

Raimon Land Public Company Limited and its subsidiaries  
Report and consolidated financial statements  
31 December 2016

## **Independent Auditor's Report**

To the Shareholders of Raimon Land Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Raimon Land Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, 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 Raimon Land 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 Raimon Land Public Company Limited and its subsidiaries and of Raimon Land Public Company Limited as at 31 December 2016, 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 under the Royal Patronage of His Majesty the King 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.

### **a) *Revenue from sales of real estate recognition***

During the year 2016, the Company and its subsidiaries recognised sales of real estate amounting to Baht 5,074 million in the consolidated statements of comprehensive income and the Company recognised sales of real estate amounting to Baht 1,195 million in the separate statement of comprehensive income. As the amounts of revenue recorded directly affect the Group's profit or loss for the year. I paid particular attention to the correctness of the revenue recognition from sales of real estate in accordance with the Group's policy as stated in Note 4.1 to the financial statements.

I assessed and tested the effectiveness of internal controls put in place by the Group with respect to the revenue cycle for real estate sales by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I checked sales transactions occurring during the year and near the period-end against corresponding sale and purchase agreements, documents supporting the sales transactions and documents supporting the transfers of ownership to examine whether the revenue recognition was consistent with the information stipulated in the relevant agreements, and whether it was in compliance with the Group's policy. I also examined the accounting entries of revenue made through journal vouchers to detect possible irregularities in revenue transactions.

**b) *Impairment of investments in subsidiaries***

As disclosed in the Note 11 to the financial statements, the Company recorded impairment loss on investments in subsidiaries totaling Baht 103 million for the year 2016 in the separate financial statements, with management having noted indicators of impairment since the book value of the net assets of the subsidiaries was lower than the carrying amount of the investments in subsidiaries. In determining the impairment loss on investments in subsidiaries, management had to exercise judgement with respect to its projections of future operating performance and future plan and determination of appropriate key assumptions. There is thus a risk with respect to the amount of the impairment loss recorded.

I gained an understanding of and assessed the appropriateness of the assumptions applied in preparing plans and cash flow projections of subsidiaries, 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 past cash flow projections in comparison to actual operating results in order to estimate the reliability of the cash flow projections, and a review of the assumptions and approaches used by the independent valuer in calculating the fair value of assets, in order to assess the impairment of investments in subsidiaries.

**c) *Provision for diminution in value of project development costs***

Estimating the net realisable value of project development costs, as disclosed in the Note 5 to the financial statements, is an area of significant management judgement. This requires detailed analysis of the competitive environment, demand and supply in the real estate market, economic circumstances and the situation within the industry. There is thus a risk with respect to the amount of provision set aside for diminution in the value of project development costs.

I gained an understanding of and assessed the methods and assumptions applied by the management in determining the provision for diminution in value of project development costs and reviewed the consistency of the application of that basis. I also compared the movements of capital assets of development projects to identify the asset groups with indicators of lower than normal turnover or without sales transaction during the period. In addition, I performed an analytical review on the details of sales transactions occurring after the date of the financial statements and the development costs of for each project.

## **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.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Chonlaros Suntiasvaraporn.

Chonlaros Suntiasvaraporn  
Certified Public Accountant (Thailand) No. 4523

EY Office Limited  
Bangkok: 24 February 2017

Raimon Land Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,133,733,821	486,187,244	422,371,900	132,415,817
Current investments	8	1,072,969	19,013,725	1,072,969	-
Trade and other receivables	9	10,491,676	7,970,054	338,676,151	356,727,413
Short-term loans to related parties and interest receivables	6	-	-	2,116,696,523	2,412,362,891
Project development cost	10	6,265,030,847	7,694,622,005	608,180,527	1,165,587,489
Advance payment to contractors		72,817,452	111,005,202	4,752,272	5,596,627
Withholding tax deducted at source		-	29,090,860	-	-
Other current assets		89,767,360	80,809,522	12,199,874	8,500,666
<b>Total current assets</b>		<b>7,572,914,125</b>	<b>8,428,698,612</b>	<b>3,503,950,216</b>	<b>4,081,190,903</b>
<b>Non-current assets</b>					
Restricted bank deposits	7	3,800,000	3,800,000	3,800,000	3,800,000
Investments in subsidiaries	11	-	-	3,734,569,203	3,835,494,304
Land awaiting development	15	506,741,515	14,670,181	13,715,589	13,715,589
Investment properties	12	129,480,815	137,019,088	38,928,490	42,472,672
Property, plant and equipment	13	835,899,443	873,149,093	26,988,358	33,735,638
Deferred tax assets	25	164,967,194	312,249,430	6,932,199	45,555,026
Deposit for leasehold right	29	300,000,000	-	300,000,000	-
Leasehold right	14	68,080,378	69,944,775	-	-
Withholding tax deducted at source		99,536,040	93,268,826	-	7,275,071
Other non-current assets		18,712,489	14,175,589	11,382,762	8,664,110
<b>Total non-current assets</b>		<b>2,127,217,874</b>	<b>1,518,276,982</b>	<b>4,136,316,601</b>	<b>3,990,712,410</b>
<b>Total assets</b>		<b>9,700,131,999</b>	<b>9,946,975,594</b>	<b>7,640,266,817</b>	<b>8,071,903,313</b>

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



Raimon Land Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	15	467,481,500	100,000,000	200,000,000	100,000,000
Trade and other payables	16	222,979,326	208,667,302	55,030,332	61,130,831
Retention payables		178,534,108	214,329,427	50,526,855	51,199,736
Deposits and advance received from customers		1,102,028,930	2,046,028,206	41,980,630	447,959,648
Current portion of long-term loans from financial institutions	17	466,340,668	1,371,518,683	-	1,049,996,163
Short-term loans from related parties and accrued interest	6	-	-	160,564,785	157,593,605
Accrued income tax		25,613,246	52,915,044	15,045,016	52,354,259
Other current liabilities		50,494,995	41,994,068	40,233,163	29,269,789
<b>Total current liabilities</b>		<b>2,513,472,773</b>	<b>4,035,452,730</b>	<b>563,380,781</b>	<b>1,949,504,031</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	17	510,000,000	914,366,246	-	-
Debentures	18	1,493,743,676	497,706,096	1,493,743,676	497,706,096
Deferred tax liabilities	25	22,965,541	29,268,598	-	-
Provision for long-term employee benefits	19	18,118,390	13,649,834	17,488,903	13,293,461
Other non-current liabilities		33,938,730	5,547,026	3,748,104	5,377,595
<b>Total non-current liabilities</b>		<b>2,078,766,337</b>	<b>1,460,537,800</b>	<b>1,514,980,683</b>	<b>516,377,152</b>
<b>Total liabilities</b>		<b>4,592,239,110</b>	<b>5,495,990,530</b>	<b>2,078,361,464</b>	<b>2,465,881,183</b>

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

**Raimon Land Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Shareholders' equity</b>					
Share capital					
Registered	20				
4,558,354,509 ordinary shares of Baht 1 each (31 December 2015: 5,809,676,871 ordinary shares of Baht 1 each)		<u>4,558,354,509</u>	<u>5,809,676,871</u>	<u>4,558,354,509</u>	<u>5,809,676,871</u>
Issued and fully paid-up					
3,575,483,607 ordinary shares of Baht 1 each		3,575,483,607	3,575,483,607	3,575,483,607	3,575,483,607
Share premium		104,094	104,094	104,094	104,094
Excess of investment in subsidiary arising as a result of additional purchase of investment in the subsidiary at a price higher than the net book value of the subsidiary at the acquisition date		(564,048,205)	(564,048,205)	-	-
Capital reserve for share-based payment transactions	22	27,720,892	24,796,124	27,720,892	24,796,124
Retained earnings					
Appropriated - statutory reserve	23	109,000,000	101,000,000	109,000,000	101,000,000
Unappropriated		1,957,360,313	1,311,353,068	1,849,596,760	1,904,638,305
Other components of shareholders' equity		(239,888)	(268,347)	-	-
Equity attributable to owners of the Company		<u>5,105,380,813</u>	<u>4,448,420,341</u>	<u>5,561,905,353</u>	<u>5,606,022,130</u>
Non-controlling interests of the subsidiaries		<u>2,512,076</u>	<u>2,564,723</u>	-	-
<b>Total shareholders' equity</b>		<u>5,107,892,889</u>	<u>4,450,985,064</u>	<u>5,561,905,353</u>	<u>5,606,022,130</u>
<b>Total liabilities and shareholders' equity</b>		<u>9,700,131,999</u>	<u>9,946,975,594</u>	<u>7,640,266,817</u>	<u>8,071,903,313</u>

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

Directors

Raimon Land Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales of residential condominium units		5,073,582,505	5,042,338,803	1,194,577,013	2,794,929,094
Rental and service income		53,503,775	38,972,375	8,761,895	9,144,546
Other income					
Project management fee income	6	17,796,401	18,635,038	14,511,871	48,868,215
Marketing commission income	6	19,802,593	24,765,032	66,320,049	73,497,234
Guarantee fee income	6	-	-	20,059,625	15,774,533
Interest income	6	4,325,511	1,710,730	88,052,750	123,854,337
Others		37,419,467	19,064,711	3,186,775	3,750,490
<b>Total revenues</b>		<b>5,206,430,252</b>	<b>5,145,486,689</b>	<b>1,395,469,978</b>	<b>3,069,818,449</b>
<b>Expenses</b>					
Cost of residential condominium units sold		3,181,416,995	3,016,127,792	570,374,390	1,490,210,851
Selling expenses		291,147,982	326,406,395	61,034,719	145,236,939
Administrative expenses		564,483,430	503,615,166	367,244,060	333,697,542
Loss on diminution in value of investment in subsidiaries		-	-	102,924,501	-
<b>Total expenses</b>		<b>4,037,048,407</b>	<b>3,846,149,353</b>	<b>1,101,577,670</b>	<b>1,969,145,332</b>
<b>Profit before finance cost and income tax expenses</b>		<b>1,169,381,845</b>	<b>1,299,337,336</b>	<b>293,892,308</b>	<b>1,100,673,117</b>
Finance cost		(94,166,611)	(153,134,835)	(66,952,420)	(104,619,861)
<b>Profit before income tax expenses</b>		<b>1,075,215,234</b>	<b>1,146,202,501</b>	<b>226,939,888</b>	<b>996,053,256</b>
Income tax expenses	25	(224,615,547)	(245,747,219)	(77,335,744)	(219,743,340)
<b>Profit for the year</b>		<b>850,599,687</b>	<b>900,455,282</b>	<b>149,604,144</b>	<b>776,309,916</b>
<b>Other comprehensive income for the year</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of					
financial statements in foreign currency - net of income tax		28,459	127,448	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		28,459	127,448	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax	19, 25	-	1,113,550	-	1,113,550
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		-	1,113,550	-	1,113,550
<b>Other comprehensive income for the year</b>		<b>28,459</b>	<b>1,240,998</b>	<b>-</b>	<b>1,113,550</b>
<b>Total comprehensive income for the year</b>		<b>850,628,146</b>	<b>901,696,280</b>	<b>149,604,144</b>	<b>777,423,466</b>

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

**Raimon Land Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2016**

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		850,652,934	900,898,173	<u>149,604,144</u>	<u>776,309,916</u>
Non-controlling interests of the subsidiaries		<u>(53,247)</u>	<u>(442,891)</u>		
		<u>850,599,687</u>	<u>900,455,282</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		850,681,393	902,139,171	<u>149,604,144</u>	<u>777,423,466</u>
Non-controlling interests of the subsidiaries		<u>(53,247)</u>	<u>(442,891)</u>		
		<u>850,628,146</u>	<u>901,696,280</u>		
<b>Earnings per share</b>					
	26				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.24</u>	<u>0.25</u>	<u>0.04</u>	<u>0.22</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.24</u>	<u>0.25</u>	<u>0.04</u>	<u>0.22</u>

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

**Raimon Land Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2016**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>				
Profit before tax	1,075,215,234	1,146,202,501	226,939,888	996,053,256
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	64,507,482	65,689,882	17,649,130	19,842,218
Allowance for doubtful accounts	1,393,228	-	-	-
Allowance for doubtful account in short-term loan to and interest receivable from subsidiaries	-	-	35,533,780	-
Loss on disposal/ written-off of equipment	3,945,654	2,591,245	180,163	2,548,184
Unrealised loss on exchange rate	-	-	202,175	-
Expenses from provision for long-term employee benefits	4,468,556	4,574,623	4,195,442	4,218,250
Write-off of withholding tax deducted at source	862,766	425	-	-
Allowance for doubtful account in refundable withholding tax deducted at source	21,594,707	-	-	-
Reduce project development cost to net realisable value	12,708,634	-	-	-
Loss on diminution in value of investment in subsidiaries	-	-	102,924,501	-
Profit on liquidation of investment in subsidiaries	-	-	-	(1,033,123)
Decrease in non-controlling interests from liquidation of subsidiaries	-	(225)	-	-
Realised gain on current investments	(273,194)	-	(62,280)	-
Unrealised gain on current investments	(10,689)	(13,725)	(10,689)	-
Share-base payment transactions	2,924,768	4,950,950	2,924,768	4,950,950
Interest income	(4,325,511)	(1,710,730)	(88,052,750)	(123,854,337)
Interest expenses	85,892,970	142,677,668	62,001,232	99,540,710
Amortisation of debenture issuing cost	1,387,580	381,096	1,387,580	381,096
Profit from operating activities before changes in operating assets and liabilities	1,270,292,185	1,365,343,710	365,812,940	1,002,647,204
Operating assets decrease (increase)				
Trade and other receivables	(3,891,404)	13,540,514	18,051,262	173,831,788
Project development cost	1,445,186,354	781,791,345	557,406,962	1,363,203,213
Advance payment to contractors	38,164,304	275,240,119	844,355	14,986,452
Other current assets	(8,607,797)	5,456,489	(3,312,168)	1,921,730
Other non-current assets	(1,532,353)	4,202,172	211,063	(1,848,886)
Operating liabilities increase (decrease)				
Trade and other payables	13,469,841	(227,588,691)	(7,098,240)	(57,226,676)
Retention payables	(35,795,319)	(4,512,563)	(672,881)	(31,669,964)
Deposits and advance received from customers	(943,999,276)	(1,219,281,915)	(405,979,018)	(1,044,781,799)
Provision for long-term employee benefits	-	(1,384,843)	-	(1,384,843)
Other current liabilities	8,500,927	(10,091,020)	10,963,374	(7,448,833)
Other non-current liabilities	30,510,481	471,244	423,028	319,011
Cash flows from operating activities	1,812,297,943	983,186,561	536,650,677	1,412,548,397
Cash received from interest income	4,362,509	1,673,692	118,357,851	154,320,435
Cash paid for interest expenses	(113,741,658)	(158,944,325)	(57,514,204)	(86,706,986)
Cash refund from withholding tax deducted at source	13,483,525	-	7,275,071	-
Cash paid for corporate income tax	(124,055,518)	(168,165,283)	(76,022,159)	(138,684,134)
<b>Net cash flows from operating activities</b>	<b>1,592,346,801</b>	<b>657,750,645</b>	<b>528,747,236</b>	<b>1,341,477,712</b>

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

**Raimon Land Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2016**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	-	25,100,000	-	25,100,000
Cash paid for current investments	(74,000,000)	(19,000,000)	(49,000,000)	-
Cash received from sales of current investments	92,224,640	-	48,000,000	-
Decrease (increase) in short-term loans to related parties	-	-	229,625,312	(691,027,146)
Cash paid for acquisition of investment properties	-	(86,177)	-	(86,177)
Cash paid for acquisition of equipment	(17,147,274)	(15,894,744)	(4,306,471)	(5,323,894)
Cash received from disposal of equipment	734,944	85,808	610,290	38,845
Acquisition of computer software	(4,476,783)	-	(4,209,284)	-
Cash paid for deposit for leasehold right	(300,000,000)	-	(300,000,000)	-
Cash paid for leasehold right	(1,100,000)	-	-	-
Cash paid for purchase of investments in subsidiaries	-	-	(1,999,400)	(869,999,700)
Purchases of land awaiting for development	(492,071,334)	-	-	-
Cash received from liquidation of subsidiaries	-	-	-	2,901,395
<b>Net cash flows used in investing activities</b>	<b>(795,835,807)</b>	<b>(9,795,113)</b>	<b>(81,279,553)</b>	<b>(1,538,396,677)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	367,481,500	(410,000,000)	100,000,000	(410,000,000)
Increase (decrease) in short-term loans from related party	-	-	(905,147)	39,000,000
Increase (decrease) in long-term loans from financial institutions	(1,309,544,261)	(742,228,757)	(1,049,996,163)	71,258,601
Cash received from issuance of debentures	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Cash paid for debenture issuing cost	(5,350,000)	(2,675,000)	(5,350,000)	(2,675,000)
Cash paid for liabilities under finance lease agreements	(4,935,026)	(4,894,436)	(4,614,601)	(4,422,557)
Cash received from non-controlling interests				
of the subsidiary from capital increase in the subsidiary	600	300	-	-
Dividend payment	(196,645,689)	-	(196,645,689)	-
Cash received from exercise of warrants	-	163,576	-	163,576
<b>Net cash flows from (used in) financing activities</b>	<b>(148,992,876)</b>	<b>(659,634,317)</b>	<b>(157,511,600)</b>	<b>193,324,620</b>
<b>Increase in translation adjustment</b>	<b>28,459</b>	<b>127,448</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>647,546,577</b>	<b>(11,551,337)</b>	<b>289,956,083</b>	<b>(3,594,345)</b>
Cash and cash equivalents at beginning of the year	486,187,244	497,738,581	132,415,817	136,010,162
<b>Cash and cash equivalents at end of the year</b>	<b>1,133,733,821</b>	<b>486,187,244</b>	<b>422,371,900</b>	<b>132,415,817</b>
<b>Supplemental disclosure of cash flows information</b>				
Non-cash transactions:				
Increase in equipment under finance lease agreements	2,816,250	932,215	2,562,082	932,215

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

Raimon Land Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note	Excess of investment in subsidiary arising as a result of additional purchase of investment in the subsidiary at a price higher than net book value of the subsidiary				Capital reserve for share-based payment		Other components of shareholder's equity		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
		Issued and paid-up share capital	Share premium	at the acquisition date	transactions	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity			
					Appropriated	Unappropriated						
<b>Balance as at 1 January 2015</b>		3,575,424,125	-	(564,048,205)	19,845,174	62,000,000	448,341,345	(395,795)	(395,795)	3,541,166,644	3,007,539	3,544,174,183
Profit for the year		-	-	-	-	900,898,173	-	-	-	900,898,173	(442,891)	900,455,282
Other comprehensive income for the year		-	-	-	-	1,113,550	127,448	127,448	1,240,998	-	-	1,240,998
Total comprehensive income for the year		-	-	-	-	902,011,723	127,448	127,448	902,139,171	(442,891)	-	901,696,280
Increase in investments in subsidiary		-	-	-	-	-	-	-	-	-	300	300
Decrease in minority interest from liquidation in subsidiaries		-	-	-	-	-	-	-	-	-	(225)	(225)
Increase in share capital from exercise of warrants		59,482	104,094	-	-	-	-	-	-	163,576	-	163,576
Capital reserve for share-based payment transactions	22	-	-	-	4,950,950	-	-	-	-	4,950,950	-	4,950,950
Statutory reserve	23	-	-	-	-	39,000,000	(39,000,000)	-	-	-	-	-
<b>Balance as at 31 December 2015</b>		<b>3,575,483,607</b>	<b>104,094</b>	<b>(564,048,205)</b>	<b>24,796,124</b>	<b>101,000,000</b>	<b>1,311,353,068</b>	<b>(268,347)</b>	<b>(268,347)</b>	<b>4,448,420,341</b>	<b>2,564,723</b>	<b>4,450,985,064</b>
<b>Balance as at 1 January 2016</b>		3,575,483,607	104,094	(564,048,205)	24,796,124	101,000,000	1,311,353,068	(268,347)	(268,347)	4,448,420,341	2,564,723	4,450,985,064
Profit for the year		-	-	-	-	-	850,652,934	-	-	850,652,934	(53,247)	850,599,687
Other comprehensive income for the year		-	-	-	-	-	-	28,459	28,459	28,459	-	28,459
Total comprehensive income for the year		-	-	-	-	-	850,652,934	28,459	28,459	850,681,393	(53,247)	850,628,146
Increase in investments in subsidiaries		-	-	-	-	-	-	-	-	-	600	600
Capital reserve for share-based payment transactions	22	-	-	-	2,924,768	-	-	-	-	2,924,768	-	2,924,768
Statutory reserve	23	-	-	-	-	8,000,000	(8,000,000)	-	-	-	-	-
Dividend paid	28	-	-	-	-	-	(196,645,689)	-	-	(196,645,689)	-	(196,645,689)
<b>Balance as at 31 December 2016</b>		<b>3,575,483,607</b>	<b>104,094</b>	<b>(564,048,205)</b>	<b>27,720,892</b>	<b>109,000,000</b>	<b>1,957,360,313</b>	<b>(239,888)</b>	<b>(239,888)</b>	<b>5,105,380,813</b>	<b>2,512,076</b>	<b>5,107,892,889</b>

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

Raimon Land Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

(Unit: Baht)

Separate financial statements						
Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total
				Appropriated	Unappropriated	
<b>Balance as at 1 January 2015</b>	3,575,424,125	-	19,845,174	62,000,000	1,166,214,839	4,823,484,138
Profit for the year	-	-	-	-	776,309,916	776,309,916
Other comprehensive income for the year	-	-	-	-	1,113,550	1,113,550
Total comprehensive income for the year	-	-	-	-	777,423,466	777,423,466
Increase in share capital from						
exercise of warrants <input type="checkbox"/>	59,482	104,094	-	-	-	163,576
Capital reserve for share-based payment						
transactions	22	-	-	4,950,950	-	4,950,950
Statutory reserve	23	-	-	39,000,000	(39,000,000)	-
<b>Balance as at 31 December 2015</b>	<u>3,575,483,607</u>	<u>104,094</u>	<u>24,796,124</u>	<u>101,000,000</u>	<u>1,904,638,305</u>	<u>5,606,022,130</u>
<b>Balance as at 1 January 2016</b>	3,575,483,607	104,094	24,796,124	101,000,000	1,904,638,305	5,606,022,130
Total comprehensive income for the year	-	-	-	-	149,604,144	149,604,144
Capital reserve for share-based payment						
transactions	22	-	-	2,924,768	-	2,924,768
Statutory reserve	23	-	-	8,000,000	(8,000,000)	-
Dividend paid	28	-	-	-	(196,645,689)	(196,645,689)
<b>Balance as at 31 December 2016</b>	<u>3,575,483,607</u>	<u>104,094</u>	<u>27,720,892</u>	<u>109,000,000</u>	<u>1,849,596,760</u>	<u>5,561,905,353</u>

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



## Raimon Land Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 December 2016

#### 1. General information

Raimon Land Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is JS Asset Management Pte. Ltd., a company existing under Singapore laws. The Company is principally engaged in the property development. The registered office of the Company is at 62 The Millennia Tower, 22nd Floor, Unit 2201-3, Langsuan Road, Lumpini, Pathumwan, Bangkok.

#### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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 28 September 2011, 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 statements of Raimon Land Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
			Percent	Percent
Contemporary Property Company Limited	Ceased operations	Thailand	98.59	98.59
Raimon Land Planner Company Limited	Ceased operations	Thailand	95.00	95.00
The River Company Limited (Held by the Company 89.0% and indirect held by Contemporary Property Company Limited 11.0%)	Ceased operations	Thailand	100.00	100.00
Taksin Properties Company Limited (Held by the Company 68.8% and indirect held by The River Company Limited 31.2%)	Property development	Thailand	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 Percent	2015 Percent
Raimon Land Park View Development Company Limited	Ceased operations	Thailand	99.99	99.99
Raimon Land Resorts Company Limited	Investment and service	Thailand	99.99	99.99
Raimon Land Residences Company Limited	Ceased operations	Thailand	99.99	99.99
Raimon Land Unixx Company Limited (Held by the Company 99.8% and indirect held by Raimon Land Residences Company Limited 0.2%)	Property development	Thailand	99.99	99.99
Raimon Land Development Company Limited	Property development	Thailand	99.99	99.99
Raimon Land Services Company Limited	Services	Thailand	99.96	99.96
Raimon Land Ekkamai Company Limited	Property development	Thailand	99.99	99.99
Raimon Land Silom Company Limited (Formerly known as "Praram 4 Properties Company Limited")	Property development	Thailand	99.99	99.99
Raimon Land Estate Company Limited	Property development	Thailand	99.97	-
Asangha Realty Company Limited	Agent for property resale or leasing	Thailand	99.97	-
Raimon Land Development (Singapore) Pte. Ltd.	Property development and Investment	Singapore	100.00	100.00
Raimon Land Properties (Singapore) Pte. Ltd.	Property development	Singapore	100.00	100.00

In May 2016, the Company incorporated Raimon Land Estate Company Limited and holds 99.97 percent of the registered share capital of this subsidiary.

In August 2016, the Company incorporated Asangha Realty Company Limited and holds 99.97 percent of the registered share capital of this subsidiary.

- 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 obtains 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) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) 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 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 subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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 the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

**TAS 27 (revised 2016) Separate Financial Statements**

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

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

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

###### *Sales of residential condominium units*

Revenues from sales of residential condominium units are recognised as revenues when significant risks and rewards are transferred to the buyer.

###### *Rental and related service income*

Rental and related service income of units in office buildings, residential condominium and community mall are recognised on a time proportion basis.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

##### **4.2 Cost of residential condominium units sold**

In determining the cost of residential condominium units sold, the total development costs are attributed to units sold on the basis of the sale value.

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

Cash and cash equivalents consist of cash in 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 accounts receivable and allowance for doubtful accounts**

Trade accounts receivable 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 experience and analysis of debt aging.

##### **4.5 Project development cost**

Project development cost is valued at the lower of cost and net realisable value. The details of cost calculation are as follows:

- |                          |   |  |
|--------------------------|---|--|
| Land                     | - | The Company and its subsidiaries record cost of land separately for each project.  |
| Construction in progress | - | Construction in progress consists of the cost of design, cost of construction, public utility costs and interest capitalised to cost of projects. The Company and its subsidiaries record cost of design, construction and public utilities based on the actual cost incurred. |

#### **4.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction of the projects that necessarily takes a substantial period of time to get ready for its intended sale are capitalised as part of the cost of the respective projects and will be ceased when the projects are completed or when the construction is suspended until active development resumes. 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.

#### **4.7 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 subsidiaries are accounted for in the separate financial statements using the cost method.

The fair value of money market funds are determined from their net asset value on last business day of the year.

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

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

#### **4.8 Investment properties and depreciation**

Investment properties are measured initially at cost, including transaction costs. Subsequent to 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 to their costs on the straight-line basis over the following estimated useful lives and the leasehold remaining period:

Office building for rent	20 years
Community mall	27 years

Depreciation of the investment properties is included in determining operating income.

No depreciation is provided on land.

#### **4.9 Property, plant and equipment and depreciation**

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

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

Land improvement	5 years
Buildings and building improvement	20 years
Residential condominium units for services	30 years
Furniture, fixtures and office equipment	2 - 10 years
Motor vehicles	5 years

Depreciation is included in determining operating income.

No depreciation is provided on land.

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.

#### **4.10 Land awaiting development**

Land awaiting development is valued at the lower of cost and net realisable value. Cost included all costs to acquire land.

#### **4.11 Leasehold right and amortisation**

Leasehold right is stated at cost less accumulated amortisation. Amortisation of leasehold right is calculated by reference to its cost on a straight-line basis over the leasehold period.

#### **4.12 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 give them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company's and its subsidiaries' operations.

#### **4.13 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 asset acquired under finance leases is depreciated over the useful life of the asset.

Leases of property or 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.

#### **4.14 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining operating income.

#### **4.15 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the 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 subsidiaries 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.



#### **4.16 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 and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries 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.

#### **4.17 Equity-settled share-based payment transactions**

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

#### **4.18 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 recognises 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.

### **4.19 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 from these estimates. Significant judgements and estimates are as follows:

### **Project development costs estimation**

In recognising revenue from real estate sales, the Company and its subsidiaries need to estimate all project development costs, including land costs, land improvement costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisit the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

### **Provision for diminution in value of project development cost**

The determination of allowances for diminution in the value of project development cost, requires management to make judgements and estimates. The allowance for diminution in value of project development cost is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales. This requires detailed analysis of the competitive environment, demand and supply in the real estate market, economic circumstances and the situation within the industry.

### **Provision for impairment on investments**

The Company treats investment in subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

### **Classification of long-term loans**

In classifying the current portion of long-term loans from banks, 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.

## Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no significant loss will incur. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

During the years, the Company and its subsidiaries had 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, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Project management fee income	-	-	15	49	As stipulated in agreements
Marketing commission income	-	-	47	49	At prices charged to the third parties
Guarantee fee income	-	-	20	16	At 1.5% per annum of average outstanding guarantee
Interest income	-	-	85	123	Interest rate of 5.0 - 5.5% per annum and average MLR-1.75 to -1.875% per annum (2015: Interest rate of 5.5% per annum and average MLR-1.75 to -1.875% per annum)
Interest expenses	-	-	4	4	Interest rates of 3.0 - 5.0% per annum (2015: Interest rates of 3.0% per annum)
Service fee expenses	-	-	1	5	As stipulated in agreements
Purchase of condominium units	-	-	2	5	At prices charged to the third parties
<u>Transactions with related parties</u>					
(Related by directors)					
Service fee expenses	-	1	-	-	Similar to market price

As at 31 December 2016 and 2015, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Amounts due from related parties (Note 9)</b>				
Subsidiaries				
- Taksin Properties Company Limited	-	-	296,580	291,095
- Raimon Land Development Company Limited	-	-	1,091	459
- Raimon Land Unixx Company Limited	-	-	8,696	48,385
- Raimon Land Ekkamai Company Limited	-	-	29,169	16,383
- Raimon Land Resorts Company Limited	-	-	50	-
- Raimon Land Services Company Limited	-	-	257	-
- Asangha Realty Company Limited	-	-	9	-
- Raimon Land Estate Company Limited	-	-	2,402	-
- Raimon Land Silom Company Limited (Formerly known as "Praram 4 Properties Company Limited")	-	-	-	5
Major shareholders				
- JS Asset Management Pte. Ltd.	1,654	230	-	-
Related parties (related by directors)	277	488	17	-
	<u>1,931</u>	<u>718</u>	<u>338,271</u>	<u>356,327</u>
<b>Amounts due to related parties (Note 16)</b>				
Subsidiaries				
- Taksin Properties Company Limited	-	-	112	20
- Raimon Land Development (Singapore) Pte. Ltd.	-	-	465	1,128
Major shareholders				
- JS Asset Management Pte. Ltd.	-	2	-	-
Related parties (related by directors)	479	1,240	-	515
	<u>479</u>	<u>1,242</u>	<u>577</u>	<u>1,663</u>
<b>Deposits and advance received from customers - related parties</b>				
- Directors and employees	4,268	4,146	-	-
- Related parties (related by directors)	9,332	13,012	9,332	9,332
	<u>13,600</u>	<u>17,158</u>	<u>9,332</u>	<u>9,332</u>

## Loans to related parties and loans from related parties

As at 31 December 2016 and 2015, the balance of loans to and related interest receivable, and loans from and related accrued interest between the Company and those related parties and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 December 2016
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Unrealised losses on exchange rate	
<b>Short-term loans to related parties and interest receivables</b>					
<u>Subsidiaries</u>					
- Raimon Land Park View Development Company Limited					
Loans	15,591	2,869	-	-	18,460
Interest receivable	4,423	861	-	-	5,284
- Raimon Land Resorts Company Limited					
Loans	537	-	-	-	537
Interest receivable	46	28	-	-	74
- Raimon Land Development Company Limited					
Loans	417,148	-	(417,148)	-	-
Interest receivable	2,099	7,133	(9,232)	-	-
- Taksin Properties Company Limited					
Loans	50,000	247,500	(146,000)	-	151,500
Interest receivable	422	5,086	(4,866)	-	642
- Raimon Land Unixx Company Limited					
Loans	1,529,023	485,000	(1,583,509)	-	430,514
Interest receivable	65,261	44,927	(100,310)	-	9,878
- Raimon Land Residences Company Limited					
Loans	-	12,223	-	-	12,223
Interest receivable	1,106	12,607	(1,106)	-	12,607
- Raimon Land Ekkamai Company Limited					
Loans	275,060	310,439	(169,000)	-	416,499
Interest receivable	51,647	16,741	-	-	68,388
- Raimon Land Estate Company Limited					
Loans	-	231,120	-	-	231,120
Interest receivable	-	6,062	-	-	6,062
- Raimon Land Silom Company Limited (Formerly known as "Praram 4 Properties Company Limited")					
Loans	-	827,113	(33,000)	-	794,113
Interest receivable	-	3,432	-	-	3,432
- Raimon Land Development (Singapore) Pte. Ltd.					
Loans	-	234,451	(231,683)	(162)	2,606
Interest receivable	-	1,374	-	(40)	1,334
<b>Total</b>	<b>2,412,363</b>	<b>2,448,966</b>	<b>(2,695,854)</b>	<b>(202)</b>	<b>2,165,273</b>
Less: Allowance for doubtful debts	-	(48,576)	-	-	(48,576)
<b>Net</b>	<b>2,412,363</b>	<b>2,400,390</b>	<b>(2,695,854)</b>	<b>(202)</b>	<b>2,116,697</b>

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 December 2016
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	
<b>Short-term loans from related parties and accrued interest</b>				
<u>Subsidiaries</u>				
- Contemporary Property Company Limited				
Loans	129,623	-	(905)	128,718
Accrued interest	27,971	3,876	-	31,847
- Raimon Land Silom Company Limited (Formerly known as "Param 4 Properties Company Limited")				
Loans	-	25,000	(25,000)	-
Accrued interest	-	51	(51)	-
	<u>157,594</u>	<u>28,927</u>	<u>(25,956)</u>	<u>160,565</u>

**Short-term loans to subsidiaries**

Loans to subsidiaries are unsecured loans and due at call, carrying interest at rates of 5.0 percent per annum and MLR-1.75 percent per annum (2015: interest at rates 5.5 percent per annum and MLR-1.75 to -1.875 percent per annum).

During the current year, the Company entered into short-term loan agreements with subsidiaries as follows:

Raimon Land Estate Company Limited

On 1 June 2016, the Company entered into a loan agreement to provide a loan facility of Baht 200 million to Raimon Land Estate Company Limited. On 2 December 2016, the Company entered into an addendum agreement to alter the loan facility from Baht 200 million to Baht 400 million. The loan carries interest at the rate of 5 percent per annum.

Taksin Properties Company Limited

On 20 June 2016, the Company entered into a revolving loan agreement to provide a loan facility of Baht 150 million to Taksin Properties Company Limited. The loan carries interest at the rate of 5 percent per annum.

Raimon Land Development (Singapore) Pte. Ltd.

On 1 August 2016, the Company entered into a loan agreement to provide a loan facility of Baht 300 million to Raimon Land Development (Singapore) Pte. Ltd. On 29 September 2016, the Company entered into the amendment agreement to alter the loan facility from Baht 300 million to be SGD 11.5 million. The loan carries interest at a rate of 5 percent per annum.

Raimon Land Silom Company Limited (Formerly known as “Praram 4 Properties Company Limited”)

On 30 November 2016, the Company entered into a loan agreement to provide a loan facility of Baht 1,000 million to Raimon Land Silom Company Limited. The loan carries interest at a rate of 5 percent per annum.

Allowance for doubtful debts

During the current year, the Company has recorded allowance for doubtful accounts for the short-term loans to and interest receivable from Raimon Land Park View Development Company Limited and Raimon Land Residences Company Limited in full amount of Baht 49 million.

**Short-term loans from subsidiaries**

Loans from subsidiaries is unsecured loan carrying interest at a rate of 3 - 5 percent per annum (2015: Interest at rate 3 percent per annum) and due at call.

During the current year, the Company entered into a short-term loan agreement with a subsidiary as follows:

Raimon Land Silom Company Limited

On 8 August 2016, the Company entered into a loan agreement with Raimon Land Silom Company Limited, granting the loan facility of Baht 25 million. The loan carries interest at a rate of 5 percent per annum. During the current year, the Company repaid the whole outstanding amount.

**Directors and management’s benefits**

During the years ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expense payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	79	76	79	76
Post-employment benefits	4	4	4	4
Share-based payment transactions (Note 22)	3	5	3	5
Total	<u>86</u>	<u>85</u>	<u>86</u>	<u>85</u>



## Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries, as described in note 29.5 to the consolidated financial statements.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	444	433	98	123
Bank deposits	1,133,290	485,754	422,274	132,293
Total	<u>1,133,734</u>	<u>486,187</u>	<u>422,372</u>	<u>132,416</u>

As at 31 December 2016, bank deposits in saving accounts and fixed deposits carried interests between 0.125 and 1.40 percent per annum (2015: between 0.125 and 2.25 percent per annum).

Restricted bank deposits represent saving accounts pledged with banks to secure letters of guarantee by bank amounting to Baht 3.8 million. The interest rate of these deposits is 0.3 percent per annum (2015: 0.3 percent per annum).

## 8. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Investments in money market fund	1,062	19,000	1,062	-
Add: unrealised gains on change in value of investments	11	14	11	-
Total current investments (fair value)	<u>1,073</u>	<u>19,014</u>	<u>1,073</u>	<u>-</u>

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade accounts receivable - unrelated parties	8,880	7,105	512	505
Other receivables - related parties (Note 6)	1,931	718	338,271	356,327
Other receivables - unrelated parties	7,284	5,774	156	158
<b>Total</b>	<b>18,095</b>	<b>13,597</b>	<b>338,939</b>	<b>356,990</b>
Less: Allowance for doubtful debts	(7,603)	(5,627)	(263)	(263)
<b>Trade and other receivables, net</b>	<b>10,492</b>	<b>7,970</b>	<b>338,676</b>	<b>356,727</b>

## 10. Project development cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and construction under development	2,264,671	2,221,600	-	-
Developed land and construction	4,160,348	5,620,302	620,330	1,177,736
<b>Total</b>	<b>6,425,019</b>	<b>7,841,902</b>	<b>620,330</b>	<b>1,177,736</b>
Reduce cost to net realisable value	(159,988)	(147,280)	(12,149)	(12,149)
<b>Net</b>	<b>6,265,031</b>	<b>7,694,622</b>	<b>608,181</b>	<b>1,165,587</b>
Capitalised borrowing costs during the year	28,544	25,363	-	-
Capitalisation rate (Percent per annum)	4	5	-	-
Mortgaged as collateral for credit facilities and guarantees	3,679,900	5,637,847	549,397	1,113,563

During the current year, a subsidiary reduced cost of commercial units by Baht 13 million to reflect the net realisable value. This was included in cost of sales.

## 11. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2016	2015	2016	2015	2016	2015
			(%)	(%)		
Contemporary Property Company Limited	200,000	200,000	98.59	98.59	196,126	196,126
Raimon Land Planner Company Limited	2,000	2,000	95.00	95.00	1,900	1,900
Raimon Land Park View Development Company Limited	100,000	100,000	99.99	99.99	100,000	100,000
The River Company Limited (Held by the Company 89.0% and indirect held by Contemporary Property Company Limited 11.0%)	1,232,030	1,232,030	100.00	100.00	1,121,994	1,121,994
Taksin Properties Company Limited (Held by the Company 68.8% and indirect held by The River Company Limited 31.2%)	1,200,000	1,200,000	100.00	100.00	825,000	825,000
Raimon Land Resorts Company Limited	7,000	7,000	99.99	99.99	7,000	7,000
Raimon Land Residences Company Limited	10,000	10,000	99.99	99.99	5,100	5,100
Raimon Land Unixx Company Limited (Held by the Company 99.8% and indirect held by Raimon Land Residences Company Limited 0.2%)	1,737,500	1,737,500	99.99	99.99	1,727,500	1,727,500
Raimon Land Development Company Limited	500,000	500,000	99.99	99.99	390,694	390,694
Raimon Land Services Company Limited	500	500	99.96	99.96	500	500
Raimon Land Ekkamai Company Limited	5,000	5,000	99.99	99.99	5,000	5,000
Raimon Land Silom Company Limited (Formerly known as "Param 4 Properties Company Limited")	45,000	45,000	99.99	99.99	45,000	45,000
Raimon Land Estate Company Limited	1,000	-	99.97	-	1,000	-
Asangha Realty Company Limited	1,000	-	99.97	-	1,000	-
Raimon Land Development (Singapore) Pte. Ltd.	-	-	100.00	100.00	-	-
Raimon Land Properties (Singapore) Pte. Ltd.	-	-	100.00	100.00	-	-
<b>Total</b>					<b>4,427,814</b>	<b>4,425,814</b>
Less: Allowance for impairment loss on investments in subsidiaries					(693,245)	(590,320)
<b>Investments in subsidiaries, net</b>					<b>3,734,569</b>	<b>3,835,494</b>

No dividend was received from the above subsidiaries during the years ended 31 December 2016 and 2015.

For the year ended 31 December 2016, the Company recorded allowance for impairment loss on investments in The River Company Limited of approximately Baht 102 million and in Raimon Land Planner Company Limited of approximately Baht 1 million.

**Raimon Land Estate Company Limited (the subsidiary)**

On 16 May 2016, the Company incorporated Raimon Land Estate Company Limited, with a registered capital of Baht 1 million, comprising 10,000 ordinary shares with a par value of Baht 100 each. The Company invested 9,997 ordinary shares, which represents 99.97 percent shareholding of the registered share capital, and paid total amount of Baht 1 million.

**Asangha Realty Company Limited (the subsidiary)**

On 19 August 2016, the Company incorporated Asangha Realty Company Limited, with a registered capital of Baht 1 million, comprising 10,000 ordinary shares with a par value of Baht 100 each. The Company invested 9,997 ordinary shares, which represents 99.97 percent shareholding of the registered share capital, and paid total amount of Baht 1 million.

**12. Investment properties**

The net book value of investment properties as at 31 December 2016 and 2015 is presented below.

	Consolidated financial statements			Separate financial statements	
	Land and office building for rent	Community mall	Total	Land and office building for rent	Total
(Unit: Thousand Baht)					
As at 31 December 2016					
Cost	67,675	233,175	300,850	67,675	67,675
Less: Accumulated depreciation	(28,747)	(21,778)	(50,525)	(28,747)	(28,747)
Less: Allowance for diminution in value	-	(120,844)	(120,844)	-	-
Net book value	38,928	90,553	129,481	38,928	38,928
As at 31 December 2015					
Cost	67,675	233,175	300,850	67,675	67,675
Less: Accumulated depreciation	(25,202)	(17,785)	(42,987)	(25,202)	(25,202)
Less: Allowance for diminution in value	-	(120,844)	(120,844)	-	-
Net book value	42,473	94,546	137,019	42,473	42,473

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	137,019	144,450	42,473	45,920
Acquisition of assets	-	86	-	86
Depreciation charge	(7,538)	(7,517)	(3,545)	(3,533)
Net book value at end of year	<u>129,481</u>	<u>137,019</u>	<u>38,928</u>	<u>42,473</u>

The fair value of the investment properties as at 31 December 2016 and 2015 stated below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and office building for rent	74	81	74	81
Community mall (included leasehold right)	159	177	-	-

The fair value of the above investment properties has been determined based on valuation performed by the accredited independent valuer, using income approach. The key assumptions used in the valuation of the land and office building for rent and the community mall include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company has pledged investment properties amounting to approximately Baht 39 million (2015: Baht 41 million) as collateral against credit facilities received from a financial institution.

### 13. Property, plant and equipment

(Unit: Thousand Baht)

#### Consolidated financial statements

	Residential						Total
	Land and land improvement	Building and improvement	condominium units for services	Furniture and fixtures	Office equipment	Motor vehicles	
<b>Cost:</b>							
1 January 2015	13,388	16,967	867,052	111,478	45,785	38,250	1,092,920
Additions	77	713	7,740	2,792	5,505	-	16,827
Disposals/ written-off	-	-	-	(4,311)	(7,762)	-	(12,073)
31 December 2015	13,465	17,680	874,792	109,959	43,528	38,250	1,097,674
Additions	-	582	-	10,228	5,713	3,440	19,963
Disposals/ written-off	-	-	-	(17,032)	(1,018)	(2,750)	(20,800)
31 December 2016	13,465	18,262	874,792	103,155	48,223	38,940	1,096,837
<b>Accumulated depreciation:</b>							
1 January 2015	-	12,060	28,902	76,518	29,140	15,197	161,817
Depreciation for the year	7	15	29,141	12,276	6,798	5,672	53,909
Depreciation on disposals/ written-off	-	-	-	(1,972)	(7,424)	-	(9,396)
31 December 2015	7	12,075	58,043	86,822	28,514	20,869	206,330
Depreciation for the year	15	138	29,230	10,146	6,988	6,015	52,532
Depreciation on disposals/ written-off	-	-	-	(12,478)	(891)	(2,750)	(16,119)
31 December 2016	22	12,213	87,273	84,490	34,611	24,134	242,743
<b>Allowance for impairment loss:</b>							
31 December 2015	13,288	4,907	-	-	-	-	18,195
31 December 2016	13,288	4,907	-	-	-	-	18,195
<b>Net book value:</b>							
31 December 2015	170	698	816,749	23,137	15,014	17,381	873,149
31 December 2016	155	1,142	787,519	18,665	13,612	14,806	835,899
<b>Depreciation for the year:</b>							
2015 (all included in administrative expenses)							53,909
2016 (all included in administrative expenses)							52,532

(Unit: Thousand Baht)

## Separate financial statements

	Land and land improvement	Building and building improvement	Furniture and fixtures	Office equipment	Motor vehicles	Total
<b>Cost:</b>						
1 January 2015	13,388	16,967	64,668	27,142	33,937	156,102
Additions	77	713	973	4,493	-	6,256
Disposals/ written-off	-	-	(3,870)	(6,169)	-	(10,039)
31 December 2015	13,465	17,680	61,771	25,466	33,937	152,319
Additions	-	582	1,197	1,775	3,314	6,868
Disposals/ written-off	-	-	(2,964)	(594)	(2,750)	(6,308)
31 December 2016	13,465	18,262	60,004	26,647	34,501	152,879
<b>Accumulated depreciation:</b>						
1 January 2015	-	12,060	49,644	19,472	11,496	92,672
Depreciation for the year	8	15	5,511	4,275	5,359	15,168
Depreciation on disposals/ written-off	-	-	(1,621)	(5,831)	-	(7,452)
31 December 2015	8	12,075	53,534	17,916	16,855	100,388
Depreciation for the year	15	138	2,860	4,024	5,788	12,825
Depreciation on disposals/ written-off	-	-	(2,175)	(592)	(2,750)	(5,517)
31 December 2016	23	12,213	54,219	21,348	19,893	107,696
<b>Allowance for impairment loss:</b>						
31 December 2015	13,288	4,907	-	-	-	18,195
31 December 2016	13,288	4,907	-	-	-	18,195
<b>Net book value:</b>						
31 December 2015	169	698	8,237	7,550	17,082	33,736
31 December 2016	154	1,142	5,785	5,299	14,608	26,988
<b>Depreciation for the year:</b>						
2015 (all included in administrative expenses)						15,168
2016 (all included in administrative expenses)						12,825

As at 31 December 2016, the Company and its subsidiaries had equipment and motor vehicles with net book value of Baht 12 million (2015: Baht 16 million) which were acquired under finance lease agreements (the Company only: Baht 12 million, 2015: Baht 15 million).

As at 31 December 2016, certain items of equipment and motor vehicles of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 106 Million (2015: Baht 97 million) (the Company only: Baht 78 million, 2015: Baht 70 million).

As at 31 December 2015, a subsidiary pledged its property, plant and equipment amounting to approximately Baht 817 million as collateral against credit facilities received from financial institutions. However, during 2016, the subsidiary already redeemed those assets from financial institutions.

#### 14. Leasehold right

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2016</u>	<u>2015</u>
Leasehold right	101,100	100,000
Less: Accumulated amortisation	<u>(33,020)</u>	<u>(30,055)</u>
Leasehold right - net	<u>68,080</u>	<u>69,945</u>
Amortisation charges included in administrative expenses	<u>2,965</u>	<u>2,944</u>

A reconciliation of the net book value of leasehold right for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	69,945	72,889
Addition	1,100	-
Amortisation charge	<u>(2,965)</u>	<u>(2,944)</u>
Net book value at end of year	<u>68,080</u>	<u>69,945</u>



## 15. Short-term loans from financial institutions

As at 31 December 2016, short-term loans from financial institutions consist of the Company's bill of exchange of Baht 200 million (2015: Baht 100 million) and a subsidiary's promissory note of Baht 267 million with financial institutions, which carry interest at rates similar to market rate. These loans are due between February to June 2017.

The promissory note of the subsidiary from the financial institution is secured by the mortgage of the subsidiary's land awaiting development of Baht 492 million and guarantee provided by the Company.

On 1 April 2016, the Company entered into a credit facility agreement with a local bank, granting the short-term facility of Baht 1,000 million. The credit facility is to be used for the acquisition of land of the Company and its subsidiaries. As at 31 December 2016, the Company has not yet drawn down this credit facility.

## 16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - unrelated parties	62,612	92,602	3,367	2,700
Other payables - related parties (Note 6)	479	1,242	577	1,663
Other payables - unrelated parties	50,412	47,584	5,541	7,129
Accrued expenses	109,476	67,239	45,545	49,639
Total trade and other payables	<u>222,979</u>	<u>208,667</u>	<u>55,030</u>	<u>61,131</u>

## 17. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loans	976,341	2,285,885	-	1,049,996
Less: Current portion	<u>(466,341)</u>	<u>(1,371,519)</u>	-	<u>(1,049,996)</u>
Long-term loans, net of current portion	<u>510,000</u>	<u>914,366</u>	-	-

The Company and its subsidiaries have credit facilities from banks totaling Baht 4,364 million (2015: Baht 6,127 million) (the Company only: Baht 1,154 million, 2015: Baht 4,087 million) under numerous agreements, carrying interest rates reference to MLR. Loan repayments are due when condominium units are transferred to customers, as specified in the loan agreements, and full settlement due within dates between April 2017 to December 2020 (2015: May 2016 to September 2024) (the Company only 2015: June 2016 to June 2019).

These loans are secured by the mortgage of the condominium units of the projects, the land and construction thereon of the projects, the transfer of beneficiary rights under purchase and sale agreements for the project's condominium units, the transfer of beneficiary rights under insurance policies for the projects, the transfer of the beneficiary rights under the performance bonds of construction agreements with the major project contractors, the transfer of rights in bank accounts, and guarantee provided by the Company.

The loan agreements of the Company and its subsidiaries contain covenants as specified in the agreements that, among other things, require the Company and its subsidiaries to maintain certain interest-bearing debt to equity and debt to equity ratios according to the agreements.

As at 31 December 2016, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 1,873 million (2015: Baht 2,704 million) (the Company only: Baht 883 million, 2015: Baht 2,351 million).

#### **Raimon Land Public Company Limited**

On 7 June 2016, the Company entered into an amendment credit facility agreement with a local bank to allow Raimon Land Estate Company Limited, a subsidiary, to jointly utilise the credit facility. The loan which has been drawn down by the subsidiary are guaranteed by the Company.

On 28 June 2016, the Company entered into an amendment credit facility agreement with a local bank, to extend the payment period of loans to September 2016. During the current year, the Company repaid the whole outstanding amount.

#### **Taksin Properties Company Limited (the subsidiary)**

On 1 April 2016, Taksin Properties Company Limited, a subsidiary, entered into an amendment long-term loan agreement with two local banks to extend the payment period of loans to April 2017.

## Raimon Land Unixx Company Limited (the subsidiary)

On 19 December 2016, Raimon Land Unixx Company Limited, a subsidiary entered into a long-term loan agreement with a local bank, granting the loan facilities of Baht 1,370 million for development of its project. This loan carries interest at rate reference to MLR. During the current year, the loan has been drawn down amounted to Baht 510 million.

### 18. Debentures

Unit : Thousand Baht

Issued date	Matured date	Quantity (Unit)	Par value (Baht per unit)	Interest rate (Percent per annum)	Consolidated financial statements/ Separated financial statements	
					2016	2015
29 July 2015	29 July 2018	500,000	1,000	4.8	500,000	500,000
21 September	21 September 2019	1,000,000	1,000	4.7	1,000,000	-
2016						
Total					1,500,000	500,000
Less: Unamortised costs relating to the issuance of the debentures					(6,256)	(2,294)
Debentures – net					1,493,744	497,706

The above debentures are unsecured and their interests are paid on quarterly basis.

The debenture agreements contain covenants as specified in the agreement and restrictions on the Company, related to such matters as the maintenance of interest-bearing debt to equity ratio.

### 19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Provision for long-term employee benefits at beginning of year</b>	13,650	11,852	13,293	11,852
Included in profit or loss:				
Current service cost	4,111	3,350	3,847	3,000
Interest cost	357	455	349	448
Past service costs and losses on settlement	-	770	-	770
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(1,725)	-	(1,725)
Financial assumptions changes	-	1,659	-	1,659
Experience adjustments	-	(1,326)	-	(1,326)
Benefit paid during the year	-	(1,385)	-	(1,385)
<b>Provision for long-term employee benefits at end of year</b>	18,118	13,650	17,489	13,293

Line items in profit or loss which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Administrative expenses	4,468	4,575	4,196	4,218
Total expenses recognised in profit or loss	<u>4,468</u>	<u>4,575</u>	<u>4,196</u>	<u>4,218</u>

The Company and its subsidiaries expect that no long-term employee benefits will be paid during the next year.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 24 years (the Company only: 24 years) (2015: 25 years, the Company only: 25 years).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount rate	2.57 - 2.62	2.57 - 2.62	2.62	2.62
Salary increase rate	3	3	3	3
Turnover rate	0 - 34	0 - 34	0 - 34	0 - 34

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2016			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1 %</u>	<u>Decrease 1 %</u>	<u>Increase 1 %</u>	<u>Decrease 1 %</u>
Discount rate	(1,199)	1,678	(1,149)	1,622
Salary increase rate	1,777	(1,576)	1,175	(1,520)
Turnover rate	(1,566)	466	(1,512)	453

(Unit: Thousand Baht)

As at 31 December 2015

	Consolidated financial statements		Separate financial statements	
	Increase 1 %	Decrease 1 %	Increase 1 %	Decrease 1 %
Discount rate	(1,177)	1,346	(1,149)	1,314
Salary increase rate	1,276	(1,138)	1,244	(1,109)
Turnover rate	(1,254)	370	(1,224)	363

## 20. Share capital

On 25 April 2016, the Annual General Meeting of the Company's shareholders for the year 2016 passed the resolution for the Company to decrease the Company's registered share capital from Baht 5,809,676,871 to Baht 4,558,354,509 by cancelling 1,251,322,362 unissued ordinary shares, since the Company has not proceeded with the private placement offering of 357,541,529 shares and 893,780,833 RML-W3 warrants were expired.

The Company registered the decrease in its registered share capital with the Ministry of Commerce on 12 May 2016.

## 21. Warrants to purchase new ordinary shares of the Company issued to the Company's shareholders

On 15 June 2015, the Company issued 893,853,790 warrants (RML-W4). Each warrant can be exercised to purchase 1 new ordinary share at an exercise price of Baht 1.97 each. These warrants can be exercised for 3 years from the issued date, on the last business day of each March, June, September and December. The initial exercise date was on 30 September 2015 and the last exercise date will be on 14 June 2018.

As at 31 December 2016, there was not exercised for these warrants (RML-W4).

## 22. Warrants to purchase new ordinary shares of the Company issued to the executive directors and/or employees of the Company

On 1 November 2013, the Extraordinary General Meeting of the Company's shareholders No. 1/2013 passed the approval for the Company to issue and offer 89 million units of warrants to purchase the Company's ordinary shares ("ESOP-Warrants") at the rate of Baht 0 per unit and at the exercise ratio of 1 unit per 1 ordinary share and at the exercise price of Baht 1.67 per share to two executive directors of the Company, 44.5 million units each.

The date of issue warrants (RML-WB) was on 15 November 2013. The holders of the warrants are able to exercise their rights to purchase the Company's ordinary shares on the last business day of each month at the agreed option for a term of 5 years from the issued date.

As at 31 December 2016, there was not exercised for these warrants (RML-WB).

The expenses recognised from share-based payment transactions for the year ended 31 December 2016 of the Company were Baht 3 million (2015: Baht 5 million).

The fair value of the warrants (RML-WB) was measured based on Binomial option pricing model as presented below.

	<u>RML-WB</u>
Fair value of warrants at grant date	0.22 - 0.48 Baht per share
Share price at grant date	1.32 Baht per share
Exercise price	1.67 Baht per share
Expected dividend yield	0 %
Expected stock volatility*	45.51 %
Risk-free interest rate	2.83 %

\* The expected volatility of the share options is based on historical data of the Company's stock price during the period 16 November 2011 to 15 November 2013.

### **23. Statutory reserve**

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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 by nature are as follow:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost of residential condominium units sold	3,168,708	3,016,128	570,374	1,490,211
Salary and other employee benefits	223,099	224,253	204,219	205,828
Management fee	14,141	12,528	-	-
Depreciation and amortisation charges	64,507	65,690	17,649	19,842
Special business tax and transfer fees	190,223	210,433	44,750	115,381
Other selling expenses	100,925	115,973	16,285	29,856
Loss on diminution in value of investment in subsidiaries	-	-	102,925	-
Reduce project development cost to net realisable value	12,709	-	-	-

## 25. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Current income tax:</b>				
Current income tax charge	83,661	113,515	38,713	112,585
Adjustment in respect income tax of previous year	(24)	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	140,979	132,232	38,623	107,158
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>224,616</u>	<u>245,747</u>	<u>77,336</u>	<u>219,743</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to actuarial gains	-	278	-	278

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	1,075,215	1,146,203	226,940	996,053
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiply by income tax rate	215,043	229,241	45,388	199,211
Adjustment in respect of income tax of previous year	(24)	-	-	-
Difference in tax rates of subsidiaries	-	(463)	-	-
Effects of:				
Utilisation of unrecognised deferred tax assets in the previous year	(30,239)	(7,887)	-	(1,562)
Write-off deferred tax assets				
- Allowance for doubtful accounts	-	1,000	-	-
- Allowance for impairment loss on investments	-	20,000	-	20,000
- Tax losses of subsidiaries	24,600	-	-	-
Deferred tax assets which were not recognised during the year				
- Tax losses of subsidiaries	7,159	1,522	-	-
- Allowance for impairment loss on investments	-	-	20,585	-
- Allowance for doubtful accounts	4,640	-	9,715	-
- Others	52	71	-	-
Additional expenses deduction allowed	(805)	-	(303)	-
Non-deductible expenses	4,190	2,263	1,951	2,094
<b>Total</b>	<u>9,597</u>	<u>16,969</u>	<u>31,948</u>	<u>20,532</u>
<b>Income tax expenses reported in the statement of comprehensive income</b>	<u>224,616</u>	<u>245,747</u>	<u>77,336</u>	<u>219,743</u>



As at 31 December 2016 and 2015, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Deferred tax assets</b>				
Unused tax loss	19,083	72,523	-	-
Allowance for diminution in value of project development cost	25,283	22,741	2,430	2,430
Allowance for impairment loss on investment properties	21,351	22,292	-	-
Provision for long-term employee benefits	3,498	2,658	3,498	2,659
Cash received from customers and project development cost from the difference between tax and accounting of revenue recognition	93,545	191,617	1,004	40,466
Others	2,207	418	-	-
<b>Total deferred tax assets</b>	<u>164,967</u>	<u>312,249</u>	<u>6,932</u>	<u>45,555</u>
<b>Deferred tax liabilities</b>				
Surplus of project development cost	22,966	29,269	-	-
<b>Total deferred tax liabilities</b>	<u>22,966</u>	<u>29,269</u>	<u>-</u>	<u>-</u>

As at 31 December 2016, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 892 million (2015: Baht 717 million) (the Company only: Baht 693 million, 2015: Baht 590 million). Deferred tax assets have not been recognised on these amount as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses which was not recognised as deferred tax assets amounting to Baht 199 million (2015: Baht 126 million) will expire by 2017 - 2021.

## 26. Earnings per share

Basis earnings per share is calculated by dividing profit 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.

Diluted earnings per share is calculated by dividing profit 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued. However, warrants was not included in calculation of diluted earnings per share for the year 2016 and 2015 since the exercise price plus the balance of fair value of each warrants is higher than the average market price for the year.

	Consolidated financial statements					
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	850,653	900,898	3,575,484	3,575,484	0.24	0.25
<b>Effect of dilutive potential ordinary shares</b>						
Warrants to purchase ordinary shares of the Company (ESOP-RML-WB / RML-W4)	-	-	-	-		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares	<u>850,653</u>	<u>900,898</u>	<u>3,575,484</u>	<u>3,575,484</u>	0.24	0.25

Separate financial statements						
Profit for the year		Weighted average number		Earnings per share		
		of ordinary shares		2016	2015	
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the						
Company	149,604	776,310	3,575,484	3,575,484	0.04	0.22
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>						
Warrants to purchase ordinary shares of the						
Company (ESOP-RML-WB / RML-W4)	-	-	-	-		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders						
assuming the conversion of warrants to						
ordinary shares	<u>149,604</u>	<u>776,310</u>	<u>3,575,484</u>	<u>3,575,484</u>	0.04	0.22

## 27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is monthly contributed to by employees, at the rate of 3 percent or 5 percent of their basic salaries, and by the Company at the rate of 5 percent of employees' basic salaries. The fund, which is managed by Kasikorn Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 5 million (2015: Baht 5 million) were recognised as expenses.

## 28. Dividends

Dividends	Approved by	Total dividends	Dividends per share
		(Thousand Baht)	(Baht)
Final dividends for 2015	Annual General Meeting of the Company's shareholders on 25 April 2016	<u>196,646</u>	<u>0.055</u>

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

As at 31 December 2016, the Company and its subsidiaries had capital commitments of approximately Baht 719 million (2015: Baht 750 million) (the Company only, 2015: Baht 26 million) relating to design and construction contracts of their projects.

### 29.2 Long-term land lease commitments

On 28 December 2016, the Company entered into a land lease agreement with a company, to lease land for construction of office and retail space for rent. The land lease agreement grants a 30-year operating lease period.

As at 31 December 2016, the Company paid a deposit for the leasehold rights of Baht 300 million. The land lease agreement specifies that the Company has commitments as follows:

- a) To transfer the ownership of a condominium unit of its project, within 1 month from the date of the agreement or any date thereafter mutually agreed by lessor and the lessee,
- b) To make advance payment for the long-term lease of Baht 1,148 million on the land delivery date in April 2018.
- c) The Company has to pay annual rental over the lease period of 30 years totaling Baht 1,804 million. Rental payment will commence on 1 April 2022 when is 4 years after land delivery date.

In addition, the Company has to pay a fund annually during 2036 - 2040 with a total amount of Baht 100 million. The fund will be used for building improvement or decommissioning cost after the expiry date of land lease agreement.

### 29.3 Operating lease commitments

The Company and its subsidiary have entered into several service agreements and lease agreements in respect of land and office building space. The terms of the agreements are generally between 2 to 3 years.

As at 31 December 2016, the Company and its subsidiary had future minimum lease payments required under these non-cancellable operating leases contracts as follows.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	<u>2016</u>	<u>2016</u>
Payable:		
Up to 1 year	9	8
Over 1 and up to 3 years	24	23

## **29.4 Long-term service commitments**

The Company and its subsidiaries had commitment in respect of agency fees of the projects to pay under the “Agency Agreement” at the rate of 1 to 7 percent of project units’ sale price.

## **29.5 Guarantee**

29.5.1 As at 31 December 2016, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 2,108 million (2015: Baht 2,030 million).

29.5.2 As at 31 December 2016, the Company and its subsidiary had outstanding bank guarantees issued by banks on behalf of the Company and its subsidiary of approximately Baht 4 million (2015: Baht 7 million) (the Company only: Baht 4 million, 2015: Baht 4 million) to guarantee electricity use.

## **29.6 Tax assessment**

During the year 2012, a subsidiary received letters of corporate income tax and special business tax assessments from the Revenue Department, whereby tax was assessed on the basis that the subsidiary must top up the mortgage value on the value of land sales of the subsidiary. The subsidiary then submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department. In March 2016, the Tax Appeal Committee rejected the subsidiary’s appeal to revoke this assessment by the Revenue Department, and ordered the subsidiary to pay tax and surcharges approximately Baht 600 million to the Revenue Department. However, the Company disagreed with this assessment. The subsidiary, therefore filed the case to the Central Tax Court to revoke this tax assessment on 7 September 2016. This filing is currently under the consideration of the Central Tax Court. Based on tax advice received from a professional firm, the Company’s management believes that the subsidiary has done it correctly and the subsidiary will be able to oppose this assessment and that there will be no significant effect to the consolidated statements of financial position and consolidated statement of comprehensive income. Therefore, no provision has been set up into the account.

As at 31 December 2016, this subsidiary’s share capital has been fully paid up and it has ceased the operation since 2010. In addition, there is no guarantee issued by this subsidiary to any third party including no guarantee issued by the Company as the parent company of this subsidiary. Therefore, if the subsidiary loses the case, there will have no negative impact to the consolidated financial statements.

## 29.7 Litigations

As at 31 December 2016, the Company and its subsidiaries have pending litigation cases, relating to allegations of breaches of agreements to purchase and to sell from some customers and torts amounting to Baht 34 million. However, the Company and its subsidiaries are defending the lawsuits, and since the Company's lawyers and management believe that the Company and its subsidiaries will not have a material effect from the litigation, no provision have been recorded in respect of these cases.

## 30. 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.

For management purposes, the Company and its subsidiaries are organised into business units based on their project property development.

The Company and its subsidiaries have aggregated all operating segments and presented them as the reportable segment which is property development. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the financial reporting standard. The operation of the Company and its subsidiaries is carried out from the single geographic location, Thailand. As a result, all of the revenues, operating profits and assets as reflected in these consolidated financial statements pertain to the aforementioned reportable operating segment and geographical area.

## 31. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2016			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current Investment	1	-	-	1
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	233	233

(Unit: Million Baht)

Consolidated financial statements

31 December 2015

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current Investment	19	-	-	19
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	258	258

(Unit: Million Baht)

Separate financial statements

31 December 2016

	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Current Investment	1	-	-	1
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	74	74

(Unit: Million Baht)

Separate financial statements

31 December 2015

	Level 1	Level 2	Level 3	Total
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	81	81

## 32. Financial instruments

### 32.1 Financial risk management

The Company's and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, loans to, investments, trade and other payables, short-term loan, long-term loans and debentures. 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 receivables and loans to related parties. The Company's and its subsidiaries' management manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loan to related parties as stated in the statements of financial position.

### **Interest rate risk**

The Company's and the subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans to, short-term loans, long-term loans and debentures. Most of the financial assets and liabilities 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 statement					Effective interest rate (% p.a.)
	As at 31 December 2016					
	Fixed interest rates		Floating	Non-interest	Total	
within 1 year	1-5 years	interest rate	bearing			
<b>Financial Assets</b>						
Cash and cash equivalents	-	-	1,133	1	1,134	0.125 - 1.40
Current investments	-	-	-	1	1	-
Restricted bank deposits	-	-	4	-	4	0.30
Trade and other receivables	-	-	-	10	10	-
	-	-	1,137	12	1,149	
<b>Financial Liabilities</b>						
Short-term loans from financial institutions	467	-	-	-	467	3.3 - 4.0
Trade and other payables	-	-	-	223	223	-
Long-term loans from financial institutions	-	-	976	-	976	Reference to MLR
Debentures	-	1,494	-	-	1,494	4.7 - 4.8
	467	1,494	976	223	3,160	



(Unit: Million Baht)

## Consolidated financial statement

	As at 31 December 2015					Effective interest rate (% p.a.)
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	
	within 1 year	1-5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	25	-	455	6	486	0.125 - 2.25
Current investments	-	-	-	19	19	-
Restricted bank deposits	-	-	4	-	4	0.30
Trade and other receivables	-	-	-	8	8	-
	<u>25</u>	<u>-</u>	<u>459</u>	<u>33</u>	<u>517</u>	
<u>Financial Liabilities</u>						
Short-term loans from financial institutions	100	-	-	-	100	3.40
Trade and other payables	-	-	-	209	209	-
Long-term loans from financial institutions	-	-	2,286	-	2,286	Reference to MLR
Debentures	-	498	-	-	498	4.80
	<u>100</u>	<u>498</u>	<u>2,286</u>	<u>209</u>	<u>3,093</u>	

(Unit: Million Baht)

## Separate financial statement

	As at 31 December 2016					Effective interest rate (% p.a.)
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	
	within 1 year	1-5 years				
<u>Financial Assets</u>						
Cash and cash equivalents	-	-	422	-	422	0.125 - 1.40
Current investments	-	-	-	1	1	-
Restricted bank deposits	-	-	4	-	4	0.30
Trade and other receivables	-	-	-	339	339	-
Short-term loans to related parties and interest receivable	1,675	-	352	90	2,117	5.0 and MLR-1.75
	<u>1,675</u>	<u>-</u>	<u>778</u>	<u>430</u>	<u>2,883</u>	
<u>Financial Liabilities</u>						
Short-term loans from financial institutions	200	-	-	-	200	3.30
Trade and other payables	-	-	-	55	55	-
Short-term loan from related party and accrued interest	129	-	-	32	161	3.00
Debentures	-	1,494	-	-	1,494	4.7 - 4.8
	<u>329</u>	<u>1,494</u>	<u>-</u>	<u>87</u>	<u>1,910</u>	

(Unit: Million Baht)

Separate financial statement						
As at 31 December 2015						
Fixed interest rates		Floating	Non-interest	Total	Effective	
within 1 year	1-5 years	interest rate	bearing		interest rate	
					(% p.a.)	
<b>Financial Assets</b>						
Cash and cash equivalent	-	-	132	-	132	0.30 - 0.625
Restricted bank deposits	-	-	4	-	4	0.30
Trade and other receivables	-	-	-	357	357	-
Short-term loans to related parties and interest receivable	837	-	1,450	125	2,412	5.5 and MLR- 1.75 to -1.875
	837	-	1,586	482	2,905	
<b>Financial Liabilities</b>						
Short-term loans from financial institutions	100	-	-	-	100	3.40
Trade and other payables	-	-	-	61	61	-
Short-term loan from related party and accrued interest	130	-	-	28	158	3.00
Long-term loans from financial institutions	-	-	1,050	-	1,050	Reference to MLR
Debentures	-	498	-	-	498	4.80
	230	498	1,050	89	1,867	

### ***Foreign currency risk***

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiaries consider themselves not to be exposed to foreign currency risk because the majority of financial transactions are in Baht currency.

### **32.2 Fair values of financial instruments**

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

### **33. Capital management**

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's interest-bearing debt to equity ratio was 0.58:1 (2015: 0.65:1) and the Company's was 0.33:1 (2015: 0.32:1).

### **34. Events after the reporting period**

On 24 February 2017, the Board of Directors' Meeting of the Company passed the following resolutions:

- a) To approve the payment of dividend from profit of the year ended 31 December 2016 to the shareholders at Baht 0.07 each or a total dividend of Baht 250 million.
- b) To approve the issuance and offering of warrants to the directors, management, and/or employees of the Company, under the ESOP totaling 146 million units.

However, above resolutions are subject to be approved by shareholders in the Annual General Meeting of the Company's shareholders for the year 2017.

### **35. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2017.