

J.S.P. Property Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2017

## **Independent Auditor's Report**

To the Shareholders of J.S.P. Property Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of J.S.P. Property Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of J.S.P. Property Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of J.S.P. Property Public Company Limited and its subsidiaries and of J.S.P. Property Public Company Limited as at 31 December 2017, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

***Recognition of revenue from sale of real estate***

Revenue from sale of real estate is the most significant amount in the statements of comprehensive income and it is a key performance indicator for the real estate business on which the financial statements' users focus. Moreover, the real estate business is currently highly competitive. Therefore there are risks with respect to the occurrence and the timing of revenue from sale of real estate presented in the financial statements.

I have examined the recognition of revenue from sale of real estate of the Group by:

- Assessing and testing the Group's IT system and its internal controls with respect to the cycle of revenue from sale of real estate by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales agreements to assess whether recognition of revenue from sale of real estate was consistent with the conditions of the relevant agreements, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue from sale of real estate transactions throughout the period, particularly for accounting entries made through journal vouchers including reversal of revenue after the period-end.

### ***Impairment of investment properties***

As discussed in Note 13 to the financial statements, the Group recorded impairment loss on investment properties totaling Baht 65 million as an expense in the consolidated statement of comprehensive income during the year, which is a significant amount in relation to operating results. In determining the impairment loss, the Group's management had to exercise judgement with respect to the net recoverable amount of investment properties including fair value of assets, projections of future operating performance and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the amount of the impairment loss recorded on investment properties.

I assessed the Group management's selection of a financial model, by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the following:

- The assumptions and approaches used by the independent valuer in estimation the fair value of assets.
- The assumptions applied in preparing cash flow projections for the Group, based on the understanding I gained of the process by which the figures were arrived at; comparison of the assumptions with external and internal sources of information, a review of the accuracy of past cash flow projections in comparison to actual operating results in order to estimate the reliability of the cash flow projections.
- The discount rate, based on comparison of the average cost of capital.

In performing the above work I considered the scope and probability of potential changes in the assumptions. In addition, I reviewed the disclosures made with respect to impairment of investment properties.

### ***Impairment loss on investment in subsidiary***

As discussed in Note 11 to the financial statements, the Company recorded impairment loss on investment in a subsidiary who has continuing loss from operation as an expense in the separated statement of comprehensive income totaling Baht 300 million during the year, which is a significant amount in relation to operating results. I have focused my audit on the consideration of impairment loss on investment in subsidiary because the assessment of impairment of investment in the subsidiary is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of impairment allowance on investment in subsidiary.

I assessed the identification of cash generating units, assessed the management's selection of a financial model, by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the following:

- The assumptions and approaches used by the independent valuer in estimation the fair value of assets hold by the subsidiary.
- The assumptions applied in preparing cash flow projections for the subsidiary, based on the understanding I gained of the process by which the figures were arrived at; comparison of the assumptions with external and internal sources of information, a review of the accuracy of past cash flow projections in comparison to actual operating results in order to estimate the reliability of the cash flow projections.
- The discount rate, based on comparison of the average cost of capital.

In performing the above work I considered the scope and probability of potential changes in the assumptions.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

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

I am responsible for the audit resulting in this independent auditor's report.

Poonnard Paocharoen  
Certified Public Accountant (Thailand) No. 5238

EY Office Limited  
Bangkok: 28 February 2018



**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	160,811,781	338,691,324	90,043,624	238,923,445
Current investments		27,420	5,258,614	27,420	5,258,614
Trade and other receivables	8	40,971,735	16,221,498	119,745,301	105,548,358
Short-term note receivables	9	-	121,296,750	-	121,296,750
Project development costs	10	7,856,269,109	8,801,478,968	4,259,614,683	5,481,320,423
Advances for purchase of land		13,861,050	21,213,500	13,861,050	-
Other current assets		57,354,629	21,962,861	25,242,451	12,206,493
<b>Total current assets</b>		<b>8,129,295,724</b>	<b>9,326,123,515</b>	<b>4,508,534,529</b>	<b>5,964,554,083</b>
<b>Non-current assets</b>					
Restricted bank deposits	21, 30.4	45,123,982	49,069,011	34,699,556	43,454,278
Long-term loans to related parties and interest receivable	6	803,466,253	803,764,653	3,324,727,857	3,492,245,709
Investment in subsidiaries	11	-	-	844,557,700	1,104,559,300
Investment in joint ventures	12	31,302,606	-	68,309,500	3,424,800
Land held for development	10	1,323,125,395	776,631,758	1,278,415,395	758,749,921
Investment properties	13	1,232,486,870	1,390,026,587	609,926,000	611,785,545
Property, plant and equipment	14	44,882,487	46,339,378	36,182,826	39,956,603
Intangible assets		14,195,532	14,695,963	13,011,055	12,913,647
Deferred tax assets	25	47,616,814	46,490,251	3,904,208	3,717,876
Income tax refundable		-	15,163,351	-	15,163,351
Other non-current assets		23,980,012	16,121,182	13,067,402	12,456,062
<b>Total non-current assets</b>		<b>3,566,179,951</b>	<b>3,158,302,134</b>	<b>6,226,801,499</b>	<b>6,098,427,092</b>
<b>Total assets</b>		<b>11,695,475,675</b>	<b>12,484,425,649</b>	<b>10,735,336,028</b>	<b>12,062,981,175</b>

The accompanying notes are an integral part of the financial statements.

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institution	15	134,151,050	100,000,000	134,151,050	-
Other short-term loans	16	210,000,000	-	210,000,000	-
Short-term bills of exchange	17	176,150,084	1,526,956,950	176,150,084	1,526,956,950
Short-term debentures	18	-	1,087,366,671	-	1,087,366,671
Trade and other payables	19	1,596,344,420	1,568,405,298	796,975,466	1,131,844,150
Deposits and advance received from customers		137,145,103	266,700,959	112,836,505	213,003,169
Short-term loans from related parties	6	508,650,000	-	1,242,765,466	429,400,000
Current portion of liabilities under factoring agreements	9	-	122,981,384	-	122,981,384
Current portion of long-term debentures	20	881,796,908	-	881,796,908	-
Current portion of long-term loans	21	1,306,997,079	1,055,653,746	744,931,367	831,657,596
Income tax payable		17,074,067	32,779,899	-	10,146,222
Other current liabilities		57,093,180	12,391,444	43,315,622	7,410,505
<b>Total current liabilities</b>		<b>5,025,401,891</b>	<b>5,773,236,351</b>	<b>4,342,922,468</b>	<b>5,360,766,647</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	21	1,506,837,627	1,482,677,679	1,027,140,761	1,147,250,836
Deposit for rental and service		24,322,833	27,393,190	-	-
Provision for long-term employee benefits	22	16,724,241	12,005,230	16,208,062	11,575,466
Other non-current liabilities		848,704	104,092	848,705	104,092
<b>Total non-current liabilities</b>		<b>1,548,733,405</b>	<b>1,522,180,191</b>	<b>1,044,197,528</b>	<b>1,158,930,394</b>
<b>Total liabilities</b>		<b>6,574,135,296</b>	<b>7,295,416,542</b>	<b>5,387,119,996</b>	<b>6,519,697,041</b>

The accompanying notes are an integral part of the financial statements.

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Shareholders' equity</b>					
Share capital					
Registered					
4,200 million ordinary shares of Baht 0.5 each		<u>2,100,000,000</u>	<u>2,100,000,000</u>	<u>2,100,000,000</u>	<u>2,100,000,000</u>
Issued and fully paid-up					
4,200 million ordinary shares of Baht 0.5 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Share premium		2,438,832,857	2,438,832,857	2,438,832,857	2,438,832,857
Capital surplus on share-based payment		8,925,000	8,925,000	8,925,000	8,925,000
Retained earnings					
Appropriated - statutory reserve	23	92,651,000	92,651,000	92,651,000	92,651,000
Unappropriated		496,604,434	562,845,684	707,807,175	902,875,277
Other components of shareholders' equity		<u>(32,129,587)</u>	<u>(32,129,587)</u>	-	-
Equity attributable to owners of the Company		<u>5,104,883,704</u>	<u>5,171,124,954</u>	<u>5,348,216,032</u>	<u>5,543,284,134</u>
Non-controlling interests of subsidiary		<u>16,456,675</u>	<u>17,884,153</u>	-	-
<b>Total shareholders' equity</b>		<u><b>5,121,340,379</b></u>	<u><b>5,189,009,107</b></u>	<u><b>5,348,216,032</b></u>	<u><b>5,543,284,134</b></u>
<b>Total liabilities and shareholders' equity</b>		<u><b>11,695,475,675</b></u>	<u><b>12,484,425,649</b></u>	<u><b>10,735,336,028</b></u>	<u><b>12,062,981,175</b></u>
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

..... Director

**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the year ended 31 December 2017**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales of real estate		4,257,236,435	3,049,169,571	2,315,839,042	2,101,534,337
Revenues from rental and services		110,724,635	41,519,860	33,501,870	51,210,734
Other income					
Interest income		61,476,597	22,977,528	225,298,032	197,224,197
Dividend income	11	-	-	68,188,600	-
Gain on sales of investment properties		72,696,631	151,759,249	65,732,854	75,109,224
Gain on sales of investment in subsidiaries	12	-	43,496,240	-	14,709,959
Others		19,734,904	18,165,980	5,970,758	12,025,824
<b>Total revenues</b>		<b>4,521,869,202</b>	<b>3,327,088,428</b>	<b>2,714,531,156</b>	<b>2,451,814,275</b>
<b>Expenses</b>					
Cost of real estate sales		3,176,333,106	2,093,961,004	1,643,811,150	1,380,490,713
Cost of rental and services		122,223,676	131,715,235	34,921,207	12,203,005
Selling expenses		471,733,325	309,375,605	267,243,975	215,393,763
Administrative expenses		383,260,922	335,443,740	314,636,982	289,241,729
Loss on impairment of investment properties (reverse)		64,589,180	95,400,000	4,589,180	(22,800,000)
Loss on impairment of investment in subsidiary	11	-	-	300,000,000	-
<b>Total expenses</b>		<b>4,218,140,209</b>	<b>2,965,895,584</b>	<b>2,565,202,494</b>	<b>1,874,529,210</b>
<b>Profit before share of loss from investment in joint ventures, finance cost and income tax expense</b>					
Share of loss from investment in joint ventures		(51,839,321)	(4,996,945)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>251,889,672</b>	<b>356,195,899</b>	<b>149,328,662</b>	<b>577,285,065</b>
Finance cost		(203,916,799)	(125,428,074)	(266,355,034)	(147,425,205)
<b>Profit (loss) before income tax expense</b>		<b>47,972,873</b>	<b>230,767,825</b>	<b>(117,026,372)</b>	<b>429,859,860</b>
Income tax expenses	25	(70,648,040)	(105,756,639)	(34,761,257)	(84,453,466)
<b>Profit (loss) for the year</b>		<b>(22,675,167)</b>	<b>125,011,186</b>	<b>(151,787,629)</b>	<b>345,406,394</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		(1,491,951)	847,129	(1,600,592)	(349,829)
Income tax effect	25	298,390	(169,426)	320,119	69,966
Other comprehensive income for the year		(1,193,561)	677,703	(1,280,473)	(279,863)
<b>Total comprehensive income for the year</b>		<b>(23,868,728)</b>	<b>125,688,889</b>	<b>(153,068,102)</b>	<b>345,126,531</b>

The accompanying notes are an integral part of the financial statements.

**J.S.P. Property Public Company Limited and its subsidiaries****Statement of comprehensive income (continued)**

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(23,047,689)	123,798,118	(151,787,629)	345,406,394
Non-controlling interests of the subsidiary		372,522	1,213,068		
		<u>(22,675,167)</u>	<u>125,011,186</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(24,241,250)	124,475,821	(153,068,102)	345,126,531
Non-controlling interests of the subsidiary		372,522	1,213,068		
		<u>(23,868,728)</u>	<u>125,688,889</u>		
<b>Earnings (loss) per share</b>					
	26				
Basic earnings per share (Baht)					
Profit (loss) attributable to equity holders					
of the Company		<u>-0.01</u>	<u>0.03</u>	<u>-0.04</u>	<u>0.08</u>

The accompanying notes are an integral part of the financial statements.

**J.S.P. Property Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2017**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	47,972,873	230,767,825	(117,026,372)	429,859,860
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	105,119,667	94,000,355	17,773,917	11,480,377
Allowance for doubtful debts	4,560,414	-	-	-
Allowance for loss on impairment of investment properties (reverse)	64,589,180	95,400,000	4,589,180	(22,800,000)
Allowance for loss on impairment of investment in subsidiary	-	-	300,000,000	-
Gain on sales of investment in subsidiaries	-	(43,496,240)	-	(14,709,959)
Share of loss from investment in joint ventures	51,839,321	4,996,945	-	-
Loss (gain) on sales/changes in value of current investments	138,125	(1,037,822)	138,125	(1,037,822)
Loss on sales/write off of project development cost and property, plant and equipment	1,774,919	19,877,845	1,774,919	19,877,845
Gain on sales of investment properties	(72,696,631)	(151,759,249)	(65,732,854)	(75,109,224)
Provision for long-term employee benefits	5,429,450	4,635,109	5,234,395	2,461,139
Dividend income	-	-	(68,188,600)	-
Interest income	(61,476,597)	(22,977,528)	(225,298,032)	(197,224,197)
Interest expenses	203,916,799	125,428,074	266,355,034	147,425,205
Profit from operating activities before change in operating assets and liabilities	351,167,520	355,835,314	119,619,712	300,223,224
Decrease (increase) in operating assets				
Trade and other receivables	(29,317,413)	(12,459,911)	(14,197,565)	79,609,179
Project development costs	357,698,689	(4,505,273,996)	560,717,210	(1,510,874,512)
Other current assets	8,963,485	415,243,390	5,753,663	122,641,407
Other non-current assets	(7,858,830)	(9,383,811)	(611,340)	(7,906,031)
Increase (decrease) in operating liabilities				
Trade and other payables	27,205,713	925,667,993	(373,902,222)	600,944,268
Deposits and advance received from customers	(129,555,856)	(111,376,806)	(100,166,664)	(116,504,441)
Other current liabilities	44,701,736	(30,960,022)	35,905,117	(28,752,953)
Provision for long-term employee benefits	(2,202,390)	-	(2,202,390)	4,048,301
Other non-current liabilities	(2,325,745)	18,781,217	744,613	(419,389)
Cash from (used in) operating activities	618,476,909	(2,953,926,632)	231,660,134	(556,990,947)
Cash receipt from interest income	821,283	7,422,395	25,313,614	95,522,817
Cash paid for interest expenses	(345,408,223)	(203,979,013)	(272,572,469)	(126,937,431)
Cash receipt from income tax refundable	6,853,342	-	6,853,342	-
Cash paid for corporate income tax	(123,227,289)	(149,059,929)	(55,253,306)	(121,381,458)
<b>Net cash from (used in) operating activities</b>	<b>157,516,022</b>	<b>(3,299,543,179)</b>	<b>(63,998,685)</b>	<b>(709,787,019)</b>

The accompanying notes are an integral part of the financial statements.

**J.S.P. Property Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2017**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Decrease in current investments	5,093,069	-	5,093,069	-
Decrease (increase) in restricted bank deposits	3,945,029	(44,030,194)	8,754,722	(43,454,279)
Decrease (increase) in loans to related parties	40,000,000	-	364,799,642	(1,746,801,816)
Increase in investment in subsidiaries	-	-	(39,998,400)	(11,000,000)
Net cash receipt from sales of investment in subsidiaries	-	14,932,170	-	17,409,959
Dividend received from subsidiaries	-	-	68,188,600	-
Increase in investment in joint ventures	(64,884,700)	(125,000)	(64,884,700)	(125,000)
Proceed from sales of investment properties	289,794,131	430,600,000	248,719,374	215,300,000
Increase in investment properties	(4,436,870)	(84,259,677)	-	(18,649,975)
Acquisition of equipments	(11,516,444)	(34,845,757)	(6,339,544)	(33,587,516)
Proceed from sales of equipments	1,175,524	-	1,175,524	-
Acquisition of intangible assets	(3,536,769)	(7,024,801)	(3,536,769)	(6,693,773)
<b>Net cash from (used in) investing activities</b>	<b>255,632,970</b>	<b>275,246,741</b>	<b>581,971,518</b>	<b>(1,627,602,400)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	34,151,050	(587,016,673)	134,151,050	(542,016,673)
Increase (decrease) in other short-term loans	210,000,000	(90,000,000)	210,000,000	(40,000,000)
Increase (decrease) in short-term bills of exchange	(1,350,806,866)	1,474,768,981	(1,350,806,866)	1,474,768,981
Increase (decrease) in short-term debentures	(1,100,000,000)	1,080,199,138	(1,100,000,000)	1,080,199,138
Increase (decrease) in loans from related parties	508,650,000	-	813,365,466	(33,400,000)
Cash receipt from long-term debentures	875,274,000	-	875,274,000	-
Cash receipt from long-term loans	2,515,283,092	3,382,732,465	1,187,666,170	1,925,401,560
Repayment of long-term loans	(2,239,779,811)	(1,908,040,881)	(1,394,502,474)	(1,276,272,913)
Dividend payment	(42,000,000)	(41,998,790)	(42,000,000)	(41,998,790)
Dividend payment attributable to non-controlling interests of the subsidiary	(1,800,000)	-	-	-
<b>Net cash from (used in) financing activities</b>	<b>(591,028,535)</b>	<b>3,310,644,240</b>	<b>(666,852,654)</b>	<b>2,546,681,303</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(177,879,543)</b>	<b>286,347,802</b>	<b>(148,879,821)</b>	<b>209,291,884</b>
Cash and cash equivalents at beginning of year	338,691,324	52,343,522	238,923,445	29,631,561
<b>Cash and cash equivalents at end of year</b>	<b>160,811,781</b>	<b>338,691,324</b>	<b>90,043,624</b>	<b>238,923,445</b>
	-	-	-	-

**Supplemental cash flow information:**

Non-cash transactions

Transfer project development costs to investment properties and property, plant and equipment	209,191,332	255,036,048	191,309,495	135,036,048
Transfer property, plant and equipment to investment properties	-	25,175,882	-	25,175,882

The accompanying notes are an integral part of the financial statements.

J.S.P. Property Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
	Note	Issued and fully paid-up		Capital surplus	Retained earnings		Other components of shareholders' equity	Total equity	Equity attributable	Total
		share capital	Share premium	on share-based payment	Appropriated	Unappropriated	Deficit on business combination under common control	attributable to owners of the Company	to non-controlling interests of the subsidiary	shareholders' equity
<b>Balance as at 1 January 2016</b>		2,100,000,000	2,438,832,857	8,925,000	75,351,000	497,668,653	(32,129,587)	5,088,647,923	16,671,085	5,105,319,008
Profit for the year		-	-	-	-	123,798,118	-	123,798,118	1,213,068	125,011,186
Other comprehensive income for the year		-	-	-	-	677,703	-	677,703	-	677,703
Total comprehensive income for the year		-	-	-	-	124,475,821	-	124,475,821	1,213,068	125,688,889
Transfer unappropriated retained earnings to statutory reserve	23	-	-	-	17,300,000	(17,300,000)	-	-	-	-
Dividend payment	29	-	-	-	-	(41,998,790)	-	(41,998,790)	-	(41,998,790)
<b>Balance as at 31 December 2016</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>562,845,684</u>	<u>(32,129,587)</u>	<u>5,171,124,954</u>	<u>17,884,153</u>	<u>5,189,009,107</u>
<b>Balance as at 1 January 2017</b>		2,100,000,000	2,438,832,857	8,925,000	92,651,000	562,845,684	(32,129,587)	5,171,124,954	17,884,153	5,189,009,107
Loss for the year		-	-	-	-	(23,047,689)	-	(23,047,689)	372,522	(22,675,167)
Other comprehensive income for the year		-	-	-	-	(1,193,561)	-	(1,193,561)	-	(1,193,561)
Total comprehensive income for the year		-	-	-	-	(24,241,250)	-	(24,241,250)	372,522	(23,868,728)
Dividend payment	29	-	-	-	-	(42,000,000)	-	(42,000,000)	-	(42,000,000)
Dividend payment attributable to non-controlling interest of the subsidiary		-	-	-	-	-	-	-	(1,800,000)	(1,800,000)
<b>Balance as at 31 December 2017</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>496,604,434</u>	<u>(32,129,587)</u>	<u>5,104,883,704</u>	<u>16,456,675</u>	<u>5,121,340,379</u>

The accompanying notes are an integral part of the financial statements.



**J.S.P. Property Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2017**

(Unit: Baht)

	Note	Separate financial statements				Total shareholders' equity	
		Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payment	Retained earnings		
					Appropriated		Unappropriated
<b>Balance as at 1 January 2016</b>		2,100,000,000	2,438,832,857	8,925,000	75,351,000	617,047,536	5,240,156,393
Profit for the year		-	-	-	-	345,406,394	345,406,394
Other comprehensive income for the year		-	-	-	-	(279,863)	(279,863)
Total comprehensive income for the year		-	-	-	-	345,126,531	345,126,531
Transfer unappropriated retained earnings to statutory reserve	23	-	-	-	17,300,000	(17,300,000)	-
Dividend payment	29	-	-	-	-	(41,998,790)	(41,998,790)
<b>Balance as at 31 December 2016</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>902,875,277</u>	<u>5,543,284,134</u>
<b>Balance as at 1 January 2017</b>		2,100,000,000	2,438,832,857	8,925,000	92,651,000	902,875,277	5,543,284,134
Loss for the year		-	-	-	-	(151,787,629)	(151,787,629)
Other comprehensive income for the year		-	-	-	-	(1,280,473)	(1,280,473)
Total comprehensive income for the year		-	-	-	-	(153,068,102)	(153,068,102)
Dividend payment	29	-	-	-	-	(42,000,000)	(42,000,000)
<b>Balance as at 31 December 2017</b>		<u>2,100,000,000</u>	<u>2,438,832,857</u>	<u>8,925,000</u>	<u>92,651,000</u>	<u>707,807,175</u>	<u>5,348,216,032</u>

The accompanying notes are an integral part of the financial statements.

## J.S.P. Property Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2017

#### 1. Corporate information

J.S.P. Property Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholder is the Manotamraksa Group. The Company is principally engaged in the property development and its registered address is 43, Rama II Soi 54, Samae Dam, Bangkhunthien, Bangkok.

#### 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

#### 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statement of J.S.P. Property Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 (Percent)	2016 (Percent)
China Center (Sathorn-Kanlapaphruek) Company Limited	Property development	Thailand	90	90
J.S.P. Golden Land Company Limited	Property development	Thailand	100	100
Sampeng 2 Plaza Company Limited	Property development	Thailand	100	100
J.S.P. Property Management Company Limited	Property management and property for rent	Thailand	100	100
Baan Ruenrom 2015 Company Limited	Property development	Thailand	100	100
Baan Putthachart 2015 Company Limited	Property development	Thailand	100	100
Baan Puttharaksa 2015 Company Limited	Property development	Thailand	100	100
J.S.P. Asplus Company Limited	Property development	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
  - c) Subsidiaries are fully consolidated, being the date on which the Company obtain control, and continue to be consolidated until the date when such control ceases.
  - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method.

### **3. New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### **(b) Financial reporting standard that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Revenue from sales of real estate*

Revenue from sales of real estate is recognised as revenue when the significant risks and rewards of ownership of the goods have been transferred to the buyer. This is when construction works are completed and ownership have been transferred to the buyer following the receipt of full payment from the buyer.

###### *Revenues from rental and services*

Revenue from rental and service is recognised on an accrual basis over the period of contract.

###### *Management income*

Management income is recognised when services have been rendered taking into account the stage of completion.

##### **4.2 Project development cost and cost of real estate sales**

Project development costs for sale are stated at the lower of cost and net realisable value. The project development cost comprises cost of land, land filling, design, utilities, construction, borrowing costs and other related expenses.

In determining the costs of land and houses sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to units sold on the basis of revenue and salable area. The Company and its subsidiaries estimate the total cost of project development by considering past experience in business operation and review the estimate on a timely basis or when the actual cost that incurred is materially different from the estimate.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised when sales occur.

The Company and its subsidiaries recognise loss on diminution in project value (if any) in profit or loss.

##### **4.3 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.4 Trade and other receivables**

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

#### **4.5 Investments**

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and joint ventures are accounted for the separate financial statements using the cost method which is net allowance for loss on impairment of investment (if any).

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **4.6 Land held for development**

Land held for development is stated at the lower of cost and net realisable value. The land held for development comprises cost of land, land filling, and other related expenses.

#### **4.7 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference of their costs on straight-line basis over estimated useful lives of 5 - 25 years. Depreciation of the investment properties are included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

#### **4.8 Property, plant and equipment and Depreciation**

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	10	years
Furniture and office equipment	5	years
Vehicles	5	years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.9 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.10 Computer software**

Acquired computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Computer software with finite live is amortised on a systematic basis over the economic useful live of 5 years and tested for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

#### **4.11 Related party transactions**

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

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

#### **4.12 Long-term leases**

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.13 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the investment properties, property, plant and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

#### **4.14 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Company, its subsidiary and their employees have participated in a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiary are recognised as expenses when incurred.



#### *Defined benefit plan*

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

#### **4.15 Share-based payment**

Transfer of the Company's equity instruments by its shareholders to parties (including employees) that have supplied goods or services to the Company are treated as share-based payment transactions, unless the transfer is clearly for a purpose other than payment for goods or services supplied to the Company.

The Company records the excess of the fair value at transfer date over the transfer price of equity instrument as an expense in profit or loss, and as the capital surplus on share-based payment in the statement of changes in shareholders' equity.

#### **4.16 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.17 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

## **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### **4.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows:

### **Allowance for loss on diminution in project development costs**

The Company and its subsidiaries treat project development costs as impaired when there has been a significant decline in their fair value below their costs. The management uses judgement to estimate project impairment based on market approach and the appraisal report from an independent appraiser.

### **Impairment of investments**

The Company treats investments in subsidiaries in the separate financial statements as impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Investment properties, Property, plant and equipment and Depreciation**

In determining depreciation of investment properties, building and equipment, the management of the Company and its subsidiaries are required to make estimates of the useful lives and residual values of the investment properties, building and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment properties, property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

## Classification of long-term loans

In classifying the current portion of long-term loans from financial institutions, the management of the Company and its subsidiaries has used judgement to estimate collateral redemptions and loan settlement in accordance with the terms and conditions stipulated in the loan agreements.

## Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## 6. Related party transactions

The Company and its subsidiaries have significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related parties.

(Unit: Million Baht)

	For the years ended 31 December				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<b><u>Transaction with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	164	175	6.63% - 7.00% per annum
Interest expense	-	-	39	29	6.63% - 7.00% per annum
Rental and service income	-	-	16	50	Per contract
Management income	-	-	26	-	At cost
Management fee	-	-	-	69	Per contract
Purchase of land	-	-	-	11	At cost
Sales of land	-	-	21	-	At cost
<b><u>Transaction with joint ventures</u></b>					
Interest income	58	6	58	6	7.00% per annum
Interest expense	14	-	14	-	10.00% per annum
Management income	3	-	3	-	At cost

(Unit: Million Baht)

	For the years ended 31 December				Transfer pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	2017	2016	2017	2016	
<b><u>Transaction with related parties</u></b>					
Interest expense	17	15	17	-	6.00% - 9.00% per annum
Purchase of land	-	39	-	39	Appraisal value by independent valuer
Sales of land	139	-	139	-	Appraisal value by independent valuer
Compensation for land use	3	-	-	-	Land value appraised based on no. of users
Office rental and services	10	9	10	9	Price set by comparison with rental in nearby areas

During the year 2016, the Company sold 11 units of commercial building to directors and a person closed to the directors, which amounting to Baht 128 million. The selling price is closed to the prices charged to other customers.

The balances of the accounts between the Company and its subsidiaries and those related persons or parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b><u>Trade receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	99,438	101,189
Joint ventures	3,242	-	3,242	-
Total	3,242	-	102,680	101,189
<b><u>Other receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	35	2,646
Joint ventures	10,001	-	10,001	-
Total	10,001	-	10,036	2,646
<b><u>Long-term loans to related parties and interest receivables</u></b>				
Subsidiaries	-	-	2,466,249	2,651,726
Joint ventures	858,479	840,520	858,479	840,520
Total	858,479	840,520	3,324,728	3,492,246
Less: Loss reserve from investment in joint ventures	(55,013)	(36,755)	-	-
Net	803,466	803,765	3,324,728	3,492,246

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b><u>Trade payables - related parties (Note 19)</u></b>				
Subsidiary	-	-	21,923	11,098
Related company	-	190,343	-	190,343
Total	-	190,343	21,923	201,441
<b><u>Other payables - related parties (Note 19)</u></b>				
Subsidiaries	-	-	81,146	108,543
Joint ventures	466	-	466	-
Related company (related by common director)	1,346	1,181	1,347	1,181
Directors and related persons	2,262	2,400	2,262	2,400
Total	4,074	3,581	85,221	112,124
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	734,115	429,400
Joint ventures	100,000	-	100,000	-
Director and related person	408,650	-	408,650	-
Total	508,650	-	1,242,765	429,400

#### Loans to related parties

Loans to subsidiaries and joint ventures carry interest at rates of 6.63% - 7.00% per annum and are repayable at call. However, the Company does not intent to call for the loan repayment in the foreseeable future and the loans are therefore classified as long-term loans.

#### Short-term loans from related parties

Loans from subsidiaries carry interest at rates of 6.63% - 7.00% per annum and are repayable at call.

Loan from joint venture carries interest at a rate of 10% per annum and are repayable in March 2018. The loan is secured by the mortgage of project land and construction thereon of its subsidiary and guaranteed by the Company's director.

Loans from related persons carry interest at rates of 6.00% - 9.00% per annum and are repayable in February - December 2018. The loans are secured by the project land of the Company.

The balance of loans between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2017	Increase	Decrease	31 December 2017
<b><u>Long-term loans to related parties and interest receivables</u></b>				
Joint ventures	840,520	57,959	(40,000)	858,479
Less: Loss reserve from investment in				
Joint ventures	(36,755)	(18,400)	142	(55,013)
	<u>803,765</u>	<u>39,559</u>	<u>(39,858)</u>	<u>803,466</u>
<b><u>Short-term loans from related parties</u></b>				
Joint venture	-	200,000	(100,000)	100,000
Related person	-	576,000	(167,350)	408,650
	<u>-</u>	<u>776,000</u>	<u>(267,350)</u>	<u>508,650</u>

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2017	Increase	Decrease	31 December 2017
<b><u>Long-term loans to related parties and interest receivables</u></b>				
Subsidiaries	2,651,726	2,076,894	(2,262,371)	2,466,249
Joint ventures	840,520	57,959	(40,000)	858,479
	<u>3,492,246</u>	<u>2,134,853</u>	<u>(2,302,371)</u>	<u>3,324,728</u>
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	429,400	468,587	(163,872)	734,115
Joint venture	-	200,000	(100,000)	100,000
Related person	-	576,000	(167,350)	408,650
	<u>429,400</u>	<u>1,244,587</u>	<u>(431,222)</u>	<u>1,242,765</u>

### Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	30	49	30	33
Post-employment benefits	1	1	1	1
Total	<u>31</u>	<u>50</u>	<u>31</u>	<u>34</u>

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 15 and 21 to the financial statements.

## **7. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	2017	2016	2017	2016
Cash on hand	1,383	252	786	207
Bank deposits	159,429	338,439	89,258	238,716
Total	<u>160,812</u>	<u>338,691</u>	<u>90,044</u>	<u>238,923</u>

As at 31 December 2017, bank deposits in saving accounts carried interests between 0.37 and 1.10 percent per annum (2016: between 0.10 and 1.10 percent per annum).



## 8. Trade and other receivables

Trade and other receivables as at 31 December 2017 and 2016 presented as follows: -

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Trade receivables - Related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	-	-	-	-
Past due				
Up to 2 months	1,337	-	10,598	12,163
2 - 4 months	371	-	3,008	11,155
4 - 6 months	795	-	8,880	6,439
6 - 12 months	739	-	22,190	71,432
Over 12 months	-	-	58,004	-
Total trade receivables - Related parties	3,242	-	102,680	101,189
<u>Trade receivables - Unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	4,682	7,216	-	1,463
Past due				
Up to 2 months	14,859	2,769	3,930	-
2 - 4 months	3,374	1,570	1,090	-
4 - 6 months	2,169	842	440	-
6 - 12 months	4,797	522	660	-
Over 12 months	1,999	1	838	-
Total	31,880	12,920	6,958	1,463
Less: Allowance for doubtful debts	(4,840)	(279)	-	-
Total trade receivables - Unrelated parties, net	27,040	12,641	6,958	1,463
Total trade receivables - net	30,282	12,641	109,638	102,652
<u>Other receivables</u>				
Amount due to related parties (Note 6)	10,001	-	10,036	2,646
Others	689	3,580	71	250
Total other receivables	10,690	3,580	10,107	2,896
Total trade and other receivables - net	40,972	16,221	119,745	105,548

## 9. Note receivables and liabilities under factoring agreement

In 2015, the Company received note receivables from sale of investment property with the value of Baht 224 million. These note receivables are factored with recourse, in accordance with the conditions specified in the factoring agreement. The bank has the right to pursue the Company for payment in the event that it is unable to make full collection of the note receivables. The period of these note receivables is from 6 months to 2 years.

## 10. Project development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Land	3,356,032	4,027,380	1,242,007	1,692,183
Construction under development	3,642,096	3,653,678	2,407,016	2,834,849
Interest cost	299,413	255,316	175,302	214,701
Land and construction developed	558,728	865,105	435,290	739,587
<b>Total</b>	<b>7,856,269</b>	<b>8,801,479</b>	<b>4,259,615</b>	<b>5,481,320</b>

Movements of the project development costs for the year ended 31 December 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	8,801,479	6,547,070	5,481,320	4,788,085
Increase in land and land improvement costs	415,533	2,656,941	133,703	244,521
Increase in construction costs	2,410,453	3,942,296	956,333	2,646,845
Borrowing cost <sup>(1)</sup>	162,400	148,684	65,426	76,147
Cost of real estate sales	(3,176,333)	(2,093,961)	(1,643,811)	(1,380,491)
Sale of land	-	-	(20,803)	-
Transfer to land waiting for development	(548,072)	(776,632)	(521,244)	(758,750)
Transfer to investment properties (Note 13)	(209,191)	(252,029)	(191,309)	(132,029)
Transfer to property, plant and equipment (Note 14)	-	(3,008)	-	(3,008)
Project development cost of subsidiaries which have changed to joint ventures	-	(1,367,882)	-	-
<b>Net book value at end of year</b>	<b>7,856,269</b>	<b>8,801,479</b>	<b>4,259,615</b>	<b>5,481,320</b>

<sup>(1)</sup> Capitalisation rate ranged from 4.60 to 10.00 percent per annum.

During the years, the Company and its subsidiaries included borrowing costs in project development costs. These were determined by applying capitalisation rates which are the weighted average of the financial charges on total borrowings during the years as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Borrowing costs included in project development costs (Million Baht)	162	149	65	76
Capitalisation rate (Percent)	4.50 - 10.00	4.60 - 7.75	4.50 - 10.00	4.60 - 7.75

The Company and its subsidiaries mortgaged project land and construction thereon, and land held for development with commercial banks, related persons and other company as collateral for credit facilities and guarantees, as summarised below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Net book value	2017	2016	2017	2016
Project development costs	7,417	7,831	4,009	4,697
Land held for development	1,280	585	1,235	567

Additional information of the Company and its subsidiaries' projects.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Total estimated sales value of projects	30,709	25,435	17,287	16,429
Total value of contracts signed according to the sale and purchase agreements of land and structures thereon	17,835	13,632	9,354	7,920
Percentage of total estimated sales value of projects	58%	54%	54%	48%
Total value of contracts signed according to the sales and purchases agreements of land and structures thereon not yet recognised as income	3,561	3,920	1,820	2,904

## 11. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
			(percent)	(percent)				
China Center (Sathorn-Kanlapaphruek) Co., Ltd.	150,000	150,000	90	90	134,970	134,970	16,196	-
J.S.P. Golden Land Co., Ltd.	200,000	200,000	100	100	199,970	199,970	51,992	-
Sampeng 2 Plaza Co., Ltd.	110,000	110,000	100	100	109,970	109,970	-	-
J.S.P. Property Management Co., Ltd.	300,000	300,000	100	100	300,000	300,000	-	-
Baan Ruenrom 2015 Co., Ltd.	100,000	100,000	100	100	99,900	99,900	-	-
Baan Putthachart 2015 Co., Ltd.	100,000	100,000	100	100	99,900	99,900	-	-
Baan Puttharaksa 2015 Co., Ltd.	150,000	150,000	100	100	149,850	149,850	-	-
J.S.P. Asplus Co., Ltd.	50,000	10,000	100	100	49,998	9,999	-	-
Total					1,144,558	1,104,559	68,188	-
Less: Allowance for loss on impairment of investment					(300,000)*	-		
Net					844,558	1,104,559		

\* Allowance for loss on impairment of investment in J.S.P. Property Management Co., Ltd.

On 28 September 2017, the Board of Director Meeting of the Company No. 10/2017 passed the resolution to approve an increase in registered capital of J.S.P. Asplus Company Limited, from Baht 10 million (100,000 ordinary shares of Baht 100 each) to Baht 50 million (500,000 ordinary shares of Baht 100 each), through the issuance of 400,000 additional ordinary shares with a par value of Baht 100 each. The Company has invested in proportion of 100%. J.S.P. Asplus Company Limited registered the increase in its share capital with the Ministry of Commerce on 27 October 2017.

## 12. Investment in joint ventures

### 12.1 Details of investment in joint ventures

Investment in joint ventures represent investment in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Joint ventures	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements	
		Carrying amounts based on equity method		Carrying amounts based on cost method			
		2017 (Percent)	2016 (Percent)	2017	2016	2017	2016
JSP Ocean Co., Ltd.	Property Development	55	55	(34,612)	(23,442)	13,750	2,750
J.S.P. Chongtian Co., Ltd.	Property Development	55	55	(20,401)	(13,171)	13,748	550
Zenith Management Co., Ltd.	Property Development	50	50	31,303	(142)	40,812	125
Total				(23,710)	(36,755)	68,310	3,425

As 31 December 2017, the Company presented loss on investment in joint ventures amounting to Baht 55 million based on equity method, offset with loans to joint ventures in consolidated financial statements (2016: Baht 37 million).

#### Changing the investment from subsidiaries to joint ventures

On 18 October 2016, the Company's Board of Directors' meeting No. 11/2016 passed a resolution to invest in a joint venture with another local company, and on 25 November 2016, the Company entered into the shareholder agreement with the other company.

As stipulated in the shareholder agreement, on 25 November 2016, the Company sold 45% of the share capital of JSP Ocean Company Limited ("JSO") and J.S.P. Chongtian Company Limited ("JST") held by the Company to the other company at a price of Baht 529 per share and Baht 1,225 per share, respectively. As a result, the shareholding of the Company remained at 55%. However, since the agreement stipulates that the Company and the other company jointly control JSO and JST, the Company changed the status of JSO and JST from subsidiaries to jointly ventures and reclassified its investment in the joint ventures from investment in subsidiaries, for which consolidated financial statements were prepared, to investment in a joint ventures, which has been accounted for in the consolidated financial statements using the equity method since 25 November 2015, the date since which the entity has been jointly controlled by the Company and the other company.

The net asset value of JSP Ocean Company Limited and J.S.P. Chongtian Company Limited as at the disposal date was as follows:

	(Unit: Thousand Baht)
Cash and cash equivalent	2,478
Project development costs	1,367,882
Other assets	16,173
Liabilities	<u>(1,444,502)</u>
Net asset value	<u><u>(57,969)</u></u>
Sale price of investment in subsidiaries	17,410
Less: Cash and cash equivalents of subsidiaries	<u>(2,478)</u>
Net cash receipt from the sales of investment in subsidiaries	<u>14,932</u>
Sale price of investment in subsidiaries	17,410
Less: Net asset value (deficit) of subsidiaries based on shareholding percentage	<u>26,086</u>
Gain on the sales of investment based on equity method	<u>43,496</u>
Sale price of investment in subsidiaries	17,410
Less: Net asset value of subsidiaries based on cost method	<u>(2,700)</u>
Gain on the sales of investment based on cost method	<u><u>14,710</u></u>

#### **JSP Ocean Company Limited**

On 28 December 2016, the Extraordinary General Meeting of Shareholders No.2/2016 of JSP Ocean Company Limited passed the resolution to approve an increase in registered capital, from Baht 5 million (50,000 ordinary shares of Baht 100 each) to Baht 25 million (250,000 ordinary shares of Baht 100 each), through the issuance of 200,000 additional ordinary shares with a par value of Baht 100 each. The Company had invested in proportion of 55%. JSP Ocean Company Limited registered the increase in its share capital with the Ministry of Commerce on 6 January 2017.

#### **J.S.P. Chongtian Company Limited**

On 28 December 2016, the Extraordinary General Meeting of Shareholders No.2/2016 of J.S.P. Chongtian Company Limited passed the resolution to approve an increase in registered capital, from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 25 million (250,000 ordinary shares of Baht 100 each), through the issuance of 240,000 additional ordinary shares with a par value of Baht 100 each. The Company had invested in proportion of 55%. J.S.P. Chongtian Company Limited registered the increase in its share capital with the Ministry of Commerce on 6 January 2017.

## Zenith Management Company Limited

On 18 September 2017, the Extraordinary General Meeting of Shareholders No. 1/2017 of Zenith Management Company Limited passed the resolution to approve an increase in registered capital, from Baht 1 million (100,000 ordinary shares of Baht 10 each) to Baht 130 million (13,000,000 ordinary shares of Baht 10 each), through the issuance of 12,900,000 additional ordinary shares with a par value of Baht 10 each, which had been called up at 62.5%. The Company had invested in proportion of 50%. Zenith Management Company Limited registered the increase in its share capital with the Ministry of Commerce on 24 October 2017.

### 12.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investment in the joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

Joint ventures	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of loss from investment in joint ventures during the year		Dividend received during the year	
	2017	2016	2017	2016
JSP Ocean Co., Ltd.	(22,170)	(2,711)	-	-
J.S.P. Chongtian Co., Ltd.	(20,427)	(2,018)	-	-
Zenith Management Co., Ltd.	(9,242)	(268)	-	-
<b>Total</b>	<b>(51,839)</b>	<b>(4,997)</b>	<b>-</b>	<b>-</b>

## 12.3 Summarised financial information about material joint ventures

### Summarised information about financial position

(Unit: Thousand Baht)

	JSP Ocean Co., Ltd.		J.S.P. Chongtian Co., Ltd.		Zenith Management Co., Ltd.	
	2017	2016	2017	2016	2017	2016
Current assets	1,056,086	1,053,982	750,096	737,714	5,902	250
Non-current assets	25,135	12,017	15,670	6,237	88,239	70,217
	<u>1,081,221</u>	<u>1,065,999</u>	<u>765,766</u>	<u>743,951</u>	<u>94,141</u>	<u>70,467</u>
Short-term loans	-	-	-	-	-	67,194
Other current liabilities	13,526	2,786	5,780	1,516	31,535	3,556
Long-term loans	1,130,626	1,105,834	797,079	766,382	-	-
	<u>1,144,152</u>	<u>1,108,620</u>	<u>802,859</u>	<u>767,898</u>	<u>31,535</u>	<u>70,750</u>
<b>Net assets</b>	(62,931)	(42,621)	(37,093)	(23,947)	62,606	(283)
Shareholding percentage (%)	55%	55%	55%	55%	50%	50%
Share of net assets	<u>(34,612)</u>	<u>(23,442)</u>	<u>(20,401)</u>	<u>(13,171)</u>	<u>31,303</u>	<u>(142)</u>

### Summarised information about profit (loss)

(Unit: Thousand Baht)

	For the year ended 31 December					
	JSP Ocean Co., Ltd.		J.S.P. Chongtian Co., Ltd.		Zenith Management Co., Ltd.	
	2017	2016	2017	2016	2017	2016
Other income	14,881	1,521	1,959	233	47	-
Administrative expenses	(2,581)	(254)	(1,660)	(168)	(17,284)	(424)
Profit (loss) before financial cost and income tax income	12,300	1,267	299	65	(17,237)	(424)
Financial cost	(62,774)	(56,332)	(46,726)	(31,249)	(4,472)	(245)
Income tax income	10,166	11,013	9,284	6,237	4,338	137
Loss for the year	<u>(40,308)</u>	<u>(44,052)</u>	<u>(37,143)</u>	<u>(24,947)</u>	<u>(17,371)</u>	<u>(532)</u>



### 13. Investment properties

Investment properties are land and construction thereon of the Company and its subsidiaries. The Company and its subsidiaries hold such investment properties in order to derive benefit from rental and service provision.

The net book value of investment properties as at 31 December 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land held for sales	Land and construction for rent	Total	Land held for sales	Land and construction for rent	Total
As at 31 December 2017						
Cost	4,589	1,682,883	1,687,472	4,589	617,702	622,291
Less: Accumulated depreciation	-	(171,796)	(171,796)	-	(7,776)	(7,776)
Less: Allowance for diminution in value	(4,589)	(278,600)	(283,189)	(4,589)	-	(4,589)
Net book value	-	1,232,487	1,232,487	-	609,926	609,926
As at 31 December 2016						
Cost	14,494	1,687,012	1,701,506	14,494	599,475	613,969
Less: Accumulated depreciation	-	(92,879)	(92,879)	-	(2,183)	(2,183)
Less: Allowance for diminution in value	-	(218,600)	(218,600)	-	-	-
Net book value	14,494	1,375,533	1,390,027	14,494	597,292	611,786

A reconciliation of the net book value of investment properties for the years 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	1,390,027	1,483,687	611,786	555,505
Increase during the year	4,436	84,260	-	18,650
Disposal during the year	(217,097)	(278,841)	(182,987)	(140,191)
Transfer from project development costs (Note 10)	209,191	252,029	191,309	132,029
Transfer from property, plant and equipment (Note 14)	-	25,176	-	25,176
Depreciation charged	(89,481)	(80,884)	(5,593)	(2,183)
Allowance for diminution in value (reverse)	(64,589)	(95,400)	(4,589)	22,800
Net book value at end of year	1,232,487	1,390,027	609,926	611,786

The fair value of the investment properties as at 31 December 2017 and 2016 stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land and construction for rent	1,475,882	1,472,644	690,067	667,358
Land held for sale	-	14,494	-	14,494

The fair value of the land and building for rent has been determined by using the income approach and market value approach. Key assumptions of income approach used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates. The fair value has been significantly determined based on market prices using Level 2 input.

The Company and its subsidiaries mortgaged project land and construction thereon with financial institutions as collateral for credit facilities, as summarised below.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value (Million Baht)	759	619	294	269

## 14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Land	Building	Furniture and office equipments	Vehicles	Assets under construction	Total
<b>Cost</b>						
1 January 2016	9,072	3,928	29,383	7,129	27,565	77,077
Additions	-	-	12,444	308	22,093	34,845
Transfer in (Note 10)	-	-	3,008	-	-	3,008
Transfer out (Note 13)	-	-	4,604	-	(29,780)	(25,176)
Write-off	-	-	-	-	(19,878)	(19,878)
31 December 2016	9,072	3,928	49,439	7,437	-	69,876
Additions	-	-	10,948	39	529	11,516
Transfer in (out)	-	-	339	-	(529)	(190)
Disposal/write-off	-	-	(194)	(2,663)	-	(2,857)
31 December 2017	9,072	3,928	60,532	4,813	-	78,345
<b>Accumulated depreciation</b>						
1 January 2016	-	154	10,267	3,788	-	14,209
Depreciation for the year	-	393	7,921	1,014	-	9,328
31 December 2016	-	547	18,188	4,802	-	23,537
Depreciation for the year	-	393	10,419	601	-	11,413
Depreciation on disposal/ write-off	-	-	(42)	(1,445)	-	(1,485)
31 December 2017	-	940	28,565	3,958	-	33,463
<b>Net book value</b>						
31 December 2016	9,072	3,381	31,251	2,635	-	46,339
31 December 2017	9,072	2,988	31,967	855	-	44,882
<b>Depreciation for the year</b>						
2016 (all included in administrative expenses)						9,328
2017 (all included in administrative expenses)						11,411

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Building	Furniture and office equipments	Vehicles	Assets under construction	
<b>Cost</b>						
1 January 2016	9,072	3,928	16,999	4,098	27,556	61,653
Additions	-	-	11,403	113	22,072	33,588
Transfer in (Note 10)	-	-	3,008	-	-	3,008
Transfer out (Note 13)	-	-	4,574	-	(29,750)	(25,176)
Write-off	-	-	-	-	(19,878)	(19,878)
31 December 2016	9,072	3,928	35,984	4,211	-	53,195
Additions	-	-	5,811	-	529	6,340
Transfer in (out)	-	-	339	-	(529)	(190)
Disposal/write-off	-	-	(194)	(2,663)	-	(2,857)
31 December 2017	9,072	3,928	41,940	1,548	-	56,488
<b>Accumulated depreciation</b>						
1 January 2016	-	154	5,115	1,360	-	6,629
Depreciation for the year	-	393	5,684	532	-	6,609
31 December 2016	-	547	10,799	1,892	-	13,238
Depreciation for the year	-	393	7,730	431	-	8,554
Depreciation on disposal/ write-off	-	-	(42)	(1,445)	-	(1,485)
31 December 2017	-	940	18,487	878	-	20,305
<b>Net book value</b>						
31 December 2016	9,072	3,381	25,185	2,319	-	39,957
31 December 2017	9,072	2,988	23,453	670	-	36,183
<b>Depreciation for the year</b>						
2016 (all included in administrative expenses)						6,609
2017 (all included in administrative expenses)						8,552

As at 31 December 2016, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 2 million (2017: None) (Separate financial statements: Baht 2 million (2017: None)).

## 15. Short-term loans from financial institution

	Interest rates (Percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
Short-term loans	MLR to MLR - 2	134,151	100,000	134,151	-
Total		134,151	100,000	134,151	-

The loans are secured by the mortgage of project land and construction thereon and guaranteed by the Company and its subsidiaries.

The loan agreements contain several covenants which, among other things, require the shareholding structure and the debt to equity ratio to maintain at the rate prescribed in the agreement.

## 16. Other short-term loans

Loans from other persons are to be used for the Company and its subsidiaries' operation. The loans carry interest at rates of 4 - 9% per annum and are repayable within January - May 2018. The loans are secured by the mortgage of the project land and construction thereon of the Company and its subsidiaries.

## 17. Short-term bills of exchange

On 11 May 2016, the Board of Director Meeting of the Company No. 7/2016 passed a resolution to approve the issue and offer of up to Baht 1,700 million of short-term bills of exchange. These bills of exchange have a tenor of no more than 270 days from the issue date, and are to be offered through public offerings or by private placement of not more than 10 bills each time with high net worth individuals and institutional investors.

As of 31 December 2017, the Company had short-term bills of exchange of Baht 180 million, bearing interest at a rate of 6.50% per annum. The bills of exchange have a tenor of 182 - 183 days from the issue date, mature from February to June 2018, and are offered to domestic funds, institutional investors and/or high net worth individuals, without collateral.

## 18. Short-term debentures

On 22 April 2016, the 2016 Annual General Meeting of Shareholders passed a resolution to approve the issue and offer of up to Baht 1,500 million debentures, with the Board of Directors of the Company empowered to subsequently determine the details of the issue and offer of the debentures.

Movements in the short-term debentures account during the year ended 31 December 2017 were summarised below:

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2017	1,087,367
Add: Amortisation deferred debenture issuing costs	12,633
Less: Redeem	(1,100,000)
Balance as at 31 December 2017	-

The debenture agreement contains covenants as specific in the agreements that among other things require the Company to maintain certain debt to equity ratio.

#### 19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade payables				
Related parties (Note 6)	-	190,343	21,923	201,441
Unrelated parties	1,204,111	1,078,694	425,507	590,794
Total trade payables	1,204,111	1,269,037	447,430	792,235
Other payables				
Related parties (Note 6)	4,074	3,581	85,221	112,124
Unrelated parties				
Accrued expenses	114,036	95,360	80,442	83,586
Retention	158,723	125,531	114,453	91,939
Accrued interest expenses	6,396	8,390	5,021	7,871
Public utilities payable	64,561	48,622	36,381	28,941
Advances from customers				
waiting for refund	34,608	15,434	24,103	14,529
Others	9,835	2,450	3,924	619
Total other payables	392,233	299,368	349,545	339,609
Total trade and other payables	1,596,344	1,568,405	796,975	1,131,844

## 20. Long-term debentures

On 21 April 2017, the 2017 Annual General Meeting of Shareholders passed a resolution to approve the issue and offer of up to Baht 3,000 million debentures, with the Board of Directors of the Company empowered to subsequently determine the details of the issue and offering of the debentures.

As at 31 December 2017, the outstanding unsecured debentures Baht 894 million carry interest at a rate of 6% per annum and payable every 3 months. The debentures will be redeemed in December 2018.

Movements in the long-term debentures account during the year ended 31 December 2017 are summarised below.

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Long-term debentures	881,797
Less: Current portion	(881,797)
Long-term debentures, net	<u>-</u>

Movements in the long-term debentures account during the year ended 31 December 2017 were summarised below.

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Balance as at 1 January 2017	-
Add: Issuance	893,700
Amortisation of deferred debenture issuing cost	6,523
Less: Deferred debenture issuing costs	(18,426)
Balance as at 31 December 2017	<u>881,797</u>

The debenture agreement contains covenants as specific in the agreements that among other things require the Company to maintain certain debt to equity ratio.

## 21. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Long-term loans from banks	2,813,835	2,538,332	1,772,072	1,978,909
Less: Current portion	(1,306,997)	(1,055,654)	(744,931)	(831,658)
Long-term loans from banks, net	<u>1,506,838</u>	<u>1,482,678</u>	<u>1,027,141</u>	<u>1,147,251</u>

Movements in the long-term loans account during the year ended 31 December 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	2,538,332	1,978,909
Add: Addition	2,515,283	1,187,666
Less: Repayment	(2,239,780)	(1,394,503)
Balance as at 31 December 2017	<u>2,813,835</u>	<u>1,772,072</u>

Long-term loans of the Company and its subsidiaries have principal repayment conditions with the rates stipulated in the loan agreements when the collaterals mortgaged with banks are redeemed, and full settlement of these loans is to be made within 2018 - 2031. Long-term loans carry interest at floating rate based on Minimum Loan Rate plus certain spread.

The loans of the Company and its subsidiaries are secured by bank deposit, the mortgage of the project land, including most present and future structures thereon, and guaranteed by the Company and its subsidiaries and the directors of the Company and its subsidiaries.

The loan agreements contain several covenants which, among other things, require the shareholding structure and the Company's and its subsidiaries debt to equity ratio to maintain at the rate prescribed in the agreements.

The long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down are as follow.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Long-term credit facilities which have not yet been drawn down	3,342	3,775	985	1,904



## 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Provision for long-term employee benefits at beginning of year</b>	12,005	8,217	11,575	4,716
Included in profit or loss:				
Current service cost	5,158	4,379	4,974	2,327
Interest cost	271	256	260	134
Included in other comprehensive income:				
Actuarial (gain) loss	1,492	(847)	1,601	350
Employee transferring	-	-	-	4,048
Benefits paid during the year	(2,202)	-	(2,202)	-
<b>Provision for long-term employee benefits at end of year</b>	<b>16,724</b>	<b>12,005</b>	<b>16,208</b>	<b>11,575</b>

Long-term employee benefit expenses included in administrative expenses in the income statement.

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 20 years (Separate financial statements: 20 years) (31 December 2016: 17 - 27 years, separate financial statements: 23 years).

Principal actuarial assumptions at the valuation date were as follows:

	(Unit: % per annum)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	3.0	2.5	3.0	2.5
Future salary increase rate	6.0	6.0	6.0	6.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 are summarised below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1.51)	1.82	(1.47)	1.77
Salary increase rate	1.75	(1.49)	1.70	(1.44)

### 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

### 24. Expenses by nature

Significant expenses classified by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Purchase of land and payment of construction during the year	2,989,952	6,710,189	1,155,508	2,971,499
Changes in land and construction in progress	186,381	(4,616,228)	488,303	(1,591,009)
Salaries and other benefits	181,911	150,974	201,260	143,663
Depreciation and amortisation	105,120	94,004	17,774	11,480
Profession fee and other services	30,920	71,342	20,516	48,366
Advertising and promotion expenses	296,828	174,146	168,979	124,259
Specific business tax and transfer fee	173,494	134,575	96,950	90,570
Rental and service	19,332	15,074	18,568	14,561
Loss on impairment of investment properties (reverse)	64,589	95,400	4,589	(22,800)
Loss on impairment of investment in subsidiary	-	-	300,000	-
Loss on write-off of advance for purchase of land	20,000	-	-	-
Others	149,613	136,420	92,755	83,940
Total	<u>4,218,140</u>	<u>2,965,896</u>	<u>2,565,202</u>	<u>1,874,529</u>

## 25. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Current income tax charge	60,924	119,446	26,317	78,646
Adjustment in respect of income of previous year	10,552	-	8,310	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(828)	(13,689)	134	5,807
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>70,648</b>	<b>105,757</b>	<b>34,761</b>	<b>84,453</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Deferred tax relating to actuarial loss (gain)	298	(169)	320	70
	<u>298</u>	<u>(169)</u>	<u>320</u>	<u>70</u>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Accounting profit (loss) before tax	47,973	230,768	(117,026)	429,860
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	9,595	46,154	(23,405)	85,972
Effects of:				
Exempt income	-	(4,560)	(13,638)	(4,560)
Additional deductible expenses	(3,539)	(309)	(76)	(309)
Non-deductible expenses	5,162	4,256	3,446	3,978
Temporary difference which is unrecognised deferred tax asset	48,754	60,827	60,000	-
Adjust entry of prior year corporate income tax	10,552	-	8,310	-
Others	124	(611)	124	(628)
Total	61,053	59,603	58,166	(1,519)
Income tax expenses reported in statement of comprehensive income	70,648	105,757	34,761	84,453

The components of deferred tax assets presented in the statement of financial position as at 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Deferred tax assets</b>				
Unearned revenues	1,340	3,192	662	1,403
Provision for long-term employee benefits	3,345	2,761	3,242	2,315
Loss carry forward	13,728	3,112	-	-
Effect on elimination of intercompany transactions	29,204	37,425	-	-
Total	47,617	46,490	3,904	3,718

## 26. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Profit (loss) for the year (Thousand Baht)				
Equity holders of the Company	(23,048)	123,798	(151,788)	345,406
Weighted average number of ordinary shares (Thousand shares)	4,200,000	4,200,000	4,200,000	4,200,000
Earnings per share (Baht)				
Profit (loss) attributable to equity holders of the Company	(0.01)	0.03	(0.04)	0.08

## 27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have two reportable segments as follows:

- Real estate business segment which consists of houses, townhouses, commercial buildings and residence condominium projects for sale, including the provision of property management services to other related companies. These services are considered to be related to the property development business.
- Rental and service business segment which consists of community mall and parking lot.

The chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2017 and 2016, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2017				
	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	4,257	111	4,368	-	4,368
Inter-segment revenue	26	18	44	(44)	-
Interest revenue	265	-	265	(203)	62
Other income	74	18	92	-	92
<b>Total revenues</b>	<b>4,622</b>	<b>147</b>	<b>4,769</b>	<b>(247)</b>	<b>4,522</b>
Cost of sales and services	3,276	103	3,379	(80)	3,299
Selling expenses	447	25	472	-	472
Administrative expenses	371	12	383	-	383
Loss on impairment of investment properties	-	92	92	(28)	64
<b>Total expenses</b>	<b>4,094</b>	<b>232</b>	<b>4,326</b>	<b>(108)</b>	<b>4,218</b>
<b>Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses</b>	<b>528</b>	<b>(85)</b>	<b>443</b>	<b>(139)</b>	<b>304</b>
Share of loss from investment in joint ventures	(52)	-	(52)	-	(52)
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>476</b>	<b>(85)</b>	<b>391</b>	<b>(139)</b>	<b>252</b>
Finance cost	(321)	(56)	(377)	173	(204)
Income tax expenses	(72)	-	(72)	1	(71)
<b>Profit (loss) for the year</b>	<b>83</b>	<b>(141)</b>	<b>(58)</b>	<b>35</b>	<b>(23)</b>

(Unit: Million Baht)

For the year ended 31 December 2016

	Real estate business	Rental and service business	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers	3,049	42	3,091	-	3,091
Inter-segment revenue	79	39	118	(118)	-
Interest revenue	228	-	228	(205)	23
Other income	210	3	213	-	213
<b>Total revenues</b>	<b>3,566</b>	<b>84</b>	<b>3,650</b>	<b>(323)</b>	<b>3,327</b>
Cost of sales and services	2,189	172	2,361	(135)	2,226
Selling expenses	284	25	309	-	309
Administrative expenses	299	36	335	-	335
Loss on impairment of investment properties	-	102	102	(6)	96
<b>Total expenses</b>	<b>2,772</b>	<b>335</b>	<b>3,107</b>	<b>(141)</b>	<b>2,966</b>
<b>Profit (loss) before share of loss from investment in joint ventures, finance cost and income tax expenses</b>	<b>794</b>	<b>(251)</b>	<b>543</b>	<b>(182)</b>	<b>361</b>
Share of loss from investment in joint ventures	(5)	-	(5)	-	(5)
<b>Profit (loss) before finance cost and income tax expenses</b>	<b>789</b>	<b>(251)</b>	<b>538</b>	<b>(182)</b>	<b>356</b>
Finance cost	(237)	(47)	(284)	159	(125)
Income tax expenses	(101)	(11)	(112)	6	(106)
<b>Profit (loss) for the year</b>	<b>451</b>	<b>(309)</b>	<b>142</b>	<b>(17)</b>	<b>125</b>

### Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customers

For the year 2017 and 2016, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

## 28. Provident fund

The Company, its subsidiary and employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiary and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules.

The contributions for the year 2017 and 2016 were recognised as expense as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Provident fund	3.7	2.4	3.6	2.0

## 29. Dividend

Dividend	Approved by	Dividend paid (Million Baht)	Dividend paid per share (Baht)
Annual dividend for the year 2015 (final payment)	Annual General Meeting of Shareholder on 22 April 2016	42	0.01
Total dividend for the year 2016		42	0.01
Annual dividend for the year 2016	Annual General Meeting of shareholder on 21 April 2017	42	0.01
Total dividend for the year 2017		42	0.01

## 30. Commitments and contingent liabilities

### 30.1 Capital commitments

As at 31 December 2017 and 2016, the Company and its subsidiaries had capital commitment as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Project construction contracts	849	1,305	575	1,026
Sale and purchase land agreement	125	191	125	-

### 30.2 Lease area management service commitment

As at 31 December 2017, the subsidiary had lease area management service commitment. The terms of the agreements are 3 years.

The subsidiary is to pay service fee as contract rate and future minimum service payments required under this contract were as follows.

	(Unit: Million Baht)	
	Consolidated financial statements	
	2017	2016
Payable within:		
Less than 1 year	7	7
In over 1 and up to 3 years	7	13



### 30.3 Operating lease commitments

The Company has entered into lease agreements in respect of the lease of office building space and vehicle with the related parties. The terms of the agreements are generally 3 - 5 years.

Future minimum lease payments required under these operating leases contracts were as follows.

	(Unit: Million Baht)	
	Consolidated / Separate financial statements	
	2017	2016
Payable within:		
Less than 1 year	14	15
In over 1 and up to 4 years	15	21

### 30.4 Bank guarantees

There were outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in the normal course of business as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Bank guarantees for construction and maintenance of infrastructure	419	166	101	89

The bank guarantees are secured by the bank deposits and the mortgage of project land and construction.

### 30.5 Servitude

As at 31 December 2017 and 2016, the Company and its subsidiaries have servitude over land as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Land servitude approximately (rai)	87	77	46	43

The cost of land servitude is included in the project development costs and investment properties.

## **31. Financial instruments**

### **31.1 Financial risk management**

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No.107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, current investments, trade and other receivables, note receivables, loans, investments, trade and other payables, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivable and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

#### ***Interest rate risk***

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, current investments, loan receivables, short-term and long-term borrowings. Most of the financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

## Consolidated financial statements

	Fixed interest rates				Floating interest rate		Non-interest bearing		Total		Effective interest rate	
	With 1 year		Over 1 and up to 5 years		2017	2016	2017	2016	2017	2016	2017	2016
	2017	2016	2017	2016								
												(Percent per annum)
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	80	203	81	136	161	339	0.10 - 1.10	0.10 - 1.35
Current investments	-	5	-	-	-	-	-	-	-	5	-	-
Note receivables	-	121	-	-	-	-	-	-	-	121	-	6.90
Restricted bank deposits	-	-	-	-	45	49	-	-	45	49	0.10 - 1.50	1.40 - 1.60
Long-term loans to related parties	-	-	796	836	-	-	-	-	796	836	7.00	7.00
	-	126	796	836	125	252	81	136	1,002	1,350		
<b>Financial liabilities</b>												
Short-term loans from financial institution	-	-	-	-	134	100	-	-	134	100	6.90 - 9.00	4.60 - 4.85
Other short-term loans	210	-	-	-	-	-	-	-	210	-	4.00 - 9.00	-
Short-term bills of exchange	176	1,527	-	-	-	-	-	-	176	1,527	6.50	4.50 - 5.00
Short-term debentures	-	1,087	-	-	-	-	-	-	-	1,087	-	5.00
Short-term loans from related parties	509	-	-	-	-	-	-	-	509	-	6.00 - 10.00	-
Long-term debentures	-	-	882	-	-	-	-	-	882	-	6.00	-
Liabilities under factoring agreements	-	123	-	-	-	-	-	-	-	123	-	2.60
Long-term loans	-	-	-	-	2,814	2,599	-	-	2,814	2,599	4.50 - 7.15	4.60 - 7.50
	895	2,737	882	-	2,948	2,699	-	-	4,725	5,436		

(Unit: Million Baht)

## Separate financial statements

	Fixed interest rates										Effective interest rate (Percent per annum)	
	With 1 year		Over 1 and up to 5 years		Floating interest rate		Non-interest bearing		Total			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016		
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	10	108	80	131	90	239	0.37 - 1.10	0.10 - 1.10
Current investments	-	5	-	-	-	-	-	-	-	5	-	-
Note receivables	-	121	-	-	-	-	-	-	-	121	-	6.90
Restricted bank deposits	-	-	-	-	35	43	-	-	35	43	0.10 - 1.50	1.40 - 1.50
Long-term loans to related parties	-	-	2,998	3,362	-	-	-	-	2,998	3,362	6.63 - 7.00	6.63 - 7.00
	-	126	2,998	3,362	45	151	80	131	3,123	3,770		
<b>Financial liabilities</b>												
Short-term loans from financial institution	-	-	-	-	134	-	-	-	134	-	6.90 - 9.00	-
Other short-term loans	210	-	-	-	-	-	-	-	210	-	4.00 - 9.00	-
Short-term bills of exchange	176	1,527	-	-	-	-	-	-	176	1,527	6.50	4.50 - 5.00
Short-term debentures	-	1,087	-	-	-	-	-	-	-	1,087	-	5.00
Short-term loans from related parties	1,243	429	-	-	-	-	-	-	1,243	429	6.00 - 10.00	6.63 - 7.00
Long-term debentures	-	-	882	-	-	-	-	-	882	-	6.00	-
Liabilities under factoring agreements	-	123	-	-	-	-	-	-	-	123	-	2.60
Long-term loans	-	-	-	-	1,772	2,003	-	-	1,772	1,979	4.50 - 7.15	4.60 - 7.50
	1,629	3,166	882	-	1,906	2,003	-	-	4,417	5,145		

### 31.2 Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature, or carrying interest at rates close to market rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

### 32. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value.

As at 31 December 2017 and 2016, the Group's debt-to-equity ratios are as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Debt-to-equity ratio	1.28:1	1.41:1	1.01:1	1.18:1

### 33. Events after the reporting period

On 31 January 2018, the Company's Board of Directors meeting No.1/2018 passed a resolution to sell all 50% shareholding on investment in Zenith Management Company Limited to another joint venture party totaling Baht 50,812,500, consisting of 50,000 ordinary shares at Baht 10 each and 6,450,000 ordinary shares at Baht 6.25 each, and received the advance payment of Baht 10,000,000.

### 34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of directors on 28 February 2018.