Risk-free interest rate (%)	2.27-3.09
Termination rate (%)	10.0

The Company granted the rights to directors (who had been allotted as the Company’s management) and management of the Company and/or its subsidiaries on 25 February 2014, which is the date that the Company informed conditions and agreements of the rights to exercise options to the directors and employees.

## Pruksa Real Estate Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### *PS-WF*

At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the issuance of 15 million units of warrants (PS-WF) to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Exercise ratio	1 warrant to 1 ordinary share
Propose to	Directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries
Issued and allotted as at 31 December 2016	6,481,593 units (actual units granted)
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 16.28 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year (first year is 2015), the exercise rights are not to exceed 1/4 of total rights in each year for the period of 4 years. In case of partial exercise, the holders can roll over to the next period.

#### *Measurement of fair value*

The fair value of the PS-WF warrants granted was measured based on the Binomial option pricing model. Expected volatility is estimated by considering historic at average share price volatility during the period 12 February 2010 to 13 February 2015.

The inputs used in the measurement of the fair values of PS-WF warrants were as follows:

Average fair value at grant date (Baht)	16.01
Share price at grant date (Baht)	32.75
Exercise price (Baht)	16.28
Expected volatility (%)	40.00
Expected dividends (%)	2.86
Risk-free interest rate (%)	2.00-2.45
Termination rate (%)	10.0

The Company granted the rights to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries on 13 February 2015, which is the date that the Company informed conditions and agreements of the rights to exercise options to the directors and employees.

The Thai Financial Reporting Standard 2 (TFRS2): Share-based Payment was effective for share-based payment awards granted on or after 1 January 2011. Therefore, according to TFRS2, the Company has to measure the fair value of the PS-WE and PS-WF Project warrants on the grant date.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

Movements during the years ended 31 December 2016 in the units warrants were as follows:

	Consolidated financial statements / separate financial statements		
	PS-WE	PS-WF	Total
	<i>(in million units)</i>		
At 1 January 2016	3.1	4.8	7.9
Warrants exercised during the year	-	(1.6)	(1.6)
Cancellation of warrants of resigned employees	(0.1)	(0.2)	(0.3)
Cancellation of warrants during the period from restructuring*	(3.0)	(3.0)	(6.0)
<b>At 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movements during the years ended 31 December 2016 in the fair value of warrants were as follows:

	Consolidated financial statements / separate financial statements		
	PS-WE	PS-WF	Total
	<i>(in million units)</i>		
At 1 January 2016	6.8	38.6	45.4
Warrants granted during the year	0.1	1.6	1.7
Warrants exercised during the year	-	(25.7)	(25.7)
Cancellation of warrants during the period*	(6.9)	(14.5)	(21.4)
<b>At 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>

The expense recognised in respect of share-based payment transactions for the year ended 31 December 2016 was Baht 1.7 million and Baht 1.7 million for the consolidated and separate financial statements, respectively.

### PS-WG

At the annual general meeting of the shareholders of the Company held on 28 April 2015, the shareholders approved the issuance of 15 million units of warrants (PS-WG) to directors (who had been allotted as the Company's management) and management of the Company and/or its subsidiaries. The details are as follows:

Description	Details
Type of warrants	No value
Terms of warrants	4 years from the issuance date of warrant
Exercise ratio	1 warrant to 1 ordinary share
Exercise price	Baht 29.27 per share
Exercise period and proportion	Four times a year in February, May, August and November of each year

There were no warrants (PS-WG) in issue.

At the annual general meeting of the shareholders of the Company held on 28 April 2016, the shareholders approved the reduction in the Company's authorised share capital by means of cancelling ordinary shares which were reserved to accommodate the exercise of warrants (PS-WE, PS-WF and PS-WG), with a par value of Baht 1 each. Subsequently, at the extraordinary general meeting of the shareholders of Pruksa Holding Public Company Limited held on 29 April 2016, the shareholders approved the issuance of warrants to Board and Directors of Pruksa Holding Public Company Limited, the Company and subsidiaries, in order to replace warrants of the Company which is canceled due to restructuring plan.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 20 Reserves

Reserves comprise:

#### *Appropriations of profit and/or retained earnings*

##### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

##### *Other components of equity*

##### **Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

##### **Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

### 21 Segment information

Due to the Company's restructuring plan which was approved at the annual general meeting of the shareholders of the Company held on 28 April 2016, the Company incorporated Pruksa Holding Public Company Limited (Pruksa Holding) which issue of ordinary shares due to the restructuring ended in 25 November 2016. In order to the Company's business operation is effective and preparation to stable and sustainable growth. There are the segments' restructuring consisted in 5 reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Segment 1	SBU Townhouse 1:	Baan Pruksa I, Baan Pruksa II, and The Connect
Segment 2	SBU Townhouse 2:	Pruksa Ville I, Pruksa Ville II, and PAT
Segment 3	SBU Single house:	Pruksa Town, Passorn I, Passorn II, Passorn III and Pruksa Village
Segment 4	SBU Condominium 1:	Condominium I and Condominium IV
Segment 5	SBU Condominium 2:	Condominium III, Condominium V, and Condominium VI

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### Information about reportable segments:

	Segment 1		Segment 2		Segment 3		Segment 4		Segment 5		Total reportable segments		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
External revenue	11,691	12,955	8,897	8,557	11,266	11,394	5,415	6,471	4,799	5,939	42,068	45,316	1,867	1,610	43,935	46,926
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	2,772	2,209	2,772	2,209
Other revenue	12	16	14	14	22	20	3	69	51	71	102	190	13	10	115	200
<b>Total segment revenues</b>	<b>11,703</b>	<b>12,971</b>	<b>8,911</b>	<b>8,571</b>	<b>11,288</b>	<b>11,414</b>	<b>5,418</b>	<b>6,540</b>	<b>4,850</b>	<b>6,010</b>	<b>42,170</b>	<b>45,506</b>	<b>4,652</b>	<b>3,829</b>	<b>46,822</b>	<b>49,335</b>
Segment profit (loss) before income tax	2,308	2,416	1,557	1,508	1,898	1,818	837	1,394	818	900	7,418	8,036	80	(52)	7,498	7,984
Segment assets as at 31 December	11,096	10,828	13,887	11,470	17,477	16,386	6,534	7,923	8,513	7,819	57,507	54,426	10,994	9,068	68,501	63,494

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### Reconciliations of reportable segment revenues, profit or loss and assets

	2017 (in million Baht)	2016
<b>Revenues</b>		
Total revenue from reportable segments	42,170	45,506
Other revenue	4,652	3,829
	<u>46,822</u>	<u>49,335</u>
Elimination of inter-segment revenue	(2,772)	(2,209)
Other unallocated amounts	74	47
<b>Consolidated revenue</b>	<b><u>44,124</u></b>	<b><u>47,173</u></b>
<b>Profit or loss</b>		
Total profit before income tax for reportable segments	7,418	8,036
Other profit (loss)	80	(52)
	<u>7,498</u>	<u>7,984</u>
Elimination of inter-segment profits	(9)	(15)
Other unallocated amounts	(301)	(383)
<b>Consolidated profit before income tax</b>	<b><u>7,188</u></b>	<b><u>7,586</u></b>
<b>Assets</b>		
Total assets for reportable segments	57,507	59,788
Other assets	10,994	3,706
	<u>68,501</u>	<u>63,494</u>
Other unallocated amounts	2,694	2,888
<b>Consolidated total assets</b>	<b><u>71,195</u></b>	<b><u>66,382</u></b>

### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenues		Non-current assets	
	2017	2016	2017	2016
	(in million Baht)			
Thailand	44,111	47,026	5,028	4,622
India	13	147	10	15
Maldives	-	-	-	1
<b>Total</b>	<b><u>44,124</u></b>	<b><u>47,173</u></b>	<b><u>5,038</u></b>	<b><u>4,638</u></b>

## 22 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
Advertising expenses	1,431	1,257	1,274	1,079
Transfer expenses	1,758	1,757	1,483	1,355
Sales promotion	1,094	857	951	714
Public relation expenses	100	112	98	107
<b>Total</b>	<b><u>4,383</u></b>	<b><u>3,983</u></b>	<b><u>3,806</u></b>	<b><u>3,255</u></b>

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Employee benefit expenses	2,469	2,322	2,386	2,232
Professional fee	244	369	237	358
Rental fee	239	192	219	177
Depreciation and amortisation	117	115	116	113
Others	1,028	1,133	892	941
<b>Total</b>	<b>4,097</b>	<b>4,131</b>	<b>3,850</b>	<b>3,821</b>

### 24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Wages and salaries	1,917	1,840	1,829	1,727
Contributions to provident fund	125	118	120	111
Others - bonus and welfare	1,244	1,266	1,185	1,175
<b>Total</b>	<b>3,286</b>	<b>3,224</b>	<b>3,134</b>	<b>3,013</b>

#### *Defined benefit plan*

Details of the defined benefit plan are given in note 17 to the financial statements.

#### *Defined contribution plan*

The defined contribution plan comprises provident fund established by companies in the Group for their employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates 5 - 10% of their basic salaries and by the Group at rates 5 - 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

### 25 Operating leases

#### *Leases as lessee*

The Group leases a number of office and other leases under operating leases. The leases typically run for a period of 1 to 5 years.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### i. Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were payable as follows.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in million Baht)			
<b>Office building operating leases</b>				
Within one year	152	-	119	-
After one year but within five years	279	7	219	5
<b>Total</b>	<b>431</b>	<b>7</b>	<b>338</b>	<b>5</b>
<b>Other operating leases</b>				
Within one year	88	52	79	49
After one year but within five years	38	17	38	15
<b>Total</b>	<b>126</b>	<b>69</b>	<b>117</b>	<b>64</b>

### ii. Amount recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		(in million Baht)			
Lease expense	23	146	110	132	102

## 26 Expenses by nature

The financial statements include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirement of various TFRS were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in million Baht)			
Changes in land, land and houses for sale, and real estate projects under development		(3,578)	(306)	(4,256)	(2,842)
Raw materials and consumables used		20,612	20,143	18,131	18,228
Employee benefit expenses	24	3,286	3,224	3,134	3,013
Depreciation and amortisation	11, 12	467	454	449	432



# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 27 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in million Baht)</i>			
<b>Finance costs</b>					
Related parties	4	37	-	108	64
Financial institutions and and institutional investors		761	789	754	713
<b>Total</b>		<b>798</b>	<b>789</b>	<b>862</b>	<b>777</b>
<i>Less</i> amounts included in the cost of qualifying assets:					
- real estate projects under development	7	(564)	(502)	(565)	(433)
<b>Net</b>		<b>234</b>	<b>287</b>	<b>297</b>	<b>344</b>

### 28 Income tax expense

#### *Income tax recognised in profit or loss*

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in million Baht)</i>			
<b>Current tax expense</b>					
Current year		1,555	1,448	1,049	915
Adjustment for prior years		6	(1)	2	(2)
		<b>1,561</b>	<b>1,447</b>	<b>1,051</b>	<b>913</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	13	21	31	19	19
		<b>21</b>	<b>31</b>	<b>19</b>	<b>19</b>
<b>Total</b>		<b>1,582</b>	<b>1,478</b>	<b>1,070</b>	<b>932</b>

#### *Income tax recognised in other comprehensive income*

	Consolidated financial statements					
		2017		2016		
		Tax		Tax		
	Before tax	(expense) benefit	Net of tax	Before tax	(expense) benefit	Net of tax
		<i>(in million Baht)</i>				
Foreign currency translation differences for foreign operations	9	(2)	7	(25)	5	(20)
Losses on remeasurements of defined benefit plans	(15)	3	(12)	-	-	-
<b>Total</b>	<b>(6)</b>	<b>1</b>	<b>(5)</b>	<b>(25)</b>	<b>5</b>	<b>(20)</b>

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### Separate financial statements

	Before tax	2017 Tax (expense) benefit	Net of tax (in million Baht)	Before tax	2016 Tax (expense) benefit	Net of tax
Losses on remeasurements of defined benefit plans	(15)	3	(12)	-	-	-
<b>Total</b>	<b>(15)</b>	<b>3</b>	<b>(12)</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Reconciliation of effective tax rate

### Consolidated financial statements

	2017 Rate (%)	2017 (in million Baht)	2016 Rate (%)	2016 (in million Baht)
Profit before tax		7,188		7,586
Income tax using the Thai corporation tax rate	20	1,438	20	1,517
Effect of different tax rates in foreign jurisdictions		1		(3)
Income not subject to tax		(6)		(104)
Expenses not deductible for tax purposes		64		37
Eliminated income		85		38
Over provided in prior years		6		(1)
Double tax deductible expenses		(6)		(6)
<b>Total</b>	<b>22</b>	<b>1,582</b>	<b>19</b>	<b>1,478</b>

### Separate financial statements

	2017 Rate (%)	2017 (in million Baht)	2016 Rate (%)	2016 (in million Baht)
Profit before tax		7,530		6,653
Income tax using the Thai corporation tax rate	20	1,506	20	1,331
Income not subject to tax		(443)		(417)
Expenses not deductible for tax purposes		13		25
Over provided in prior years		2		(2)
Double tax deductible expenses		(8)		(5)
<b>Total</b>	<b>14</b>	<b>1,070</b>	<b>14</b>	<b>932</b>

### Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 29 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to developing a housing project for persons who have low or middle income (where the usable area in each unit shall not be less than 31 square meters and the contracted sale amount is less than Baht 600,000).

On 10 June 2009, the Board of Investment added a new condition in respect to pricing for projects located in zone 1 requiring that any apartment building must have area per unit of at least 28 square meters and with a maximum selling price of Baht 1 million (including land cost) and any town house or detached house, area per unit must not be less than 70 square meters with a maximum selling price of Baht 1.2 million (including land cost).

The principal privilege is the exemption from corporate income tax for a period of 5 years from the start of business operations related to these privileges.

As promoted companies, the Company and its subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

### 30 Earnings per share

#### *Basic earnings per share*

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	<i>(in million Baht / million shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>5,605.34</b>	<b>6,107.67</b>	<b>6,459.22</b>	<b>5,721.34</b>
Number of ordinary shares at 1 January	2,232.68	2,231.07	2,232.68	2,231.07
Effect of shares issued : On 29 February 2016	-	1.38	-	1.38
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>2,232.68</b>	<b>2,232.45</b>	<b>2,232.68</b>	<b>2,232.45</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>2.51</b>	<b>2.74</b>	<b>2.89</b>	<b>2.56</b>

#### *Diluted earnings per share*

The Company did not adjust the effect of exercise of share options in all project warrants to calculate diluted earnings per share for the years ended 31 December 2017 and 2016 because the Company revoked of issuance and offered for sale of such warrants during the second quarter for the year 2016.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 31 Dividends

At the meeting of the Board of Directors of the Company held on 11 August 2017, the Board of Directors approved the appropriation of interim dividend of Baht 1.02 per share, amounting to Baht 2,277.34 million. The dividend was paid to shareholders on 6 September 2017.

At the annual general meeting of the shareholders of the Company held on 21 April 2017, the shareholders approved dividend payment of Baht 2.10 per share, amounting to Baht 4,688.63 million, of which Baht 0.60 per share was paid as an interim dividend on 9 September 2016. Therefore, the remaining dividend to be paid is Baht 1.50 per share, amounting to Baht 3,349.02 million. The dividend was paid to shareholders on 19 May 2017.

At the meeting of the Board of Directors of the Company held on 11 August 2016, the Board of Directors approved the appropriation of interim dividend of Baht 0.60 per share, amounting to Baht 1,339.6 million. The dividend was paid to shareholders on 9 September 2016.

At the annual general meeting of the shareholders of the Company held on 28 April 2016, the shareholders approved dividend payment of Baht 1.75 per share, amounting to Baht 3,907.19 million, of which Baht 0.50 per share was paid as an interim dividend on 21 October 2015. Therefore, the remaining dividend to be paid is Baht 1.25 per share, amounting to Baht 2,790.9 million. The dividend was paid to shareholders on 18 May 2016.

### 32 Financial instruments

#### *Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### *Capital management*

The primary objectives of the Company and its subsidiaries' capital management are to maintain their ability to continue as a going concern and to maintain an appropriate capital structure. In addition, the Group has to maintain interest-bearing liabilities to equity ratio as stipulated in loan facility and debentures agreements, and requires to have debenture credit rating by qualified credit rating institutions.

#### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (note 14). The Group does not use derivative financial instrument to manage exposure to fluctuations in interest rates on specific borrowings. Interest rate from borrowings is according to market interest rates.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### *Foreign currency risk*

The Group has risk from foreign currency as stated in related notes to financial statements. Management believes that the Group has minimal currency exchange rate risk.

### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

### *Carrying amount and fair values*

The Group uses the following methods and assumptions in estimating the fair values of financial instruments.

Cash and cash equivalents, and receivables and payables approximate their fair values due to the relative short-term maturity of these financial instruments.

Current investments is investments in mutual funds, classified as available-for-sale investments, are stated at fair value which is determined as the net asset value announced by asset management company at the reporting date. The fair value measurement is determined to be level 2 of the fair value hierarchy.

Bank overdrafts and short-term loans approximate their fair values because these financial instruments bear interest at market rates.

Fair values of long-term financial liabilities, together with the carrying values shown in the consolidated and separate statements of financial position at 31 December were as follows:

		Consolidated financial statements/ Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
<b>31 December 2017</b>					
Debentures	21,500	-	21,763	-	21,763
<b>31 December 2016</b>					
Debentures	18,000	-	18,224	-	18,224

The fair value of long-term financial liabilities is calculated based on the present value of future principal and interest cash flows discounted at the market rate of interest for similar liabilities at the reporting date.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team that reports directly to the Chief Financial Officer, and has overall responsibility for all significant fair value measurements.

# Pruksa Real Estate Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

The management and valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the management and valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Group Audit Committee.

### 33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Land purchasing agreements	6,016	5,382	6,016	5,382
Development and construction agreements	351	1,062	333	705
Services and professional consulting agreements	69	116	68	115
Machinery purchasing agreements	-	8	-	8
<b>Total</b>	<b>6,436</b>	<b>6,568</b>	<b>6,417</b>	<b>6,210</b>

#### *Others*

As at 31 December 2017;

- The Company and the Group had commitment for letters of guarantee issued by certain local banks totaling Baht 6,704 million and Baht 8,118 million (2016: Baht 5,726 million and Baht 7,090 million), respectively.
- The Company had commitment with the banks as a guarantor of overdraft lines of Baht 115 million (2016: Baht 115 million), letters of guarantee lines of Baht 8,621 million (2016: Baht 9,003 million), promissory note lines of Baht 10,945 million (2016: Baht 9,700 million) and other credit facilities of Baht 770 million (2016: Baht 570 million) of the subsidiaries.

### 34 Contingent liability

At 31 December 2017, the Company and its subsidiaries have been sued by other companies and persons in cases of alleged violation of agreements, prosecution claims and other cases totaling Baht 304 million (2016: Baht 216 million). Presently, the cases are being considered by the court. However, the Group has set aside provision of Baht 71 million (2015: Baht 119 million) for liabilities that may arise as a result of these cases, based on the opinion of their management and legal department.

### 35 Events after the reporting period

At the Board of Directors' meeting held on 19 February 2018, the Board passed a resolution for the following topic;

- Approval of dividend payment for 2017 at the rate of Baht 1.38 per share, of which Baht 1.02 per share was paid as an interim dividend. Therefore, the remaining dividend to be paid for the year 2017 is Baht 0.36 per share. In order that those topics depend on the resolution of Annual General Meeting of the Shareholders of the Company on 20 April 2018.



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