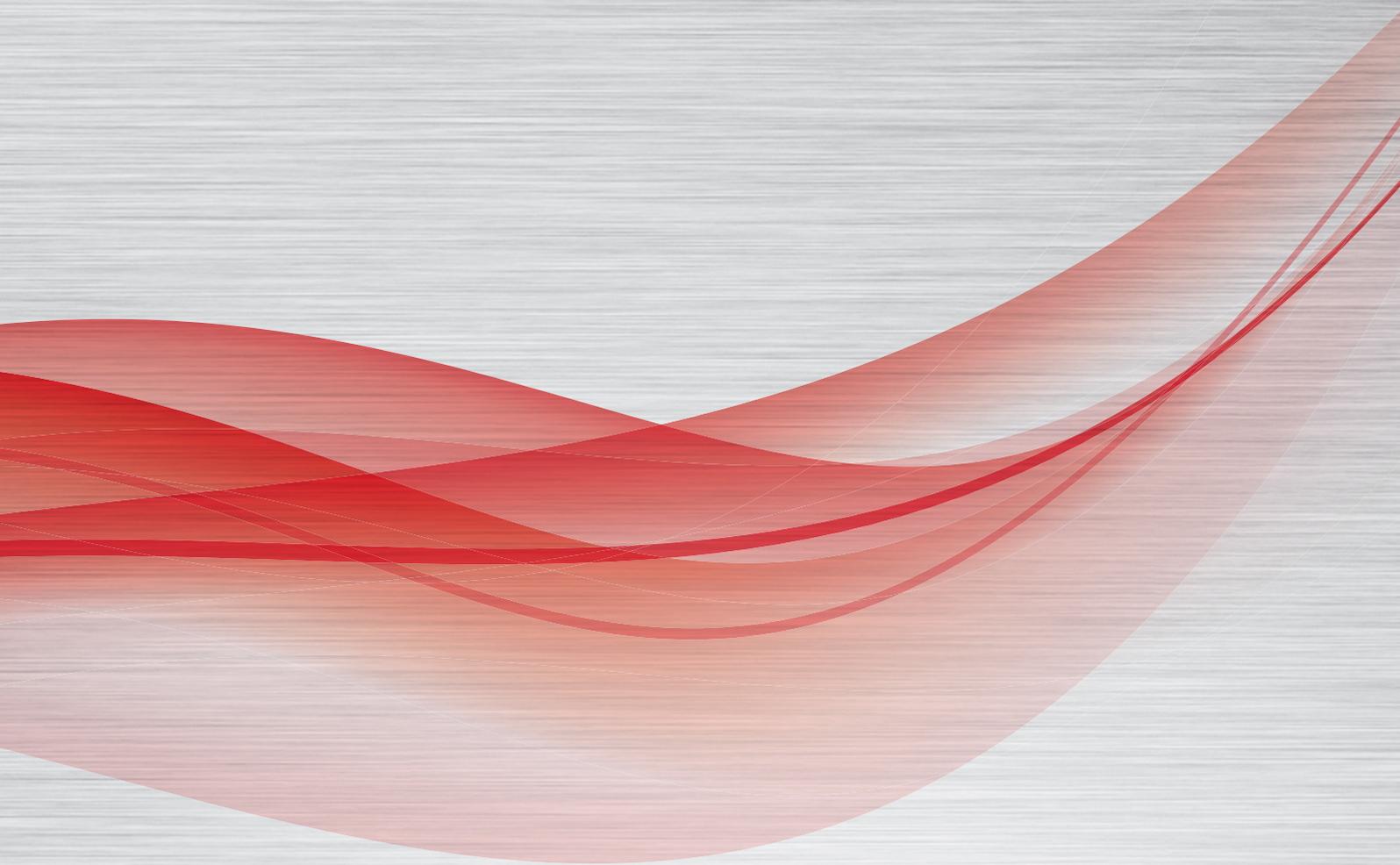


CHEWATHAI PLC
BUILD A LIFE

ANNUAL REPORT 2016



In Remembrance of His Majesty
King Bhumibol Adulyadej

by the Board of Directors, Management and Staff of
Chewathai Public Company Limited





BUILD A LIFE

Build a life with top convenience living.
Located in a desirable location with
an international standard of constructions
completed with professional teams
that are ready to welcome every
Chewathai residents.



House



Condominium



Ready to Move in



Industrial



HOUSE

Creating a sustainable life with a top quality house that is aesthetically and functionally outstanding. Located in a perfect and spacey area so everyday can be a relaxing day for everyone.





Chewarom Rangsit - Don Mueang

Chewarom
Rangsit-Don Mueang





CONDOMINIUM

CHEWATHAI
RESIDENCE
BANG PHO

CHEWATHAI
RESIDENCE
ASOKE

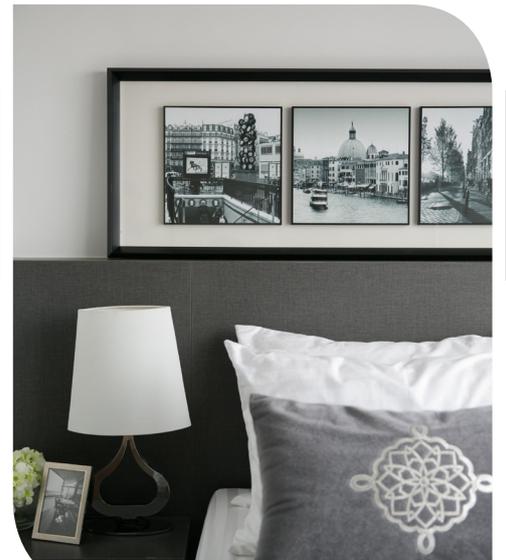
CHEWATHAI
PHETKASEM
27



Build a life with top convenience living.
Located in a desirable location with
an international standard of constructions
completed with professional teams
that are ready to welcome
every Chewathai residents.



*READY TO
MOVE IN*



CHEWATHAI has Ready Built Factories for Rent which cater to various needs and requirements. Our factories are designed to give tenants great flexibility and convenience to shorten start-up period and save start-up costs. CHEWATHAI also provides built-to-suit factories for tenants with specific technical or location requirements.



INDUSTRIAL



Chewathai Industrial Business

CHEWATHAI
Ready Built Factories

VISION

CHEWATHAI aspires to be the preferred choice in real estate by relentlessly enhancing its products and services to transcend customers' satisfaction.

MISSION

1. Nurture Life-partnerships with customers
2. Invest continuously in its human capital
3. Foster resilient bonds with business associates
4. Embrace utmost responsibility towards its community & environment

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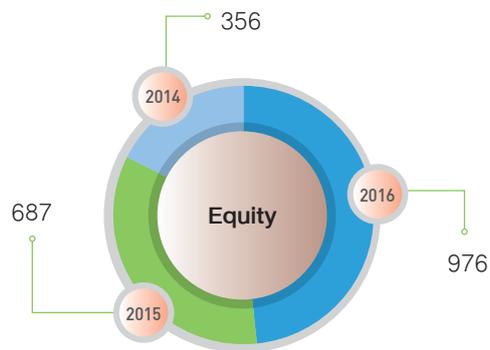
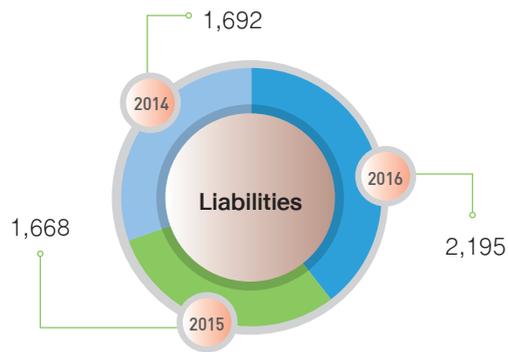
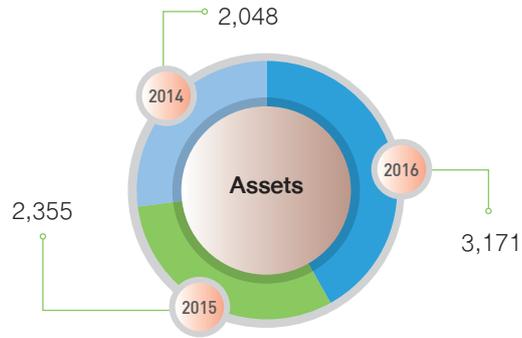
FINANCIAL HIGHLIGHTS

(Unit : Bath Million)

For the Year ended 31 December	2016	2015
Financial Position		
Total Assets	3,171.30	2,354.98
Total Liabilities	2,195.03	1,667.85
Total Shareholders' Equity	976.27	687.13
Operating Results		
Total Revenues	1,200.72	1,429.94
Revenue from sales of real estate	1,158.13	1,401.58
Rental and services income from factory	16.53	13.54
Gross Profit from sales of real estate	327.76	390.92
Selling & Administrative expenses	239.94	247.71
Profit for the Years	63.08	83.22
Financial Ratio		
Current Ratio (Times)	1.59	1.66
Return on Assets (%)	4.42	7.29
Return on Equity (%)	7.58	15.96
Gross Profit Margin from sales of real estate (%)	28.30	27.89
Gross Profit Margin from rental factory (%)	34.82	20.38
Net Profit Margin (%)	5.25	5.82
Debt to Equity Ratio (Times)	2.25	2.43
Interest-Bearing Debt-to-Equity Ratio (Times)	1.87	2.03
Stock detail		
Basic Earnings per Share (Baht)	0.09	0.25
Book Value per Share (Baht)	1.30	1.41
Market price per Share (Baht)	1.62	-

Financial Position

(Unit : Bath Million)





A handwritten signature in blue ink, appearing to read 'Chartchai Panichewa', positioned above the printed name.

Mr. Chartchai Panichewa

Chairman of the Board of Directors

MESSAGE FROM CHAIRMAN

Mr. Chartchai Panichewa

Chairman of the Board of Directors

Dear Shareholders

In 2016 Chewathai Public Company Limited has succeeded in being listed on the Market Alternative of Investment (MAI). As a result, the company has gained more attention from the public. In the past year, the Company has developed two new high-rise condominiums - Chewathai Residence Asoke with 315 units and Chewathai Phetkasem 27 with 652 units. Moreover, the Company has started to develop the first housing project including both detached houses and semi - detached houses, located in a convenient location and close to communities, is the 'Chewaron Rangsit - Don Mueang' to diversify the company's investment not only the condominium projects but also housing project.

Thus far, Chewathai has been able to gain its confidence from customers who trust the Company's operations in property development in Thailand. Of Which, both in terms of real estate development in residential form, and the Ready Built Factories as to continuously generate revenue recognition for the company. However, in the Q4/2016, the revenue recognized lower than the target because there was the impact of decline in economy, as well as Thais are still mourning the death of The Late King Rama IX. These factors have caused an economic upheaval as the consumers have delayed their buying decisions.

“ Our main goal is to develop the “Chewathai” brand to meet the needs of all potential buyers, considering mainly the quality of work, as well as locations that match the resident's needs. ”

In 2017, the Company is achieving its plan to increase housing projects which is currently at 10% of all the Company's projects, and to expand the property development into other districts. Our main goal is to develop the “Chewathai” brand to meet the needs of all potential buyers, considering mainly the quality of work, as well as locations that match the resident's needs. We aim to be one of the top real estate developers in the consumer's mind and we strive to be creative with the commitment to achieve over customers' satisfaction on our products and services.

Additionally, in 2017, the Company is supporting the board of directors, the executives and the employees to strictly focus in the compliance with the good corporate governance policy as to reach the perfect performance in order to create the highest benefits to all the stakeholders of the Company.

I would like to thank all the customers, shareholders, financial institutions, employees, and business partners, for providing good support to the Company in the past year.

Sincerely Yours

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders

In 2016, the Board of Directors appointed the Audit Committee of the Company consisting of three independent directors - all of whom are equipped with related qualifications, experiences and knowledge. The Audit Committee is qualified in accordance with the regulations and good practice of the Securities and Exchange Commission of Thailand, currently the Audit Committee consisted are as follows;

1. Mrs. Supaporn Burapakusolsri The Chairman of The Audit Committee
2. Mr. Chaiyut Techatassanasiintorn Member of The Audit Committee
3. Mr. Chung Tang Fong Member of The Audit Committee

In 2016, the Audit Committee held four meetings. In 2017, up to the report date, one of the total of five meetings was held. All the committee members attended all of the meetings during the year. During those meetings, the Committee discussed on various matters of which the issues of importance can be summarized as follows:

1. Review of the Company's 2016 financial statements: The Committee reviewed the quarterly and annual financial statements of Chewathai Public Company Limited, as well as its consolidated quarterly and annual financial statements. The statements are reviewed and audited by independent external auditors, who are certified public accountants, and are provided with audit opinions stating that the statements are presented in conformity with generally accepted accounting principles, with full and fair disclosure of information. In addition, the Committee also invited the Company's external auditors to regularly attend each of its meetings for discussions on matters arising during the audit, auditor independence, the adequacy of useful information disclosed in the financial statements for the benefit of users of such, as well as the external auditors' recommendations on the preparations of such financial reports, prior the Committee's review of the audited financial statements and before their submission to the Board for further approval.

2. Supervise of internal controls and internal audit:

- The Committee reviewed the annual internal audit plan which was prepared to assess internal controls and risk management processes of each corporate function, and set the targeted audit work scope that covers all material aspects.
- The Audit Committee reviewed actions of the Internal Audit, Dharmniti Internal Audit Company Limited, which has been performing the audit for the Company and providing suggestions on the internal controls system, aiming to assure the effectiveness of the internal controls process and the due compliance with all applicable laws and relevant regulations affecting the Company's operations.

3. Selection and proposal for appointment of the Company's external auditors: The Audit Committee evaluated the Company's external auditors' performances in the previous year, recommended the appointment of the independent auditors from EY Office Limited to be the Company's external auditors for 2017 and proposed the 2017 annual audit fee to the Company's Board of Directors to further recommend to the Annual General Meeting of the Shareholders for appointment and approval.

4. Compliance with Thai laws on securities and exchange, regulations of the Stock Exchange of Thailand and/or any other applicable laws: The Audit Committee has monitored and reviewed the Company's business practices and is satisfied with the law, regulation and result compliance with respect to both the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, as well as any other relevant government entities.

5. Review and providing opinions on related party transactions: The Audit Committee has examined and reviewed the disclosure of intercompany transactions as well as transactions that might have occurred between the Company and its subsidiaries, its associated companies, its directors, its executives, and its shareholders who have been controlling the Company's interest which may represent conflicts of interest according to regulatory requirements as prescribed by the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.

6. Self - Assessment: The Audit Committee annually arranges performance evaluation on a self - assessment basis. The evaluation covers its roles & responsibilities on financial reports, risk management, internal controls, related parties transactions, compliance of laws, regulations, code of ethics, and relations with internal and external auditors. The evaluation outcome revealed that the Committee has fully complied with its assigned duties and responsibilities, and has applied its skills, knowledge, and proficiency with prudent and sufficient independence in judgment.

Throughout 2016, the Audit Committee has properly performed its duties cautiously and independently within the framework of its assigned authority and responsibilities as prescribed in the Audit Committee Charter. The performed duties were delegated by the Company's Board of Directors, and carried out in accordance with the principles of good corporate governance. The Audit Committee believes that the Company's financial statements are prepared according to the generally accepted accounting principles, and the Company has an internal controls system, and appropriate and adequate risk management system. It also duly complies with laws and regulations, and abides by the listed company's best practices as well as improves the operation system to suit the business environment continuously.



Mrs. Supaporn Burapakusolsri

The Chairman of The Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders

As of 31 December 2016, the Nomination and Remuneration Committee of Chewathai Public Company Limited comprises three following directors;

1. Mr. Chung Tang Fong Chairman of the Nomination and Remuneration Committee
2. Mrs. Supaporn Burapakusolsri The member of Nomination and Remuneration Committee
3. Mr. Chaiyut Techatassanasoontorn The member of Nomination and Remuneration Committee

In 2016, the Nomination and Remuneration Committee carefully and appropriately performed its duties assigned by the Company's Board of Directors holding the total of two meetings, with two times attended by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee considered various issues according to the roles and responsibilities to propose to the Board of Directors as follows:

Nomination

- The Nomination and Remuneration Committee has carefully considered the qualifications of the directors as required by law. There is no prohibition under the terms of the Company as well as the company strategy. In order to proceed how the Nomination Committee and Remuneration was elected, transparent manners according to guidelines for best practices and the principle of good corporate governance, which are disclosed in the Company's annual reports and websites, are considered. Therefore, the Nomination and Remuneration Committee will screen and consider proposing to the Board of Directors and to the Annual general meeting of shareholders for the year 2016 by the individual election.
- Considering the development of high-ranking executives as part of the succession plan.

Remuneration

- To motivate and retain the talented employees with potential performance, the Nomination and Remuneration Committee has considered the guidelines for determining the salary increase for the year 2016 with the cooperation of human resource department and the executive committee. In conclusion, the salary has appropriately increased at reasonable rates according to the operation results of the Company.

In 2016, the Nomination and Remuneration Committee has performed the tasks assigned by the Board completely, carefully, and independently to the overall interests of the Company and its shareholders as appropriate.



Mr. Chung Tang Fong

Chairman of Nomination and Remuneration Committee

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear Shareholders

The Company emphasis its business operations according to good corporate governance policies for higher efficiency. In 2016, the Board of Directors appointed the Corporate Governance Committee and declared its duty of supporting the corporate governance policies following the rules and regulations from the Thai Stock Exchange. The Committee Chairman is an independent director and the committee comprises of three following directors;

1. Mr. Chaiyut Techatassanasoontorn Independent director / Chairman of the Corporate Governance Committee.
2. Mrs. Supaporn Burapakusolsri Independent Director / Member of the Audit Committee
3. Mr. Boon Choon Kiat Director / Member of the Audit Committee

In 2016, the committee had a meeting and the details are explained as follows;

Comprise of the Company's business supervision to be in line with the principles of good corporate governance and in consistent with the principles of good corporate governance of the Stock Exchange of Thailand and the principles of the ASEAN CG Scorecard and Development to ensure that the principles of good corporate governance have been put into practices.

Compliance the subcommittee to follow the good corporate governance policies. The subcommittee has to report its performance to the Board of Directors regularly and report to the shareholders as well.

Support the shareholders to summit the agendas of Annual General Meeting and the enquiries before the Annual General Meeting according to Securities and Exchange Act and the good corporate governance principle.

Ensure that there is an annual evaluation of operational results of the Company's Board of Directors and sub - committees as well as annually conduct self-assessment for the Board of Directors.

Review the report of the Corporate Governance Committee which is disclosure in the annual report to comply with requirements of the SEC and the SET.

The Corporate Governance Committee continues to strive improving the corporate governance for transparency and a good role model because the Committee strongly believes that the management adhering the rule of law with transparency, honesty, accountability while developing good corporate governance continuously and focusing on the responsibility toward stakeholders with its utmost effort would enable the organization to achieve sustainable growth.

(Mr. Chaiyut Techatassanasoontorn)

Chairman of the Corporate Governance Committee.
Chewathai Public Company Limited

GENERAL COMPANY INFORMATION

Company Name : Chewathai Public Company Limited
Main Symbol : CHEWA
Business Type : Property
Registration No. : 0107558000181
Registered and Paid-up Capital : THB 750,000,000 with a par value of THB 1.00
Head Office : 1168/80 Lumpini Tower 27th Floor., Unit D, Rama IV Road,
Tungmahamek Sub-District, Sathorn, Bangkok 10120, Thailand
Telephone : (02) 679 8870 - 4
Facimile : (02) 679 8875
Website : www.chewathai.com
Company's Secretary : Mr. Pachathip Mettaprasopkit
Telephone (02) 679 8870 - 4 ext. 135
e-mail: ir@chewathai.com ; pachathip@chewathai.com

Reference

Share Registrar : The Thailand Securities Depository Co., Ltd
Address : The Stock Exchange of Thailand Building, 93 Ratchadapisek Road,
Dindaeng, Dindaeng, Bangkok 10400
Telephone : (02) 009 9000
Facimile : (02) 009 9991
Auditor : Ms. Pimjai Manitkajohnkit
Auditor No. : 4521
Company Name : EY Office Limited
Address : 33rd Floor, Lake Rajada Office Complex
193/136 - 137, Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
Telephone : (02) 264 9090
Facimile : (02) 264 0789-90

Legal Counselor : Kudun & Partners
Address : 973 President Tower, 14th Floor, Unit 14 C Ploenchit Road Lumpini,
Pathumwan, Bangkok 10330, Thailand
Telephone : (02) 656 0818
Facimile : (02) 656 0819

Internal Auditor : Dharmniti Internal Audit Company Limited
Address : 178 Dharmniti Building 5th Floor, Soi Permsap (Pracha Chuen 20), Pracha
Chuen Road, Bangsue, Bangkok 10800, Thailand
Telephone : (02) 596 0500
Facimile : (02) 587 2018

Investors can find further information on the Company from the Company's Annual Registration Statement (56-1) which can be downloaded at www.sec.or.th or www.chewathai.com.



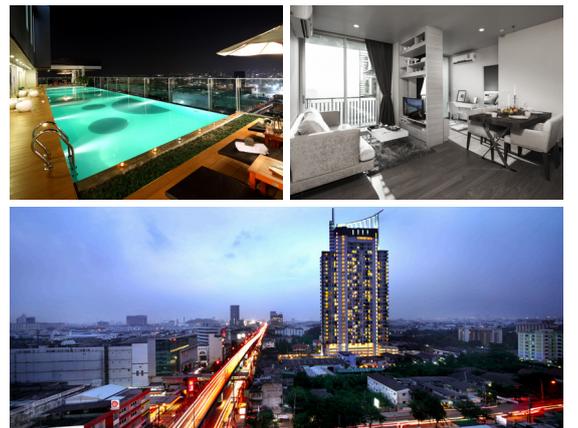
Project Name	The Surawong
Developer	Chewathai Hup Soon Co.,Ltd.
Location	Surawong Rd., Si Phraya Sub - District, Bang Rak District, Bangkok.
Project Land Area	0-2-40 Rai
Sellable Area	2,774 sq.m.
Project Type	A low-rise (8-storey) condominium building
Project Value	350 million THB
Total Units	52 units

The Surawong
By Chewathai Hup Soon



Project Name	Chewathai Ramkhamhaeng
Developer	Chewathai Public Company Limited
Location	Ramkhamhaeng Rd., Hua Mak Sub - District, Bang Kapi District, Bangkok.
Project Land Area	3-3-32 Rai
Sellable Area	17,054 sq.m.
Project Type	A high - rise (33-storey) condominium building
Project Value	1,100 million THB
Total Units	535 units

ชีวาทัย รามคำแหง



Project Name	Chewathai Interchange
Developer	Chewathai Interchange Co.,Ltd.
Location	Pracharaj sai 2 Rd., Bangsue Sub - District/District, Bangkok.
Project Land Area	1-3-12.5 Rai
Sellable Area	10,353 sq.m.
Project Type	A high-rise (26-storey) condominium building
Project Value	1,050 million THB
Total Units	279 units

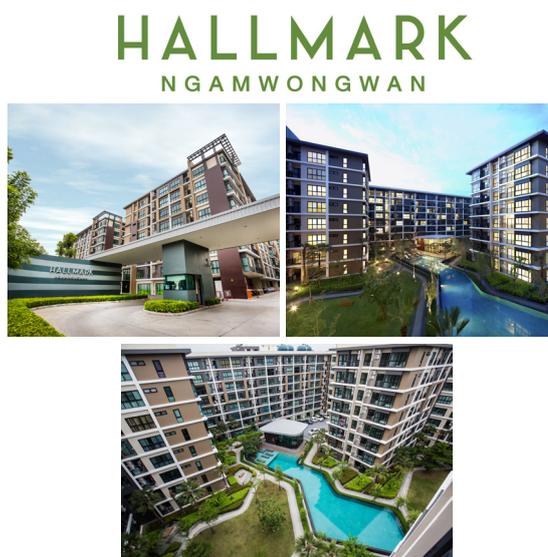
CHEWATHAI
INTERCHANGE



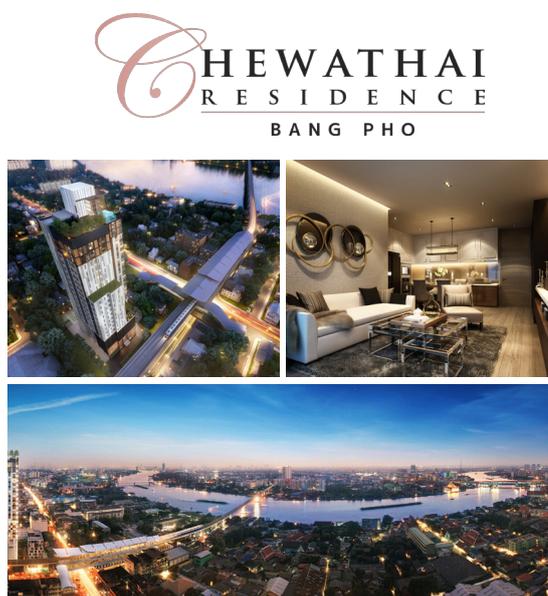
Project Name	Hallmark Chaengwattana
Developer	Chewathai Public Company Limited
Location	Chaeng Watthana - Pak Kret Soi 17 Rd., Bang Pud Sub - District, Pak Kret District, Nonthaburi.
Project Land Area	3-1-75 Rai
Sellable Area	13,193 sq.m.
Project Type	Two low - rise (8-storey) condominium buildings
Project Value	780 million THB
Total Units	427 units



Project Name	Hallmark Ngamwongwan
Developer	Chewathai Interchange Co., Ltd.
Location	Soi Duangmanee, Bang Khen Sub - District, Mueang Nonthaburi District, Nonthaburi.
Project Land Area	7-0-70.5 Rai
Sellable Area	23,265 sq.m.
Project Type	Four low-rise (8-storey) condominium buildings
Project Value	1,200 million THB
Total Units	416 units



Project Name	Chewathai Residence Bang Pho
Developer	Chewathai Public Company Limited
Location	Pracharaj sai 2 Rd., Bangsue Sub - District/District, Bangkok.
Project Land Area	1-1-94.3 Rai
Sellable Area	2,364 sq.m.
Project Type	A high - rise (24-storey) condominium building
Project Value	1,040 million THB
Total Units	172 units



Project Name	Chewathai Phetkasem 27
Developer	Chewathai Public Company Limited
Location	Phetkasem Rd., Bang Wah Sub - District, Phasicharoen District, Bangkok, Thailand
Project Land Area	4-0-36 Rai
Sellable Area	17,989 sq.m.
Project Type	A high-rise (24-storey) condominium building
Project Value	1,564 million THB
Total Units	652 units

CHEWATHAI PHETKASEM 27



Project Name	Chewathai Residence Asoke
Developer	Chewathai Public Company Limited
Location	Asoke - Dindaeng Rd., Makkasan Sub - district, Rajchathewi District, Bangkok,
Project Land Area	1-2-66 Rai
Sellable Area	9,477.65 sq.m.
Project Type	A high-rise (30 storey) condominium building
Project Value	1,694 THB million
Total Units	315 units

CHEWATHAI RESIDENCE ASOKE



Housing Project are as follows;

Project Name	Chewarom Rangsit - Don Mueang
Developer	Chewathai Public Company Limited
Location	Rangsit - Nakhon Nayok Rd., Prachathipat Sub - District, Thanyaburi District, Pathumthani.
Project Land Area	15-1-76 Rai
Sellable Area	3,648.15 sq.m.
Project Type	Detached House and Semi-Detached House
Project Value	475 million THB
Total Units	Detached House - 15 units Semi-Detached House - 66 units

Chewarom Rangsit - Don Mueang





Market and Competition

Target Customers

Customer satisfaction is the key for project development. The Company has no policy to define any specific groups for the groups of target customers due to real estate market uncertainty, Bangkok mass transit construction plan tendency and vicinity which may cause difference in customers demand under some certain periods of time. Therefore, the Company will initiate the project feasibility and will tend to specify its target customers differently under different certain periods of time to define the project's concept and price range that will definitely satisfy certain customers' demand at a time.

Marketing Strategy

Location Strategy

Location is one of the most important factors for real estate business influencing buying decision or investment; therefore, companies prioritize our projects' locations. Our locations must be within Greater Bangkok and can easily be accessed by means of transportation, exist within the vicinity of the main roads and expressways or mass transit routes (current and future) including MRT train routes (Metro Train) and Airport Rail Link. Besides, surrounding environments and surrounding community quality are another contributing factors that the Company considers in each project's early developing process. We provide safety and good living quality for those investing in our projects. However, our development projects are all located in quality community and surrounded by necessary facilities and amenities such as schools, universities, hospitals, department stores, business and/or government centers.

Product Strategy

The Company does not settle on one single format for our development projects. We propose different ideas for each of our venture and consider many main factors especially identity and necessity of potential investors. Location is a key contributor for interior design development; for instance, Chewathai Interchange, situated in Bangkok's vibrant business district. This project is accessible by TaoPoon Station, which is a Metro Rapid Transit Train interchange station between the Blue Line and the Purple Line, within the vicinity of various modern trades and the new parliament. This project presents modernity and luxury with prompted amenities. Apart from a fitness center and a swimming pool, we also provide meeting facility and a business center for business people and office professionals; whereas Hallmark Project in Ngamwongwarn, with the idea of Eco Living, is vividly green due to its design and its interior. There are a spacious fitness center and a swimming pool for health - conscious people and relaxation - seeking ones.

We also value and attempt to make use of all living space, amenities, and security system to provide the residence safety. Moreover, we aim to optimize all unit space through special design by our interior designers and scrupulously furnish each unit with quality and well-known furniture brands.

The Company has frequently been conducting market demand research and studying our competitors' new development plans in order to incorporate what we learn to tailor our project to match ever - changing market demands and our targeted customers'. We are equipped with professional Sales and Marketing teams who have a great deal of experience in real estate overseeing our sales activities.

Price Policy

Because the Company aims to develop real estate project for middle to upper-middle class population, our unit sale price is one critical factor that draws attention from our customers apart from other appealing factors. The Company and subsidiaries underline the appropriate price range of each developing project. Presently, each of the Company's development project is priced from middle to high range with price average varied by its location, surrounding environments, and amenities, compared with other similar projects in its vicinity. However, our selling price of the same project that comes out at different periods of time might differ based on its surrounding factors, competition, development, sale cost, as well as progression of work and other incidents. This policy aims to help the company determining appropriate selling price to suit our targeted customers' demand.

Punctuality of Transfer

We encourage building credibility for our brand; therefore we strive to transfer every unit to all the customers within its original due date with the quality materials and interior design presented since the project starts. We hire highly - experienced contractors who have been working with us on various projects to ensure that our construction will be in accordance with the agreed standard. We update current situation of the project constantly through the company's website, www.chewathai.com, and via Facebook at <http://www.facebook.com/CHEWATHAI>. We also work with Construction Management Company for quality control and we closely supervise our contractors. As a result, we have been able to deliver every unit to all the customers within the original time frame.



Professional and Highly-Experienced Management team

We provide our customers visionary and highly-skilled management personnels who have high experiences in real estate business to guarantee our efficiency and professionalism. We encourage the check and balance system to incorporate with our visionary executive team who allows newly current ideas to improve our products for ever-changing market demand. We work with reputable architect companies, interior design companies, landscape architecture companies and etc.

In addition, we value our own human resource team because each of our employees is the main mechanism that drives the business towards sustainability. We encourage our staff to never stop learning about our business. We provide training for our teams such as real estate market training, marketing training - i.e. online marketing. We send our sale staff to a number of seminars on sale closing techniques, in - depth post sale service, and public relations through online media as online media are gaining popularity increase. The majority of our current staff is young and highly driven with full of creativity and innovative ideas. We believe they will be able to bring new products and attentive services, which are what our customers are expecting to experience.

Systematic Sale Planning Team

Our sale planning team strategy is presenting and accommodating customers to provide crucial information on project selection to facilitate financial plans. When a customer visits our sale department or our sale booths at an exhibition, our sale team will present all the information by describing ideas of origin in appearance, style, and strength of each project to persuade customers to develop their sense of ownership, as well as other substantial information such as price, size of units, interior design, provided amenities, etc. Each sale staff can analyze demands of visiting customers in order to provide suitable consultation along with financial plans to close the sale.

Pre and Post Sale Services to Generate Good Customer Relationship

To encourage an outstanding relationship with our customers, keep our customer base as well as generate new customers from good word-of-mouth from previously investing customers, we provide services apart from general information to assist the decision making process; for instance, we facilitate in contacting financial institutions for residentially financial plans which in turn benefits the company in future planning of unit ownership transfer, post transfer unit quality warranty is provided in case of deformed property, to include consultation on interior design or referring to reputable contractors, and be the medium in tenant service.

We value our current-buying customers, so we provide those with priority our future project sale reservation before official sale of units to encourage distinguishing relationship in the long run.

Ready - Built Factories

Type of Products or Services

Apart from residential development, the Company is also engaged in ready-built factories for rental business together with condominium development since the Company foresees an opportunity from the demand of both Thai and foreign, small-to-medium manufacturers to start up or expand their production base without the desire or be readiness for long-term investment in factory construction. The Company has developed ready-built factories for rent in one of the major industrial estates in the key economic region of Thailand. In addition, the Company views the potentiality of RBF business to create continuous return generation to compensate the decline in revenue during construction process of condominiums which will take quite long period until CHEWA can recognize the revenue.

Company foresees the business' growth potential, so we started our project development on ready - built factories in 2013 with the value of 300 million Baht, suitable for manufacturers in various industries. Our facilities allow special customization to adapt with customer's needs for business. We select outstanding location for business such as industrial community that provides public utilities, waste disposal management for factories, and other amenities, etc. We consider location and type of project from marketing and investor demands, prediction of industrial community, convenience of transportation for products and raw materials. Moreover, we consider the possibility of obtaining benefit in trade zoning from BOI.

Our ready-built factories are two-storey designed - the lower level is for production and the upper level is for office. General construction is proportionate with fence around the area, security guard station, parking zone, and multi - purpose area. We build standard factories. Main constructions are concrete with steel without center pillar. To optimize the space usage, a tenant can adjust and customize facilities to fit the usage and need. Our factory sizes are from 1,512 to 1,937 sq.m. with the weight capacity of 3,000kgs/sq.m.



Ready-Built Factories as of 31 th December 2016	
Developer	Chewathai Public Company Limited
Location	Amata City Industrial Estate, Highway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong
Project Area	26-0-72 Rai
Rental Area	17,120 sq.m.
Rental Unit	10 units
Project Value	300 million THB
Approximately Rental Price per Sq.m.	200 THB
Tryp of Project	Ready Built Factories <ul style="list-style-type: none"> • Factory area 1,512 sq.m. total 5 units. • Factory area 1,812 sq.m. total 1 unit. • Factory area 1,937 sq.m. total 4 units.

Market and Competition

Target Customers

The company has developed Ready-Built Factories (“RBF”) for rent which cater to various needs and requirements. Our factories are designed to give tenants great flexibility and convenience to shorten start - up period and save start - up costs. The company also provides build-to-suit factories for tenants with specific technical or location requirements.

The Company also targets foreign entrepreneurs who invest or joint-venture the business in Thailand for both short - term and long - term investment. This group of entrepreneurs will prefer RBF because RBF can provide them lower investment costs, avoid the limitation of foreign land ownership in Thailand, and mitigate risk to procure contractor or even political instability which will impact to the supporting policies from government agencies. Renting RBF can subsequently satisfy their needs of flexibility on investment and clearly respond to the risks exposures and limitations.

Marketing Strategy

Location

Our company consider location of project to be the most important factor in building and renting factories, and should be regarded to first; it has to be convenient for business, transportation, and distribution of products and materials to crucial location of shipment port, airport, and train station out of Bangkok. However, our company has few experiences in ready - built factory rental business, so we focus on developing our facilities mainly in industrial community, especially at Eastern Seaboard due to concentration of direct investment from foreign investors (source: division of economics and business research, Siam Commercial Bank Ltd.) along with flooding alert system in surrounding areas, government control in construction and environment providing public utilities that usually answers majority of investors’ demand. We also consider the trade zoning from BOI that will later on benefit our tenants.

We do not limit our projects to be developed only in Rayong as we conduct research and expand our investment to other potential industrial communities in order to magnify company’s growth and customer base such as Rochana Industrial Park in Prachinburi province, Hemmaraja Industrial community or Pin - thong Industrial community, etc. We believe we can continue to find the next best location for our future projects.

Pricing Policy

Pricing Policy consists of two main parts - property rental and service fees such as water treatment, waste disposal and sewage treatment, etc. These service fees are paid to the developer of industrial community management and they can be paid directly to office of an industrial community. In case of property rental, it can be paid directly to our company's office. We regulate standard of rental fee based on property size, amount of rental unit and/or other services provided. Most of our rental period agreements are short-term rental ones with three - year duration. The negotiation of rental adjustment will be made at the future agreement renewal.

Nevertheless, the specifications of rental fee and adjustment are based on other rental services that also provide similar functions. We maintain a department to do research on rental programs of other service providers - pricing, demands, condition, etc., to ensure that our rent is competitive in pricing and services. We believe that price is not the only key factor for our customers' decision making, but also among other criteria. We strive to differentiate our products by using universally accepted standard with modern design optimizing in space unit and flexibility for future adaptation or adjustment to support freedom of use and maximizing utilities in short time.

Marketing and Public Relation

The Company encourages marketing and public relation activities through handling direct communication with our customers, through brokers, and other media such as advertisement and concentrates on media that reach the majority of our potential direct customers such as billboard, newspapers - Bangkok Post and Bangkok Suho. Also, advertisements through foreign chamber of commerce - Thailand Chamber of Commerce, British - Thai Chamber of Commerce, German-Thai Chamber of Commerce, etc. and brochures or leaflets with in the surrounding area of project locations such as restaurants and golf course nearby the facilities are done. The Company installs billboard signs in front of our project location and industrial community office to include advertising via websites for free and to provide details and information through our website at www.chewathai.com those who are interested in our project can directly contact us through these means of communication.

Consultation Service for Tenants

We provide consultants to assist our customers closely to give necessary advice and facilitate coordination on issues in contact with government units such as Industrial Community of Thailand Association, The Board of Investment of Thailand. We provide consultation on extension or adaptation on interior and exterior of facility, public utilities such as municipal water, electricity, water treatment, telephone, and internet, etc.

Distribution Channels

The Company markets and finds its tenants through real estate agents, such as Knight Frank Chartered and others individual representatives. The Company also has internal professional teams with experiences and profound understanding of industrial estates market, related rules and regulations, provided facilities, and details of the Company's project. In addition, the Company has launched website www.chewathai.com where clients can access to the project details.

MAJOR CHANGE AND DEVELOPMENT

Chewathai's History

Chewathai Public Company Limited (CHEWA) was registered as a limited company on the 13th of March 2008 with the initial registered and paid-up capitals of one million baht. Also, it is a joint venture between Chartchewa Co., Ltd. and TEE DEVELOPMENT PTE., LTD., a subsidiary of TEE LAND LTD. Due to co - recognition of growth opportunity and capacity for the development of real estate business development capacity in Thailand, both jointly founded Chewathai Co., Ltd. with the objective to develop quality, elegant and functional properties to cater to consumer demand.

Chartchewa Co., Ltd. operates the business of a holding company with investments in various business sectors. The major shareholders of Chartchewa Co., Ltd. are Mr. Chartchai Panichewa and Mrs. Somhatai Panichewa, both with over 20 years of experience in the real estate development including industrial estates, insurance business, manufacturing and finance sectors. TEE Development Pte., Ltd. is a 100% - owned subsidiary of TEE Land Ltd., which is listed on the Singapore Stock Exchange (SGX Mainboard). TEE Land is a leading boutique property developer in Singapore and the South East Asia region. TEE Land has developed low - rise condominiums and is well-known in Singapore for providing stylish and classy homes. It also has hotel investments in Australia, New Zealand, Malaysia and Vietnam. Moreover, TEE Land Ltd. is a subsidiary of TEE International Ltd., which is listed on the Singapore Stock Exchange (SGX Mainboard) and it has its registered capitals in the amount of 57.04 million SGD. TEE International Ltd., registered in Singapore, has three core businesses such as engineering, construction, mechanical and electrical systems services, development of residential real estate and infrastructure services. Furthermore, there are more subsidiaries of TEE International Ltd. such as PBT Engineering Pte Ltd. or Trans Equatorial Engineering Pte Ltd., which are over 20 years of experience in the real estate development; for example, the construction of industrial plants includes the installation of various buildings within the factory, such as electrical systems, ventilation systems, fire protection system or engineering piping and sanitary ware in the building.



Significant Milestones

Month/Year	Major Changes and Developments
Year 2008	
March	<ul style="list-style-type: none"> Chartchewa Co., Ltd. and TEE Development Pte., Ltd. jointly founded Chewathai Co., Ltd. with the registered and paid up capitals of 1 million THB with a shareholding percentage ratio of 51:49. The collective aspiration was to tap of each other's expertise to develop quality, elegant and functional properties to cater to consumer demand.
May	<ul style="list-style-type: none"> The Company increased its registered and paid-up capitals from 10 million THB to 100 million THB.
July	<ul style="list-style-type: none"> The Company launched "Chewathai Ratchaprarop," which is the first high - rise condominium with 26 storeys and 325 units located on Ratchaprarop Road, near to Victory Monument BTS Station and Airport Rail link Ratchaprarop Station, Makkasan Sub -District, Ratchathewi District, Bangkok.
November	<ul style="list-style-type: none"> The Company increased its registered and paid-up capitals from 100 million THB to 200 million THB. The Company and United Motor Works (Siam) Public Company Limited jointly founded Chewathai Hup Soon Co., Ltd. for the purpose of developing the condominium project named "The Surawong", the 8 - storey condominium building of 52 units located on Surawong Road. The Company launched "The Surawong", the 8-storey condominium building of 52 units located on Surawong Rd., Sri Praya Sub - District, Bangrak District, Bangkok. Its operated under Chewathai Hup Soon Co., Ltd.
Year 2010	
November	<ul style="list-style-type: none"> Chewathai launched "Chewathai Ramkhamhaeng," close to Ramkhamhaeng - Rama IV Elevated, the 33-storey condominium building with the total of 535 units located on Rakhamhaeng Road, Hua Mark Sub - District, Bangkoki District, Bangkok.
Year 2011	
June	<ul style="list-style-type: none"> Acquisitions on Global Environmental Technology Co.,Ltd. ("GETCO"). The company held 100% shares. Getco is a wastewater treatment management business.
Year 2012	
August	<ul style="list-style-type: none"> Chewathai initiated and developed its first project of ready-built factories for rent, and subsequently launched its first 5 units for rent, located in Amata City Industrial Estate, Hightway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong

Month/Year	Major Changes and Developments
Year 2013	
January	<ul style="list-style-type: none"> The Company divested Global Environmental Technology Co.,Ltd. (“GETCO”), acquired on the 6th of June 2011, subsidized to the Company held 100% shares to Chartchewa Co.,Ltd. and TEE Resources Pte. Ltd. which is related company at 240.00 million THB for company restructure focusing on the real estate development only. GETCO became the subsidiary to the related company.
June	<ul style="list-style-type: none"> The Company jointed Thai Condominium Association for receiving the news and other important issues concern with real estate business through the seminar, the training class and e - news.
October	<ul style="list-style-type: none"> The Company acquired 100% shares in Rotaj Development Co., Ltd. which was the land owner of Cross Point condominium. The company name was changed to Chewathai Interchange Co., Ltd. and the project name was changed to Chewathai Interchange. This project is a 26-storey condominium building with the total of 279 units located next to Tao Poon MRT station on Pracharat Sai 2 Road, Bangsue Sub - District / District, Bangkok.
December	<ul style="list-style-type: none"> The Company increased its registered and paid-up capitals from 200 million THB to 240 million THB to expand the RBF project.
Year 2014	
June	<ul style="list-style-type: none"> The Company launched five more ready - built factories for rent in Phase 2, in Amata City Industrial Estate, Hightway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong.
October	<ul style="list-style-type: none"> The Company launched “Hallmark Chaengwattana” - two 8- storey condominium buildings with a total of 472 units located on Chaeng Watthana - Pak Kret Soi 17 Rd., Bang Pud Sub — District, Pak Kret District, Nonthaburi. Chewathai Interchange Co., Ltd., the Company’s subsidiary, took over the Dzio condominium project from Orada Co., Ltd. and changed the project name to “Hallmark Ngamwongwan”, which comprise of four 8-storey condominium buildings with the total of 792 units located in Soi Duangmanee, Bang Khen Sub - District, Mueang Nontaburi District, Nontaburi. Chewathai purchased additional 13 rai of land in Amata City Industrial Estate, Rayong Province, for developing ready-built factories for rent in Phase 2.
November	<ul style="list-style-type: none"> The Company purchased the land to develop the Chewathai Residence Bang Pho which is a 24-storey condominium building with the total of 172 units located on Pracharat Sai 2 Road, Bangsue Sub - District/District, Bangkok.

Month/Year	Major Changes and Developments
Year 2015	
January	<ul style="list-style-type: none"> The Company was granted ISO 9001 - 2008 accreditation (Provision of Sale & Real Estate Services) for quality control system.
February	<ul style="list-style-type: none"> The Company attended its membership of British Chamber of Commerce Thailand for the purpose of public relation the ready built factories to other memberships in the Chamber.
April	<ul style="list-style-type: none"> The Company attended its membership of German - Thai Chamber of Commerce for the purpose of public relation the ready built factories to other memberships in the Chamber. The Company has arranged the 2015 Annual General Meeting on the 23th April 2015, the meeting approved the resolutions are as follows; <ul style="list-style-type: none"> - Converted the Company into a public limited company and was renamed to Chewathai Public Company Ltd. on the 24th April 2015. - Changed Par from 100 THB to 1 THB. - Increased its registered paid - up capitals from 240 million THB to 580 million THB by issuing common shares in the amount of 340 million shares at par value of 1 THB to the existing shareholders which are Chartchewa Co.,Ltd and TEE Development Pte Ltd for 1 THB per share in total 108 million shares. The registered paid - up capital of the company was equal to 348 THB Million. The Company allocated 232 Million shares at 1 THB per share for Initial Public Offering (IPO).
August	<ul style="list-style-type: none"> The Company was granted the investment promotion from Thailand Board of Investment to support the ready built factories project which is located on Amata City Industrial Estate, Highway 311 Rd., Map Yang Phon Sub - District, Pluak Daeng District, Rayong.
September	<ul style="list-style-type: none"> The Company launched the Chewathai Residence Bang Pho which is a 24-storey condominium building with the total of 172 units located on Pracharat Sai 2 Road, Bangsue Sub - District/ District, Bangkok. The Company entered into the Sale and Purchase Agreement for the plot of land with area of 15 - 2 - 36 Rai with other party for developing the house project.

Month/Year	Major Changes and Developments
October	<ul style="list-style-type: none"> • From the Extraordinary General Meeting 1/2015 on 21th October 2015, the meeting approved the resolutions are as follows; <ul style="list-style-type: none"> - Decreased its registered paid-up capital to 232 million THB from 580 million THB by cutting 232 million shares at 1 THB per share that have been registered but not yet issued. The balance value was 348 million THB. - Increased its registered paid-up capital from 348 million THB to 905 million THB by issuing common shares in amount of 557 million shares at par value of 1 THB to the existing shareholders which are Chartchewa Co. Ltd. and TEE Development Pte. Ltd for 1 THB per share in total 240 million shares. The company allocated 317 million shares at par value of 1 THB for Initial Public Offering (IPO). • The Company entered into the Sale and Purchase Agreement for the plot of land with area of 4 - 0 - 36 Rai to develop the high - rise condominium on Phetkasem Rd. The parties were Ms. Sirilak Panichewa and Ms. Siriwan Panichewa whom are unrelated and have no conflict of interest to the company (a person who may have conflict of interest from the Notification of the Securities and Exchange Commission No. KorChor. 17/2551) due to their relationship with Mr. Chartchai Panichewa' s uncle.
December	<ul style="list-style-type: none"> • The Company transferred the land for developing Chewarom Rangsit Don Mueang which is the first house project with 81 units.
Year 2016	
February	<ul style="list-style-type: none"> • From the Extraordinary General Meeting 1/2016 on the 17th of February 2016, the meeting approved the resolutions are as follows; <ul style="list-style-type: none"> - Decreased its registered paid-up capitals to 417 million THB from 905 million THB by cutting 417 million shares at 1 THB per share that have been registered but not yet issued. The balance value was 488 million THB. - Increased its registered paid-up capitals from 488 million THB to 750 million THB by issuing common shares with the amount of 262 million shares at par value of 1 THB to allocate 262 million shares at par value of 1 THB for Initial Public Offering (IPO).
March	<ul style="list-style-type: none"> • The Company offered ordinary shares for Initial Public Offering (IPO) with the amount of 262 million shares, offer to the public at 1.60 THB/share.
April	<ul style="list-style-type: none"> • The Company was listed on the Market for Alternative Investment (mai).
June	<ul style="list-style-type: none"> • Chewathai bought over the AQ Aria Asoke and changed its name to “Chewathai Residence Asoke” - a 315 - unit, 29-storey luxury condominium project located on Asoke - Dindaeng Rd., Makkasan Sub - district, Ratchathewi District, Bangkok,

Month/Year	Major Changes and Developments
August	<ul style="list-style-type: none"> The Company started to develop and launch the Chewathai Phetkasem 27 - a 638 - unit, 26 - storey condominium project located on Phetkasem Rd., Bang Wah Sub - District, Phasicharoen District, Bangkok.
September	<ul style="list-style-type: none"> The Company transferred the plot of land for developing the Chewathai Phetkasem 27 - a 638 - unit, 26 - storey condominium project. The Company was granted ISO 9001-2015 (Sales of Condominiums, Houses, Factories on Rent & Real Estate Services) for quality control system.
October	<ul style="list-style-type: none"> The Company entered the Sale and Purchase Agreement for the plot of land for ten agreements in total with other party for developing the house project on Phutthamonthon Sai 1, Thalingchan District, Bangkok.
November	<ul style="list-style-type: none"> The Company launched the Detached House and Semi-Detached House, Chewarom Ransit Don Mueang with 81 units, located on Rangsit - Nakhon Nayok Rd., Prachathipat Sub - District, Thanyaburi District, Pathumthani.

POLICY AND BUSINESS OVERVIEW



Chewathai Public Company Limited (CHEWA) was registered as a limited company on the 13th of March 2008 and is a joint venture between Chartchewa Co., Ltd. and TEE DEVELOPMENT PTE., LTD., a subsidiary of TEE LAND LTD., which is listed on the Singapore Stock Exchange (SGX Mainboard). The Company founded with the objective to develop quality, elegant and functional properties to cater to consumer demand and also to aspire to be the preferred choice in real estate by relentlessly enhancing its products and services to transcend customers' satisfaction. It is the Company's policy to recognize the importance of high-standard business conducts that are in compliance with the principles of good corporate governance. These standards of practice include shareholders' rights, equitable treatment of shareholders, disclosure and transparency, responsibilities of the Board, internal and external anti - corruption, as well as environmental concerns and social awareness, which aim towards protection against any adverse impact on the surrounding communities of the Company's development sites, and against any creation of pollution that may occur due to the Company's business operations.

As of the 31st of December 2016, the Company has one subsidiary, Chewathai Interchange Co., Ltd, and an affiliated company, Chewathai Hup Soon Co., Ltd. Its subsidiaries engage in two core businesses which are residential real estate development business. Chewathai Interchange Co., Ltd, has developed two projects which are Chewathai Interchange and Hallmark Ngamwongwan. Chewathai Hup Soon Co., Ltd. has developed one project - the Surawong.

Business Vision, Corporate Goals, Policy and Business Strategy

Business Strategy

1) Develop the project on potential locations

The Company plans to develop residential projects which are High-Rise, Low-Rise condominium and House project in several locations that must be easily accessible and near communal facilities and amenities. All of the company's current projects are in Bangkok and Greater Bangkok, with special focus on locations which are easily accessible by Bangkok's expressways and mass transit routes (current or future) and those located on Bangkok's main thoroughfares. All efforts are made to ensure that the company's residents live in safe and convenient environment. For example, on Ratchaprarop Road, it is nearby Victory Monument BTS Station and Ratchaprarop Airport Rail Link Station; on Surawong Road, Bangrak, it is very close to the Saladaeng BTS Station, as well as Sam Yan MRT Station; on Pracharat Sai 2 Road, it adjacent to the Tao Poon BTS Station which is an interchange station of the Blue Line and Purple Line.

The Company foresees the need of ready-built factory of small to middle manufacturing business owners who do not wish to own manufacturing facilities to rent instead of investing to build. The Company's factories are located in prime industrial estates that are easily accessible from major transportation hubs including air and sea ports such as Amata City Industrial Estate, Rayong.

2) Intend to grow and continue its sustainable development

The Company targets to continue launch the residential project whether it is a High-Rise or Low-Rise condominium or house. Apart from development project in Bangkok and Greater Bangkok area, there are opportunities to develop the company's product and business. Nevertheless, the company plans to expand the ready - built factory for sustainable growth and maintain recognized the revenue to the company for offsetting with the under construction project. The company considers the demand and growth of manufacturing business at most.

3) Designing differentiated and unique ideas

The company pays at most to design the project, both interior design and outside the building. The design is not only stunning but the area is also valuable to customers for all of the company's project. Each project has been designed and tailored with a unique style under different brands of Chewathai; whether they are; Hallmark brand, Chewathai Residence brand and Chewarom brand. Each brand has its own identity in terms of its project development concept, its external structure, its interior design, and its central living area of the different buildings. Of which, the company mainly considers the needs of the residents and the maximum utilization of the living space in the entire project.

4) Variety of business opportunities in Real Estate

Chewathai has a vision to be one of the leading residential property development leaders in the country. The goal is to continue its growth by generating income and wealth for the Company's shareholders in a stable and sustainable manner. Therefore, the Company has no business policy restricting only on residential condominium development, but considering opportunities for other types of residential development such as single-detached houses, townhouses, as well as other real estate projects such as commercial real estate. Moreover, real estate projects in other locations outside of Bangkok Metropolitan Region have also been taken into the consideration, such as districts or major tourist destinations in different parts of the country, which are in need of the market and have the potential to grow and generate revenue. As for projects initiation in each area, the decisions are based on several significant factors, such as the possibility of the project, the demand for real estate market, the suitability of the development in that area, and the return of the project for the maximum benefit to the shareholders as well as for the company.

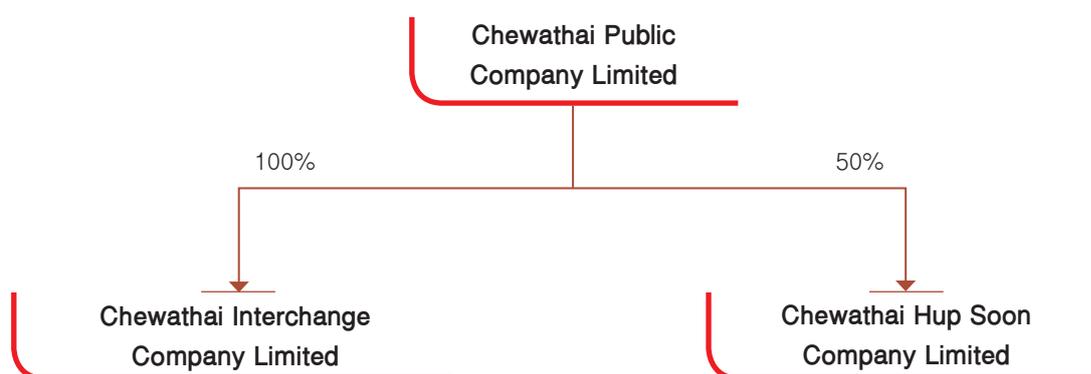
5) Investment in real estate development projects from other operators

In addition to the continuous growth of the Company's projects, the Company is also considering investment opportunities in real estate development projects, developed or under - developed by other operators, by evaluating all opportunities and seeing growth potential in return on these projects. They also increase the opportunities for the expansion of projects on land which the Company plans to acquire, reduce development time, and create revenue recognition both continuously and quickly.

Business Ethics

Corresponding to the Company's business vision, it has prescribed its business codes of conduct and disseminated them into its related parties, directors, executives and all employees to aware and to abide by. This code covers practice guidelines towards shareholders, customers, employees, creditors, trade counterparts, business competitors, community, society, and the environment. Additional professional requirements also comprise non violation of intellectual property rights, safeguarding of information and data system, staff training on environmental issues, fighting against internal and external corruption or bribery, encouragement of management and staff morals against fraud and any involvement in human rights violation, as well as communication of the Company's information via various media channels.

GROUP OF THE COMPANY STRUCTURE



Remark Chewathai Interchange Co., Ltd is a subsidiary and Chewathai Hup Soon Co., Ltd. is an affiliated company

The details of subsidiaries are as follows;

Chewathai Interchange Company Limited

Chewathai Interchange Co., Ltd (“Chewathai Interchange” or “CTIC”) was established on 25 July 2011 with current registered capital of 100 million Baht. CTIC office is located on 1168/80 Lumpini Tower, 27th Floor, Unit D, Rama IV Rd., Tungmahamek, Sathorn, Bangkok. Chewathai Interchange engages in real estate development for condominium. Currently, CTIC has 2 condominiums, which are Chewathai Interchange, the high rise condominium is located on Pracharaj Sai 2, Bangsue, Bangkok, close to MRT Purple line Toapoon station which is interchange with MRT Blue line and Hallmark Ngamwongwan, the low rise (eight floors with four buildings) condominium is located on Soi Duangmanee Ngamwongwan Nonthaburi.

In addition, the Company holds 999,998 shares, with a par value of 100 Baht per share accounting for 100% of CTIC’s registered capital.

Chewathai Hup Soon Company Limited

Chewathai Hup Soon Co., Ltd (“Chewathai Hup Soon”) was established on 12 November 2008 with current registered capital of 54 million Baht. Chewathai Hup Soon’s office is located on 1168/80 Lumpini Tower, 27th Floor, Unit D, Rama IV Rd., Tungmahamek, Sathorn, Bangkok. Chewathai Hup Soon engages in Low Rise Condominium development business. Currently, Chewathai Hup Soon has one available-for-sale real estate development, The Surawong. In addition, the Company holds 269,999 shares, with a par value of 100 Baht per share, accounting for 50% of Chewathai Hup Soon’s registered capital.

REAL ESTATE MARKET SITUATION IN 2017

In 2017, real estate market sector tends to be expanded, due to positive factors, such as dramatically increase in government investment; for instance, the “Thai Public Building” project, which aims to promote investments for integrated economic and social development, keep foreign investors to buy real estate in Thailand due to AEC , expand export and service sectors, as well as improve private consumption, which partly due to the expense of the first car loans that will gradually expire this year. Such positive factors would result in increased purchasing power, and would be advantages for the real estate sector.

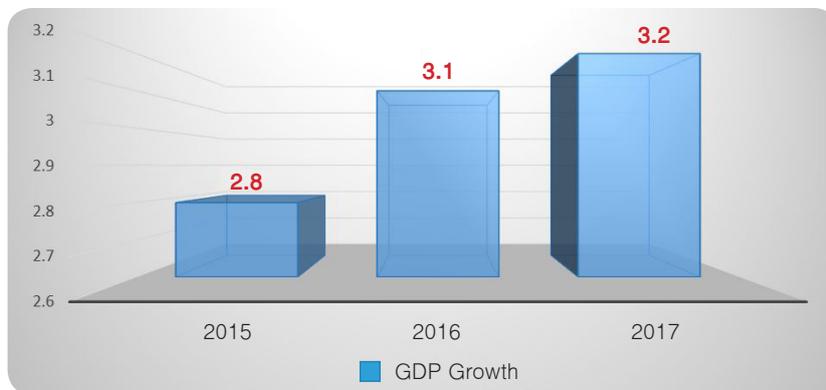
Real estate businesses had encountered the number of negative factors in 2016, including increased household debts, fallen agricultural products prices, financial institutions' strictures in credit, etc., which resulted in real estate market slowdown; however, the Ministry of Finance expects that Thai economy in 2017 would be expanded by 3.4% as many government projects could be implemented as planned, resulting in continuous budget disbursement. As a result, the private sector might start to invest more and more. However, the further private investment would be continued only if the government were the main economic driver.

In general, the growth rate of real estate market in 2017 is expected to be at a rate close to 2016. During the mid-October to mid-2016 period, the operators had stopped marketing activities and slowed down the opening of new projects, many new condominium projects were unexpectedly open for sale since mid-November 2016 onwards, which somehow had recovered the investment and trading activities. Real estate developers are likely to return to invest in new housing projects and focus on intensive marketing activities, supported by low interest rates. If the private investment is expanded, there might be more job opportunities and increased purchasing power, including continuously recovering positive economic factors. The expansion in government investment and foreign investment in Thailand has increased. The type of real estate that is still popular for both residential and investment purposes is condominium. The most popular locations are in the CBD which is close to the railways and the per-square-meter price are continuously increasing in accordance to dramatically increasing demande. Such situation would be resulted in the decrease in the number of outstanding residences, and the adjustment in the balance between the number of residences available and the demands for housing. (Source: Real Estate Information Center)

The company has not stopped to develop the projects, both condominiums and houses, in order to satisfy every level of market demands; for instance, the Chewathai Residence Bang Pho, a luxury river-view condominium; Chewathai Residence Asoke, a modern worth-of-investment condominium in the city center, and housing project, Chewarom Rangsit Don-muang, detached houses closed to Future Park Rangsit, and many more projects of the company.

RISK FACTORS

Risks in domestic economic situation



source : bank of Thailand

Changes of Policies

The two important law concerns to the real estate businesses that would be implemented, which are still not confirmed, are land taxes and building taxes laws. The law are expected to be implemented in 2017. Such ambiguity may prevent the investors from the investment because it is not confirmed how much more burden the policies would cost. Moreover, the taxation in selling a real estate that would be calculated from selling price, instead of the original land evaluation price as before, would generate more costs and less returns, which may as well slowdown the investment market. While the investment returns are decreased from 6 - 8 percent to approximately 5 percent due to prices of condominiums that increased rapidly, the profitability of leasing would be lessened. The investment in this year would not be very friendly to the individual investors.

APPROVED AT LAST: Land and buildings tax

Agricultural use				Residential use				Commercial use				Vacant land			
Maximum rate 0.2%				Maximum rate 0.5%				Maximum rate 2.0%				Maximum rate 5.0%			
Appraised value (baht)				Appraised value (baht)				Appraised value (baht)				Unused or left vacant			
≤ 50m Exempt				▶ First home				≤ 20m 0.3%				Years 1-3 1%			
> 50-100m 0.05%				> 50m Exempt				> 20-50m 0.5%				Years 4-6 2%			
> 100m 0.10%				> 100m 0.10%				> 50-100m 0.7%				Over 7 years 3%			
▶ Second home				> 20-30m 0.15%				> 100m-1bn 0.9%							
≤ 5m 0.03%				> 30-50m 0.20%				> 1-3bn 1.2%							
> 5-10m 0.05%				> 50-100m 0.25%				> 3bn 1.5%							
> 10-20m 0.10%				> 100m 0.30%											

source : www.home.co.th

For our company, the awareness in the expected impacts of the government policies, including higher capital requirements, and slowdown in sales due to the ambiguity of the policies, are taken into high - level of consideration; The Company is very well-prepared for the expected issues in both investment and sales enhancement perspectives.

Changes in loaning policies of commercial bank

Nowadays, the credit in real estate businesses is approximately 20 percent of total credit. Bank refusal rate is the most significant negative factor in the real estate market, especially the lower market that less than 2 million baht, which the rate is as high as 30 - 50 percent. Due to the increased bad debt rate of financial institutions, the banks were stricter in real estate credit approvals in 2016, and the strictness would be continued to 2017. (**source: Kasikorn Thai bank)

Company guideline of prevention: Apart from that the company requires high rate of down payment at 10 - 15 percent to screen financial capability of the clients, the company also facilitate the clients by sending the customer's profile to the bank for initial loan consideration. The sales agents of the company is functioning similar to financial consultants, providing advices on processes, checking documents, and facilitating in bank contact. The company has categorized the clients into 3 major groups, including;

1. Approved clients: Ready to transfer immediately. The company would advise the clients to buy real estate in the location they want.
2. Clients with debts that could be reduced or terminated within a period of 6 months: For instance, credit card debts and car installment that are nearly terminated. The company would advise the clients to book for a property under construction as it could be transferred to clients by the time their debts are decreased.
3. Unapproved clients: the company might have to refuse to be in line with the mentioned strategy. From the past, the company's refusal rate is around 20 percent, which is still lower than the banks refusal rate of 30 - 40 percent according to the information retrieved.



Land arrangement

In real estate businesses, one of the most vital main strategies is the location of the project. In order to develop a successful real estate project, the company is fully aware of this main strategy; thus, a policy to choose only locations to develop a project where are high potential, close to the main transportation, and located in business district. Such lands are highly preferable by the real estate market, with high value and the prices tend to be increased continuously each year. As a result, there might be risks to the company is such kind of lands could not be arranged to develop the projects.

The company has prevented this risk by planning for the potential lands arrangements in advance, in both short term and long term, as well as executing the company's plan to develop the projects in phases. As a result, the company has continuously expand the business with new projects to satisfy market demands in the next 4 - 5 years. The length of time available also allows the company to arrange more lands for further development of projects. In search for the location for new projects, the company has set clear features and sizes of the lands, as well as continuously planning for new search. The lands required for new project developments the company is seeking for should be consisted of high potentiality, located in great environmental and social atmosphere, great city plan, and satisfy needs of the clients in different periods of time. The search is being conducted by our well - experienced team, together with our alliance partners, in order to achieve the success in our plans.

The company has high consideration in searching target lands under reasonable budget. Therefore, the company always conducts risks assessment to study risks in each piece of land, considering development potential, capability in construction of desired features, selling potentiality, and time taken to transfer, etc. The company would consider only the lands that meet the mentioned requirements.

Outstanding units

The company has a well - managed process in sales estimation based on reality, while tracking sales performance in accordance with company plans, as well as taking control from the rapidly changed market conditions closely.

The company also create management process to prevent outstanding units from exceeding target time period set by the company. However, in the situation where the economy is unstable such nowadays, the company might be affected and could not reach sales target, which would cause some outstanding units to be unsold exceeding the target time. The company has various processes designed to eliminate these risks, such as promotions, pre - construction sales for condominiums, which would keep the company to make number of sales prior to the end of construction, in order to reduce the number and the age of outstanding units to be under the company's target.

According to the previous guidelines, it is also significantly reduced the gap between the actual sales and the sales estimation, resulting in continuous and rapid risks reduction of the company.

The company has not stopped developing risk management processes in response to the outstanding units, with full awareness in current economic unstable situation, which may affect to buying power significantly. The company has drawn a guideline to manage the outstanding units effectively and covering every perspectives, from the beginning to the end of the process, by adjusting the construction plan during the operation to be in line with the sales estimation under the changes in real estate market and intense competition. The company highly regards the consumer behaviors as the main aspect; hence, the company has developed marketing strategies that could respond to the market conditions at the time being, in order to urge consumer needs, and as well reduces outstanding units.

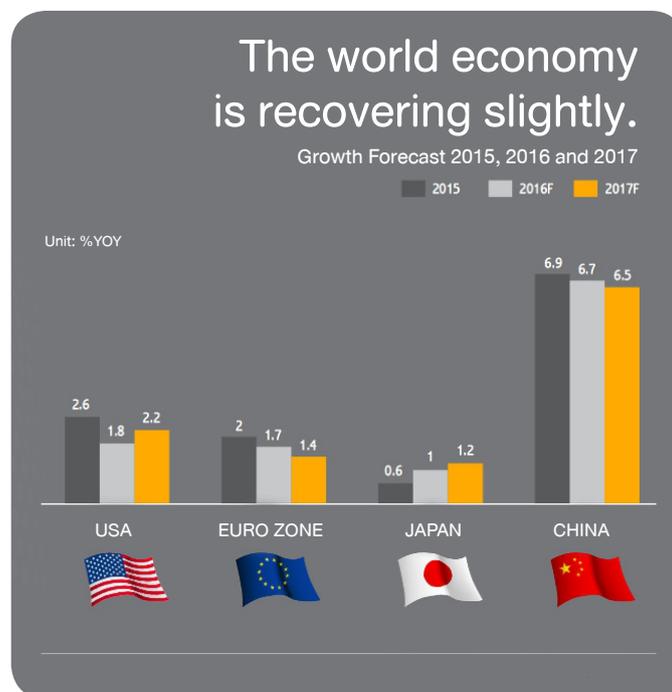
From this guideline, the risk management plan of the company has provided satisfactory in the rate of outstanding units.

World economy

In 2017, real estate market in Thailand still requires to be cautious in every way, especially in response to unstable world economic situation. Even though the U.S. economic evaluation may indicate that its economy situation is being recovered by the new policies of its newly-elected president, it requires to be defined whether the recovery is in which nature, by government or private sector. If the U.S. Economy is really recovered, it could be positive to the world economy, as the U.S. is one of the biggest importers and exporters.

However, European economy is still worrisome and may not yet be recovered, due to the root - level issues. In comparison, Asian economy, especially China, as the main customer of real estate business groups in Thailand, is also slowdown. Other countries in Asia have not very good economy, yet not so bad to be concerned.

**source: EIC estimation, and foreign research institute.



Thailand may be affected by the world economy. It is the fact that the country is highly dependent on exports as the main income generator. Though the tourism sector is expanding, it could not help that much in general economy. The economy in this year is still relying on government and private investments.

Expansion supports - risks prevention

The year 2017 is the year of structure adjustment and proportion in projects expansion. The company is emphasizing on the increment of horizontal projects from 10 percent towards the large cities, in order to support the expansion of the city regions.

In order to reduce business risks, the company is also looking for new investment opportunities, such as joint investment with Thai and foreign investors, who have expertise to develop projects in major cities in each region of Thailand. The company also operates factory leasing business to increase company's revenue as well.

SECURITIES AND SHAREHOLDING INFORMATION

Registered Capital and Paid - Up Capital

The company has registered capital and fully paid-up of 750,000,000 THB, which is ordinary share of 750,000,000 shares, par value of 1 THB (One baht only).

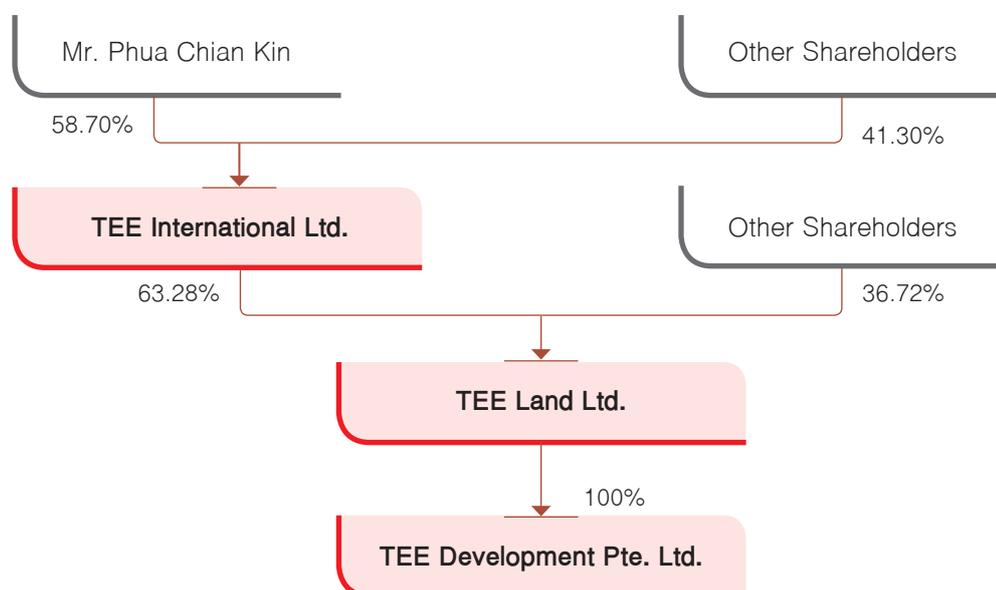
Shareholders

As of the record date on 18 November 2016 of the list in accordance with the book closing method in Section 225 of the Securities and Exchange Act, the top ten shareholders of the Company are as follows:

Top Ten Major Shareholder as of 18 November 2016

Shareholders	No. of Share	%
1. Chartchewa Co., Ltd.	248,880,000	33.18%
2. Tee Development Pte. Ltd ¹	239,119,300	31.88%
3. Mr. Pete Dheva - Aksorn	14,069,100	1.88%
4. Mrs. Jaroonlak Panichewa	10,000,000	1.33%
5. Mr. Sukkamol Sapdeemongkol	7,391,000	0.99%
6. Mrs. Siriphat Amornratchaikul	5,703,300	0.76%
7. Mr. Patinya Dheva - Aksorn	3,311,000	0.44%
8. Mr. Pornchai O - charornrath	3,102,500	0.41%
9. Mr. Vorachat Phetnanthawong	3,077,000	0.41%
10. Mr. Pisan Tangtoemjit	3,000,000	0.40%
Total	537,653,200	71.69%
Free Float	212,346,800	28.31%
Total	750,000,000	100.00%

¹ TEE Development Pte. Ltd. ("TEED") is a holding company registered in Singapore has its registered capital in amount of 3 SGD Million. TEED is held by TEE Land Ltd. for 100% of paid - up capital. As of 26 August 2016, TEED has its company structure as follow.



- TEE Land Ltd., (“TEEL”) is listed on the Singapore Stock Exchange (SGX Mainboard) which is operate the Real Estate business. TEEL has its registered capital in amount of 145.07 SGD Million and listed on the Singapore Stock Exchange (SGX Mainboard). As of 26 August 2016, TEEL is held by TEE International Ltd. for 63.28% other shareholders such as institutional investors and public for 36.72%.
- TEE International Ltd. (“TEEI”) has 3 core businesses such as Mechanical and electrical engineering, Real Estate and Infrastructure which is listed on the Singapore Stock Exchange (SGX Mainboard) has its registered capital in amount of 57.04 SGD Million. As of 26 August 2016 TEEI is held by Mr. Phua Chian Kin for 58.70% and other shareholders such as institutional investors and public for 41.30%.

Foreign Shareholding Limit

The foreign shareholding limit of the Company is 49% of all the shares of the Company. This is in accordance with No. 11 of the Article of Association of the Company. As of 18 November 2016, the foreign shareholding of the Company is 31.88% of all shares of the Company.

Cross Shareholding

The Company does not have cross shareholding or pyramid shareholding structure in the company group and does not have cross shareholding with major shareholders or other shareholders. Therefore, there is no conflict of interest or business takeover process.

Minor Shareholders (Free Float)

As of 18 November 2016 which is the book closing date, the total number of shareholders of the Company is 2,617 shareholders. Of all the shareholders, 2,615 are minor shareholders (free float), accounting for 34.94% of all the shareholders.

Treasury Stock

During the past year, the Company does not have a policy related to treasury stock.

Issuance of other securities

Chewathai Public Company Limited's debentures	No. 1/2016 Maturity Date: 2018	No. 2/2016 Maturity Date: 2018
Type	Name - Registered of Unsubordinated and Unsecured without a debenture holders' representative	
Objective	To be a revolving fund of the company to be used in the development of projects.	
Credit Rating	Not rated	
Type of Investor	Institutional investors and/or major investors.	
Distribution Type	Offered specifically to institutional investors and/or major investors.	
No. of Debentures	200,000 (Two Hundred Thousand) units.	100,000 (One Hundred Thousand) units.
Value per Unit	1,000 (One Thousand) THB per unit.	1,000 (One Thousand) THB per unit.
Offer Price	1,000 (One Thousand) THB per unit.	1,000 (One Thousand) THB per unit.
Total Offer Value (THB)	Not exceeding 200,000,000 (Two Hundred Million) THB	Not exceeding 100,000,000 (One Hundred Million) THB
Date of Issue	5 April 2016	11 November 2106
Maturity Date	4 April 2018	2 May 2018
Tenor	2 years	1 Year 5 months 21 days
Interest Rate	4.60% per year	4.075% per year
Date of Interest Payment	The issuer will pay interest every three months. The payment will be made on 25 March, 25 June, 25 September and 25 December of every year all through the tenor of debenture.	The issuer will pay interest every three months. The payment will be made on 2 February, 2 May, 2 August and 2 November of every year all through the tenor of debenture.
Distributor	RHB Securities (Thailand)	Siam Commercial Bank Public Co., Ltd.
Registrar	Bank of Ayudhya Public Co., Ltd.	Siam Commercial Bank Public Co., Ltd.

REPORT OF CHANGES IN SECURITIES HOLDINGS OF DIRECTORS AND TOP EXECUTIVES UNDER THE DEFINITION OF SEC

The shareholding of the directors including their spouse and the first four managers as of 31 December 2016 accounts for 0.27% of all the distributed shares. The details in 2016 are as follows:

Name – Surname	Position	Shares				Increase / (decrease)
		As of April 5, 2016		As of November 18, 2016		
		No. of Shares	% of Share holding	No. of Shares	% of Share holding	
1. Mr. Chartchai Panichewa	Chairman of the Board of Director	1,000,000	0.13	1,000,000	0.13	None
2. Mrs. Somhatai Panichewa	Director	625,000	0.08	625,000	0.08	None
3. Mr. Phua Cher Chew	Director	-	-	-	-	-
4. Mr. Boon Choon Kiat	Director / Managing Director	-	-	-	-	-
5. Mrs. Supaporn Burapakusolsri	Director / Independent Director / Chairman of the Audit Committee	-	-	-	-	-
6. Mr. Chaiyut Techatassanasoontorn	Director / Independent Director / Chairman of the Corporate Government Committee	-	-	-	-	-
7. Mr. Chung Tang Fong	Director / Independent Director / the Audit Committee	625,000	0.09	-	-	(625,000)
8. Mr. Phua Chian Kin	Chairman of Executive Committee	-	-	-	-	-
9. Mr. Somchok Luengsupornpong	Senior Vice President Construction	50,000	0.01	50,000	0.01	None
10. Mr. Yuthana Boonsitivaraporn	Senior Vice President Construction	-	-	-	-	-
11. Ms. Sunantra Mahaprasitchai	Senior Vice President Accounting	-	-	-	-	-
12. Mr. Pachathip Mettaprasopkij	Company Secretary / Senior Vice President Legal	500,000	0.07	350,600	0.05	(150,000)

DIVIDEND POLICY

Dividend Policy of the Company

The Board of Directors of the Company may consider paying annual dividend of the Company by obtaining approval from the meeting of shareholders, except the payment of interim dividend which the Board of Directors empowers to consider the occasional payment when the Board of Directors deems that the Company has appropriate retained earnings for the dividend payment. The approval of the Board of Directors on interim dividend payment shall be proposed to the next the meeting of shareholders for further acknowledgement.

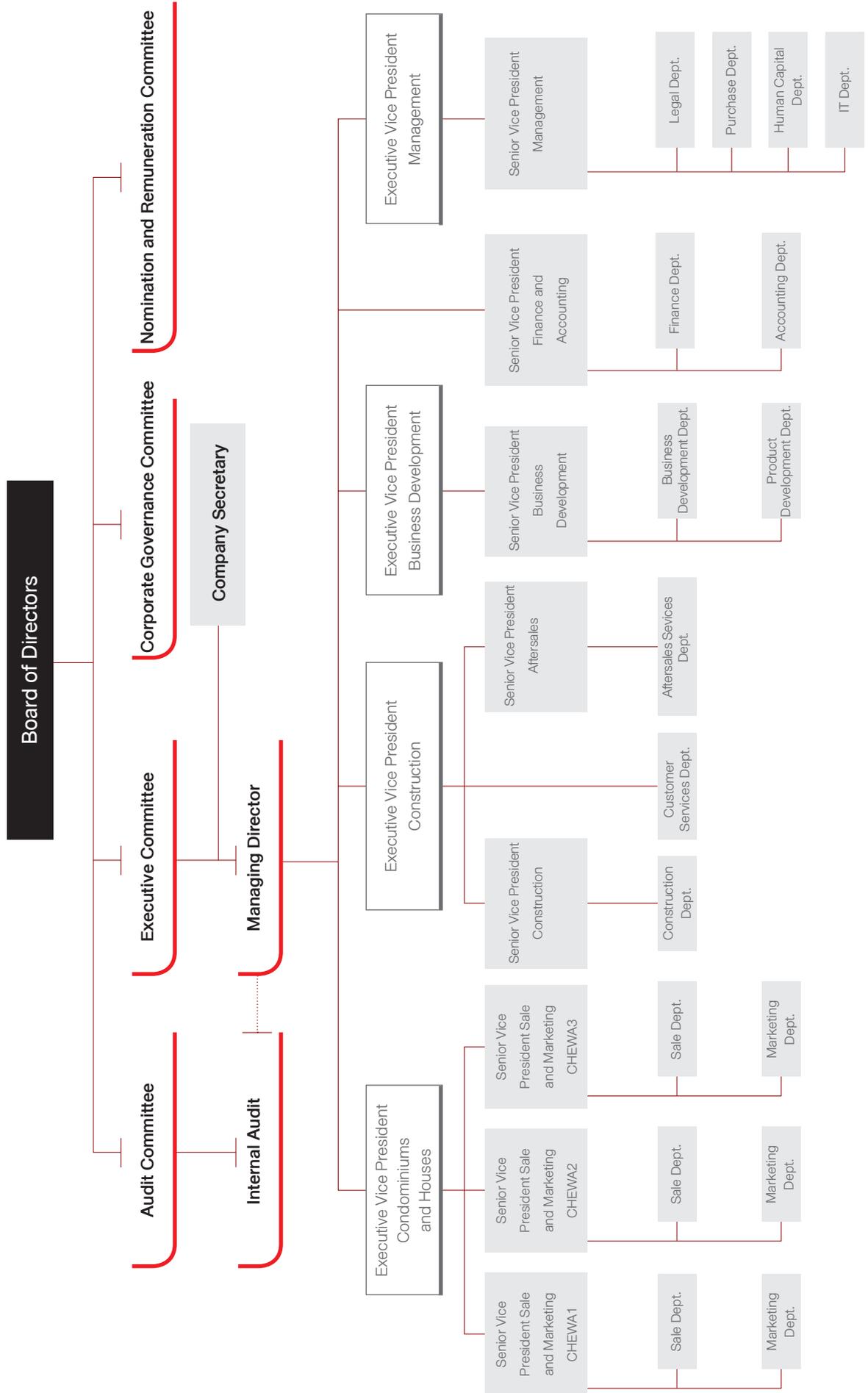
The dividend policy of the Company is to pay a total dividend from its Separate Financial Statement of up to 40% of the net profit after tax and after the appropriation of required legal reserve and other reserves (if any). However, the Board of Directors of the Company will consider the dividend payment, and may amend the dividend policy, by taking into account reserves for debt payment, capital investment for production expansion, changing market conditions or as required to manage the company's future cash flows

Dividend Policy of subsidiaries

The Board of Directors of the Company's subsidiaries may consider paying annual dividend of the Company's subsidiaries by obtaining approval from the meeting of shareholders, except the payment of interim dividend which the Board of Directors of the Company's subsidiaries empowers to consider the occasional payment when the Board of Directors of the Company's subsidiaries deems that the Company's subsidiaries has appropriate retained earnings for the dividend payment. The approval of the Board of Directors of the Company's subsidiaries on interim dividend payment shall be proposed to the next the meeting of shareholders for further acknowledgement.

The dividend policy of the Company's subsidiaries is to pay a total dividend from its Separate Financial Statement of up to 40% of the net profit after tax and after the appropriation of required legal reserve and other reserves (if any). However, the Board of Directors of the subsidiaries will consider the dividend payment, and may amend the dividend policy, by taking into account reserves for debt payment, capital investment for production expansion, changing market conditions or as required to manage the company's future cash flows.

MANAGEMENT STRUCTURE



Board of Directors

As of 31 December 2016, the Board of Directors comprises seven members according to the Company Registration Certificate of the Ministry of Commerce. All of whom are equipped with knowledge and experiences beneficial for the operation of the Company as follows:

Name – Surname	Position
1. Mr. Chartchai Panichewa	Chairman of the Board of Directors
2. Mrs. Somhatai Panichewa	Director
3. Mr. Phua Cher Chew	Director
4. Mr. Boon Choon Kiat	Director
5. Mrs. Supaporn Burapakusolsri	Independent Director / Chairman of the Audit Committee
6. Mr. Chaiyut Techatassanasoontorn	Independent Director / Member of the Audit Committee
7. Mr. Chung Tang Fong	Independent Director / Member of the Audit Committee

With Mr. Pachathip Mettaprasopkit as the Company Secretary

MEMBERSHIP OF THE BOARD OF DIRECTORS

In compliance with good corporate governance and the balance of power among independent directors, non - executive directors and executive directors, the components of the Board of Directors of the Company as of the 31st of December 2016 are as follows:

1. Three Independent Directors (42%), are

1. Mrs. Supaporn Burapakusolsri
2. Mr. Chaiyut Techatassanasoontorn
3. Mr. Chung Tang Fong

As for independent directors, the Board of Directors' Meeting Ref. 1/2015 on the 30th of January 2015 had identified the qualifications of independent directors stricter than the qualifications required by the Capital Market Supervisory Board.

2. Six Non-Executive Directors (85%), are

1. Mr. Chartchai Panichewa
2. Mrs. Somhatai Panichewa
3. Mr. Phua Cher Chew
4. Mrs. Supaporn Burapakusolsri
5. Mr. Chaiyut Techatassanasoontorn
6. Mr. Chung Tang Fong

3. One Executive Director (15%), is

1. Mr. Boon Choon Kiat

Authorized Directors

Mr. Chartchai Panichewa or Mrs. Somhatai Panichewa co - sign with Mr. Phua Cher Chew or Mr. Boon Choon Kiat and the Company's seal is affixed.

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. To conduct their duties in compliance with the laws, objectives, articles of association and resolutions of shareholders meetings with duty of care and duty of loyalty.
2. To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, plans of work and budget of the Company and its subsidiaries as prepared by the management and oversee the administration and the performance of the management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
3. To follow - up the outcome of work to ensure its compliance with the plan and the budget on an ongoing basis.
4. To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system including an internal control and internal audit system.
5. To review the risk management procedures and policies and also follow up on the results.
6. To set in place the corporate governance policy and its effective implementation.
7. To appoint the sub - committees such as Audit Committee, Nomination and Remuneration committee and Corporate Governance Committee, or any other sub-committees in order to assist the Board of Directors performing duties.
8. To appoint the senior executive positions of the Company such as Managing Director, Executive Vice President Corporate Affair, Executive Vice President Account & Corporate Finance and any other senior officers as deemed necessary.
9. To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
10. To seek professional opinions from external agencies, if required, in order to take appropriate decisions.
11. To encourage directors and executives to attend the seminar program of Thai Institute Directors Association (Thai-IOD) in the course that related to their duties and responsibilities.

In any case, the authorization of duties and responsibilities of the Board of Directors of the Company shall not constitute an authorization or sub-authorization which may cause the Board of Directors of the Company or its authorized person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an interest or may benefit in any manner or may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the shareholders' meeting or the Board of Directors' meeting. In case that the Chairman of the Board of Directors is not the Independent Director, the BOD should consist of Independent Directors more than half of all the BOD. In order that, Mr. Chartchai Panichewa is the Chairman of the Board of Directors but is not the Independent Director which is not following to the good corporate governance. However the current structure has divided into 1) Audit Committee/Independent Directors - three people have duties to review the performance and check and balance of the company to be transparent and follow strictly to the rules of the Securities and Exchange Commission and 2) the directors are not the audit committee/ Independent Directors - four people divided into two groups; Group 1 is consisted of Mr. Chartchai Panichewa and Mrs. Somhathai Panichewa representing Chartchewa Co., Ltd. and Group 2 is consisted of Mr. Boon Choon Kiat and Mr. Phua Cher Chew representing TEE Development Ltd. which is the major shareholder of the company; those directors are not audit committee/ independent directors and both groups are independent in voting and conducting the company's policies. Moreover, the company has three audit committee / independent directors whom are not interested parties involved with the company. The BOD's structure ensures that it will make a good corporate governance to the company.

AUTHORIZING POWER OF THE BOARD OF DIRECTORS

The Board of Directors has the authority to approve various issues of the Company and subsidiary companies as established by law, Article of Association and resolution of the Annual General Meeting of Shareholders as follows:

- Strategic map, mission and vision of the Company
- Risk management policy
- Organization structure, goals of the Company
- Business plan and annual budget plan
- Annual and quarterly performance assessment
- Budget for land purchase
- Budget for investment in projects e.g. cost, income, gross profit, etc.

BOARD OF DIRECTORS' MEETING

The Board of Directors determines at least one meeting per quarter, the date and the time of the Board of Directors' Meeting are scheduled in advance, and if necessary, they are to be provided for additional meetings.

1. Meeting Agenda

The Managing Director and The Chairman of the Board of Directors will identify the meeting agenda and the issues to be discussed. The Company Secretary will send out the meeting invitation letters and the documents to the directors at least seven days in advance for the directors to clearly study the information without time constraint. However, the meeting invitations will be done in several ways to arrange and send the information less than seven days, if necessary.

2. Meeting Frequency

- (a) The Board of Directors has to arrange meetings at least four times a year.
- (b) The Chairman of the Board of Directors may call for a particular meeting himself or requested from one of the directors..

3. Meeting, Quorum and Voting

In order to have most of the Board of Director members participate the meeting, the company will arrange the meeting schedule and send it to all the directors in January. The Board of Directors may arrange the particular meeting in case of urgent matter. There must be at least half of all the directors of the Company constituting a quorum in the Board of Directors' Meeting. If some directors have conflict of interest concerning to meeting agenda, there will be no right for voting in that agenda. In all the meetings, the Board of Directors must give importance to conflict of interest by accurately, fully and transparently disclose all the information. The directors having a conflict of interest in the agenda will have to leave the meeting room or give up the voting right on that matter. The period of each meeting is around 3-4 hours.

After the meeting, the company secretary will be responsible for the preparation of the meeting duration for revision of the directors and related persons. When the meeting duration is revised and amended, the company secretary will present it to the next Board of Directors' meeting for approval. The Chairman of the Board of Directors presiding over the meeting will sign the duration approval. The hard copy of the adopted and signed meeting duration will be systematically filed to the Director's Office. The electronic version will be filed with other meeting documents as reference.

- 3.1 The Annual General Meeting of Shareholders is scheduled once a year. In case that there is an urgent issue that needs approval from the shareholders, the Board of Directors will schedule an Extraordinary Meeting of Shareholders. The Board of Directors of the Company will comply with Public Limited Company Act B.E. 2535 and Securities and Exchange Act B.E. 2535 and other related regulations in order to be in consistence with the law and good corporate governance principles.

In 2016, six Board of Directors' Meeting is organized. The details are as follows: (information as of 31 December 2016)

The Board of Directors' Meeting

The Board of Directors' Meeting in 2016, the details are as follows:

Meeting No.	Date/Month/Year	Agenda
1	27 January 2016	Consider the capital increasing and Amendment of memorandum of association
2	16 February 2016	Consider the financial statements 2015, the dividend payment and the date of the Annual General Meeting of Shareholders 2016
3	5 April 2016	Consider the land for use in the operation of the company.
4	13 May 2016	Approve the financial statements in Q1/2016
5	10 August 2016	Approve the financial statements in Q2/2016
6	11 November 2016	Approve the financial statements in Q3/2016

The details of the attendance of the directors are as follows:

Director's Name	Position	No. of Meeting Attended	%
1. Mr. Chartchai Panichewa	The Chairman of the Board of Director	6/6	100%
2. Mrs. Somhatai Panichewa	Director	6/6	100%
3. Mr. Phua Cher Chew	Director	6/6	100%
4. Mr. Boon Choon Kiat	Director	6/6	100%
5. Mrs. Supaporn Burapakusolsri	Independence Director / The Chairman of the Audit Committee	6/6	100%
6. Mr. Chaiyut Techatassanasoontorn	Independence Director / the member of Audit Committee	6/6	100%
7. Mr. Chung Tang Fong	Independence Director / the member of Audit Committee	6/6	100%

Remark excluding the Annual General Meeting 2016

NOMINATION, APPOINTMENT OR ELECTION OF THE BOARD OF DIRECTORS

The Nomination and Remuneration Committee is responsible for nominating qualified candidates to take up the position of the directors who are suitable in terms of competencies, experiences and expertise in the profession and are equipped with leadership skills, vision, moral and ethics, transparent professional background and are able to express their opinions freely. The Nomination and Remuneration Committee will nominate suitable candidates to the Board of Director's Meeting for approval before presenting to the Shareholders' Meeting for appointment or election. In case that a director position of the Company becomes vacant not by rotation, the Nomination and Remuneration Committee may consider to nominate a suitable person to the Board of Directors' Meeting to be appointed as a director to fill the vacant position in accordance with the Articles of Association of the Company.

MANAGERS

The first four managers following the Managing Director name lists are the five managers in the accounting and finance department, as follows:

Name – Surname	Position
1. Mr. Boon Choon Kiat	Managing Director / Senior Vice President Industrial (acting as) / Senior Vice President Business Development (acting as) / Senior Vice President Corporate Affair (acting as)
2. Mr. Somchok Luengsupornpong	Senior Vice President Construction
3. Mr. Yuthana Boonsitivaraporn	Senior Vice President Construction
4. Mr. Sataporn Semsawang	Senior Vice President Aftersales Service
5. Ms. Sunantra Mahaprasitchai	Vice President Finance and Accounting

The roles and responsibilities of high-ranking executives of the Company are to ensure that the operation is in accordance with the policy, vision, mission, strategy and target established annually by the Board of Directors as well as to operate the business in accordance with the business plan and manage the budget approved by the Board of Directors. The qualifications of the high-ranking executives of the Company are in compliance with the Notification of the Capital Market Supervisory Board No. TorChor. 23/2551 Re: Definition of “Executives” under Chapter 3/1 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). All the five high-ranking executives of the Company do not have prohibited characteristics as follows:

1. No criminal record in relation to offences against property
2. No history of transaction that causes conflict of interest with the Company

The directors and executives of the Company do not have distrustful characteristics stated in the Notification No. KorJor 8/2553 of the Securities and Exchange Commission Re: Concerning Stipulation on Distrustful Characters of Company’s Director and Executive.

COMPANY SECRETARY

The Board of Directors recognizes the importance of the roles and responsibilities of the Company Secretary which is to support the operation of the Company to be in accordance with the Principles of Good Corporate Governance and comply with rules and regulations of the Stock Exchange of Thailand and Securities Exchange Commission. The Board of Directors has appointed Mr. Pachathip Mettaprasopkit, to take up the position of the Company Secretary and be responsible for coordinating between the Board of Directors and the Management, being in charge of and coordinating the work relating to laws and regulations on the Principles of Good Corporate Governance, ensuring compliance with the regulations and announcements of the Stock Exchange of Thailand and Securities and Exchange Commission, following up the result of the implementation of resolutions of the Board of Directors’ meeting and the shareholders’ meeting and filing the documents as required by law. The qualifications and experiences of the secretary are disclosed in Form 56-1 and Annual Report.

REMUNERATION OF DIRECTORS AND EXECUTIVES

REMUNERATION FOR THE BOARDS AND SUBCOMMITTEE MEMBERS

The Nomination and Remuneration Committee is responsible for proposing the criteria and the guidelines for deciding remuneration for directors, subcommittee members and executives. The remuneration proposed will be considered from the comparison with remuneration of the same industry with more or less the same size, business expansion rate as well as the growth of the Company. The reward for directors is calculated from the growth of dividend paid to shareholders which coincides with the profit growth of the Company. The Nomination and Remuneration Committee will present the remuneration rate for the directors, the sub-committee members and present the rewards for directors to the Board of Directors for endorsements and, later, to the Annual General Meeting of Shareholders for approval. The Board of Directors will decide the appropriate reward numbers for directors to be paid. The directors will allocate the rewards as deemed appropriately. This will be effective from the date of approval from the Annual General Meeting of Shareholders until further notice.

Remuneration for the directors in 2016 for the performance of duty includes transportation fee, reception fee, per diem, meeting allowance and necessary expenses (Articles of Association, Section 5 on Directors, Article 22). The Annual General Meeting of Shareholders in 2016 on the 3rd of March 2016 resolved to approve the remuneration are as follows;

Remuneration for Directors

1. Financial Remuneration

The Annual General Meeting of Shareholders in 2016 on the 3rd of March 2016 resolved to approve the remuneration and the rewards for the Board of Directors, the Audit Committee, the Executive Committee and the Nomination and Remuneration committee with the details are shown as follows;

Position	Remuneration (THB)	
	Meeting Allowance	Monthly Remuneration
Chairman of the Board of Director	60,000	60,000
Director	40,000	40,000
Independence Director	20,000	10,000
Chairman of the Audit Committee	40,000	-
The Audit Committee	20,000	-
Chairman of the Executive Committee	70,000	-
The Executive Committee	60,000	-
Chairman of the nomination and remuneration committee	40,000	-
The nomination and remuneration committee	20,000	-

Remark the executive director is not entitled to monthly remuneration and reward.

In 2016, the financial remuneration are as follows;

Director	2016 (THB)
1. Mr. Chartchai Panichewa	1,300,000
2. Mrs. Somhatai Panichewa	320,000
3. Mr. Phua Cher Chew	320,000
4. Mr. Boon Choon Kiat	560,000
5. Mrs. Supaporn Burapakusolsri	420,000
6. Mr. Chaiyut Techatassanasoontorn	340,000
7. Mr. Chung Tang Fong	380,000
8. Mr. Phua Chian Kin	320,000
Total	3,960,000

2. Non – Financial Remuneration

The Company does not have any policy related to ESOP and EJIP.

Remuneration for Executive Directors

The Nomination and Remuneration Committee will consider the remuneration for executive directors and the bonus for the executive directors and propose to the Board of Directors for approval. The remuneration is based on the business performance of the Company, the operation in accordance with the policy of the Board of Directors as well as the overall economic and social situation. The information of the current year and the past and the ability to develop the business and improve the operation of the Company in each year will be taken into considerations.

1. Financial Remuneration

In 2016, the remuneration for the three executive directors are shown as follows:

No.	Name	Total Remuneration in 2016
1.	Mr. Phua Chian Kin	280,000 THB
2.	Mr. Chartchai Panichewa	240,000 THB
3.	Mr. Boon Choon Kiat	240,000 THB
	Total	760,000 THB

2. Non – Financial Remuneration

The Company does not have any policy related to ESOP and EJIP.

Remuneration for executives

1. Financial Remuneration

In 2016, the remunerations paid for executives are as follows:

In 2016, there are seven executives; Mr. Boon Choon Kiat, Ms. Sunantra Mahaprasitchai, Mr. Somchok Luengsupornpong, Mr. Yuthana Boonsitivaraporn, Mr. Sataporn Semsawang, Mr. Jirathar Woraprangkul, Ms. Thanisorn Osiri

In 2016, there are two executives has resigned as follows;

- Mr. Jirathar Woraprangkul was Senior Vice President Sales and Marketing 1 has resigned on the 23rd of November 2016.
- Ms. Thanisorn Osiri was Senior Vice President Sales and Marketing 3 has resigned on the 1st of September 2016.

Thus, as of the 31st of December 2016, there are five executives.

Remuneration for executives in 2016 included all executives whom has resigned during 2016 and existing. Other remunerations such as provident fund and social security fund are as follow;

Remuneration for Executives	2016	
	Amount (Person)	Remuneration (THB)
Salary and Bonus	6 ¹	9,475,484.00
Others		439,683.00
Total	6	9,915,167.00

Remark 1. The remuneration is excluded one high-ranking executive.

2. Non – Financial Remuneration

Non-financial remunerations include medical insurance, annual medical check-up and providence fund.

High-Ranking Executives

Remuneration for High-Ranking Executives Policy

The Executive Committee will consider the remuneration and bonus for high-ranking executives of the Company. The consideration is based on business performance of the Company, task implementation assigned by the Board of Directors, the Executive Committee and the Chairman of the Board of Directors. There are short-term and long-term remunerations. The consideration for the short-term remuneration is based on the annual profit of the Company. It is the ability to generate profits of high-ranking executives who are responsible for cascading the policy established by the directors to staff of all levels. As for the long-term remuneration, it will be considered based on the Key Performance Indicators (KPIs) of the line of work under their responsibilities as well as the Individual KPIs in the performance evaluation. The remuneration will be established in consistence with the performance of the Company.

High-ranking executives of the Company in 2016 is referred to Mr. Boon Choon Kiat, Managing Director of Chewathai Public Company Limited and is an employee of the Company so he is not entitled to monthly remuneration and reward for director as a director and executive director of the Company.

REMUNERATION FOR HIGH-RANKING EXECUTIVES

1) Financial Remuneration

Remuneration for High-Ranking Executives in 2016 includes financial remuneration and bonus depended on business profits and financial statements, reserve and provident funds and social security funds, shown as follows;

Details	Amount (THB)
Salary	4,200,000.00
Bonus	-
Reserve and provident fund	420,000.00
Reserve and social security fund	18,000.00
Total	4,638,000.00

2) Non - Financial Remuneration

Non-financial remuneration includes medical insurance, annual medical check-up and provident fund. As a director, there are no provident funds provided.

PERSONNEL

The structure of human resources management of the Company and affiliated companies is centralized in order to create unity and development in the same direction under the supervision of the Managing Director the Chairman of the Executive Committee. Staff of the Company and subsidiary companies are always able to request for a transfer to advance their career.

Policy on Remuneration Paid to Staff of the Company.

The consideration for the remuneration of staff is based on the inflation rate as well as reference information from the remuneration survey in the property development and construction business group and the performance of the Company. In accordance with the policy of the Company, the staff remuneration is paid in the form of salary and is based on the performance of the Company each year to reciprocate the commitment and the collaboration of all staff who play a vital role in achieving the goal of the Company. The Executive Committee and Managing Directors of the Company will consider the remuneration for staff to encourage them to efficiently perform their duties in line with the annual business plan. It is stated in the policy that the overall remuneration must be consistent with the performance of the Company both in the long-term and in the calculated from the performance evaluation of staff. Based on PMS Performance Management System, corporate KPIs and Competency Model are established as performance indicators but the emphasis will be weighed on the different in usage or Mixed Model. KPIs is a numerical indicator showing clear results but Competency is evaluated by staff's behavior. The company set up corporate KPIs to indicate on work performance and divided to each KPIs department. Quarterly meetings are organized in each department to review the work plan. There are also individual KPIs to evaluate the performance of individual staff according to their responsibilities. The supervisor and staff will conduct evaluation together once a year. The consideration for the staff remuneration and the staff promotion will be based on the result of the performance evaluation. The monitoring and the evaluation of staff performance are conducted to ensure that an individual staff performance is in accordance with the organizational goal. The information compiled from the evaluation will be used for other human resources purposes such as consideration for bonus and promotion, salary raise and development of staff especially the talented ones and successors. It is to encourage staff to perform and build new generation of executives who will drive the organization forward.

EMPLOYEE

In 2016, there is the total of 90 employees in the Company (excluding high-ranking executives) which can be divided into different lines of work as follows:

Lines of Work	Employee (person)		
	Male	Female	Total
1. Condo and Housing	10	22	32
2. Construction and Support	12	11	23
3. Business Development	4	2	6
4. Finance and Accounting	2	8	10
5. Corporate Affair	9	10	19
Total	37	53	90

Remuneration and Welfare

1) Financial Remuneration

Remuneration for employees in 2016 includes financial remuneration, bonuses, reserves, provident fund and social security funds as follows;

Details	Amount (THB)
Salary	51,295,492.00
Bonus	5,127,798.44
Reserve and provident fund	4,304,562.00
Reserve and social security fund	1,602,692.00
Others Remunerations	6,833,087.00
Total	69,163,631.44

During 2016, there has been no significant change in the number and staff and labor dispute.

2) Non – Financial Remuneration

Non-financial remuneration includes medical insurance, annual medical check-up, provident fund, best employees rewards, uniform and New Year Party.

Provident Fund

The Company and its employees have jointly established a provident fund since 2011 in accordance with the Provident Fund Act B.E. 2530. The fund which is purposed for saving and guaranteeing employees including tax benefits.

Labor Disputes

-None-

Employees Development Policy

The Company is conscious of the importance of training and developing all employees to support employee's performance which is able to work upon changing of the company strategies. The criteria are as follows;

1. Year plan for training which is according to business plan.
2. There will be co-responsibilities in training and employees developing.
 - The Company targets to train and develop employees under human capital department operations and decides the number of hours that employees will carry the training hours annually.
 - Supervisor will be responsible for training and developing program by considering from the training plan.
 - The Employees must be earnest to improve themselves according to developing plan and changing in our mission.
3. Training and Developing employees consist of two parts; on the job training and others management and organization training defining to the circumstance and necessary.
4. The company provides the training to support employee's capabilities and increasing efficiency in work by self-operation and external institutions.

The Company assumes that human capital is more valuable than management capital, “Invest continuously in its human capital”. Therefore, all employees should have been continuously developing its potential, either in knowledge, skills and internal systems in every work level. The company has settled the appropriate Competency Based Development Systems.

In 2016, the Company has focused on the development of capacity and professionalism of employees of the Company. There are training courses in every work level, for example, the company supports the employees related to Corporate Governance to directors, audit committee, executives and company secretary etc. to improve potential of work both internal and external training course as follows;

Program	Objective
Company Secretary Program	To understand the responsibilities of company secretaries and other pivotal functions to help them carry out their board supporting roles successfully and supporting the board of directors to be more efficient in Corporate Governance.
Advance Audit Committee Program (AACP)	The course introduces to the essence of oversight roles and responsibilities of audit committee which will help them perform their duties beyond expectations of stakeholders.

Internal Training Courses is on the job training and/or coaching, the supervisor is important to develop to subordinate such as;

Program	Objective
Competency and Individual Development Plan	To recruit capable person(s) to work by planning the training and developing individually to gain more efficiency.

Lecturer invitation for training course.

Program	Objective
Quality Management System ISO 9001 : 2015	To specify requirements for a quality management system to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and aim to enhance customer satisfaction through the effective system applications, including system improvement processes and the assurance of conformity to customer and applicable statutory and regulatory requirements.

External Training Courses

Program	Objective
Presentation Skill	To enhance the presentation skills - both verbal and non-verbal ones through real situations to prepare the employees to co - manage and communicate with colleagues leading to efficiency and professional management.
Basic Finance for IR	To understand the financial statement and capable to analyse financial presentation techniques
Corporate Finance	To acknowledge finance that will help the company to choose the right capitals and to evaluate the capitals for investment.
Financial Model Fundamentals of Finance	To understand the principle of fair value and financial standard to gain more knowledge and analyze values of assets and liabilities in financial reports.
M - Score indicators...? Financial and Forensic Accounting	To understand PANNIPA program, Financial Analysis and M-Score in analyzing abnormal data showing the corruption within the organization.
Negotiating & Managing Construction Contract	The program targeting to concern point of drafting construction contract, long-term tax planning and the mistake of construction tax to maximize company benefits.
Pack 5 & Fair Value	To understand the Pack Five principles and fair value for company operation application.
Strategic CFO in Capital Markets Program	To provide participants with a point of view and cover all dimensions of all work in capital market utilization.
TFRS Year 2016 (Course 3)	TFRS related to revenue concern with develop accounting procedures to benefit the organization.
TFRS Year 2016 (Course 4)	TFRS related to financial statement presentation to guide to efficiency financial statement.
Taxation and Accounting Update	To understand the new tax laws better and able to solve problems occurring while working.
Strategic Property Management under Land and Building Taxation Act (draft)	To plan property planning and advise the structures using in-land management.
Properties Market Strategic with GOOGLE SOLUTIONS	To provide in-depth knowledge on online marketing through search engine such as GOOGLE and YOUTUBE.
Successful management in human resource and employee satisfaction class 38.	To learn the examples of leading organization management succeeding in solving problems such as inconvenience in properties and roads in the company area, dirty toilet / no system control in the meeting room, company driver/ driver corrupt on overtime fuel and bad service, maid or gardener lack of working motivation.

Program	Objective
Cash Flows Management and Cash flows analysis	To practice in management of cash flow statements and the use of cash flow statements.
Financing for Corporate Value with Capital Market Instructors	To provide employee under the supervision of a CFO in listed company, especially who deal with financial management and investment in the company. Enhance the understanding of key corporate financial decision concepts and analysis of Capital Needs of Business Including the use of financial instruments through capital markets.
Professional Financial Projection	To enable employees to participate in potential financial projections and consequently, driven the business operation of the company quickly.
Document Management	To support document management system and to save and reduce cost in storage.
Accounting and Tax Planning for general business	To lead employee to understand the principle of accounting based on accounting standards and Tax planning under the Revenue Code. The company is able to reduce or save tax costing.
Evaluation and Following Up the training result	To enhance, to acknowledge and to understand with assessment and following up with the training result. To analyst training value and practice the designing of training course according to quality management system in the company.
English e-mail writing in a day (Workshop)	To improve English e-mail writing skill to support High End customers and foreign customers.
Business Negotiation	To enhance the right attitude in efficiency negotiation which able to apply in work.
Withholding Tax	To enhance the withholding tax principle and tax benefits including related law and regulations.
Residential Market VS half year 2016 economy	To acknowledge employee to the direction of residential market in 2016 which leads to analyst through our business.

Program	Objective
Residential Market VS year 2016 economy	To acknowledge employee to the direction of residential market in 2016 which leads to business analysis in 2017.
Chances in Asian Residential Market	To learn how to target and analyse in Asian Residential Market leading to our business analysis.
Company Secretary Course	To acknowledge the roles and duties in efficient organizational support leading to a solid foundation, readiness for obstacles and substantial growth.
Summary of TFRS amendment	To provide the employees with the right in knowledge and understanding in the principle and the main idea of changing in Thai Financial Reporting Standards prepared by the International Financial Reporting Standards.

In 2016, the Company has focused on the development of capacity and professionalism of staff of the Company for sustainability. The Company had a training course at the average of 10 hours/person/year, the duration is more than the standard, settled by Department of Skill Development of around 6 hours/person/year.

Orientation for New Employees

The Company determined the orientation after recruiting for new employees that able to adapt through various activities such as introduction to the organization (whether it be supervisor, colleague, work safety manual, company policy, objective, company's rules and regulation, company's welfare etc.) in order to get the first impression, relationship and the trust in organization. Ninety-five percent of all the orientations is shown as follows:

No.	Subject	Summary
1	Human Capital Department	Work safety manual, company policy, objective, company's rules and regulation, company's welfare.
2	Business Development Department	The process of selection lands and locations, basic law and regulations which related to properties.
3	Product Development Department	The process of product development, basic law and regulations which related to properties such as EIA permission.
4	Legal Department	The role of legal team and all properties law and regulations.
5	Marketing Department	Work process of Marketing team, how to do Brand Positioning, Brand Personality, Brand Character.
6	Online Department	The knowledge of Marketing online.
7	Construction Department	Work process of construction team, material standard and basic information of qualification of material for sales work.
8	Sales Department	Work process and service standard of sales team
9	Customer Service Department	Customer Service Department standard, credit knowledge and basic credit calculation.
10	After Sales Service Department	Work process of After Sales Service and standard.
11	Customer Relationship Department	Work process of Customer relationship and Corporate Branding process.
12	Purchase Department	Work process of Purchase team, basic price list and the standard of contractor procurement.
13	Accounting Department	Work process of accounting team, related document to support the expense.
14	Budget Control Department	Work process of budget control and related policy.
15	IT Department	Knowledge concern with operation program; ERP, SAP and Policy concern with IT.

Anti-Corruption Policy

The Company establishes the policies related to anti - corruption for adherence of the directors, the executives and the employees of the company. The Company also establishes a policy on gift delivery and acceptance. The employees are not permitted to receive gifts, to request for or take a bribe or loan or special treatment which may affect a business decision of the employee on behalf of the Company. It is stated in the Code of Business Conduct which is included in the employee manual and orientation of new employee in 2016. Training and reviewing the code of conduct for every employee lead to good business ethics so the executives and the employees could follow up what is said in the employee's manual to explain to employees ethics in a role and responsibilities to the company, customer, shareholder, supervisor, co-worker including to themselves to get rid of conflict of interest, internal information usage including to the rules and regulation concern with work, welfare, employee's benefits, collaborative practices including discipline and punishments to demonstrate commitment to good practice as a guiding principle that everyone must strictly follow.

Health and Safety Policy

The Company emphasizes on clear and concrete policies on health safety, safety in workplace and work environment. The company supports safety in workplace as follows;

Safety

- 1) The Company provides finger scan system in - out for eligible people accessibility.
- 2) The Company focuses on the safety and accident prevention by participating to training such as annual fire training.
- 3) To assign the hygiene inspection and safety report to the employees and all contractors and manage the training course to site engineer and related party before start working (twice a month).
- 4) To assign to all the employees to take care and clean in self - area.
- 5) To assign to all the supervisor to be good role models and good leaders for the subordinates, and motivate the subordinates with safe work.

Health

- 1) For the employees' good hygiene, the Company provides medical checkup once a year.
- 2) The Company provides health insurance; therefore the employees are able to be admitted to hospitals with a limit for reimbursement of medical expenses from employee's level.
- 3) The company provides Sports Day activities to the employee in order to exercise and to relax from work by targeted for healthy employees.
- 4) To do the pest control in the office for sanitary and clearness place for work.

Summary of accident, leave rate or sickness rate from work and absence rate in year 2016.

Details	Year 2016
Injuries from accident (person)	-
Day off rate from illness from work (day)	-
Illness from work rate (person)	-
Absence rate (day)	9
Absence rate amount (person)	3

THE DIRECTORS



- | | |
|-------------------------------------|---|
| 1. Mr. Chartchai Panichewa | Chairman of the Board of Directors |
| 2. Mr. Boon Choon Kiat | Director / Managing Director / Executive Director /
Member of Corporate Governance Committee |
| 3. Mrs. Somhatai Panichewa | Director |
| 4. Mr. Phua Cher Chew | Director |
| 5. Mrs. Supaporn Burapakusolsri | Independent Director / Chairman of the Audit Committee /
Member of Nomination and Remuneration Committee /
Member of Corporate Governance Committee |
| 6. Mr. Chaiyut Techatassanasoontorn | Independent Director / Member of Audit Committee /
Member of Nomination and Remuneration Committee /
Chairman of Corporate Governance Committee |
| 7. Mr. Chung Tang Fong | Independent Director / Member of Audit Committee /
Chairman of Nomination and Remuneration Committee |
| 8. Mr. Phua Chian Kin | Chairman of Executive Director |



Mr. Chartchai Panichewa

Chairman of the Board of Directors

Age 55 years

**Total of CHEWA shares
as of 18 November 2016** 1,000,000 shares

Date of Appointment 13 March 2008

Education / Training

- Master of International Trading and Marketing University of San Francisco
- Bachelor of Banking University of San Francisco
- Director Accreditation Program (DAP) class 9/2004

Work Experiences

2008 - 2015	Chairman of the BOD/Executive Director	Chewathai Co., Ltd.
2007 - 2015	Director	ATP 30 corporation Co., Ltd.

Current Position

Position in listed company

2015 - Present	Chairman of the BOD/Executive Director	Chewathai Public Company Limited
2015 - Present	Director / Chairman of the BOD	ATP 30 PLC
2006 - Present	Director / Managing Director	TTL INDUSTRIES PLC
2005 - Present	Director / Chairman of the BOD	Thaisri Insurance Public Company Limited.
1994 - Present	Director	Cathay Leaseplan Public Company Limited

Positions in other company

2015 - Present	Director	Paibul Business Company Limited
2014 - Present	Director	Paibul Capital Company Limited
2013 - Present	Director	DT and G Company Limited
2013 - Present	Director	Chewathai Interchange Company Limited
2011 - Present	Director	Global Environmental Technology Company Limited
2008 - Present	Director	Chewathai Hup Soon Company Limited
2007 - Present	Director	Paragon Car Rental Company Limited
2006 - Present	Director	Pailuck Company Limited
2006 - Present	Director	Paibul Business Company Limited
2005 - Present	Director	Bangkok Crystal Company Limited
2005 - Present	Director	Kromadit Park Company Limited
2004 - Present	Director	Amata Petroleum Company Limited
2002 - Present	Director	Chang Island Resort Company Limited
1997 - Present	Director	Chartchewa Company Limited
1993 - Present	Director	Sima Thani Company Limited



Mr. Boon Choon Kiat

Director / Executive Director / Managing Director

Age 43 years

**Total of CHEWA shares
as of 18 November 2016** None

Date of Appointment 13 March 2008

Education / Training

- Bachelor of Accountancy, Nanyang Technological University, Singapore
- CFA Charter holder
- Chartered Accountant (Singapore)
- Director Certification Program (DCP) class 155/2012

Work Experiences

2008 - 2015 Director / Executive Director / Managing Director Chewathai Company Limited

Current Position

Position in listed company

2015 - Present Director / Executive Director / Managing Director Chewathai Public Company Limited
2002 - 2014 Director Oscar Property Management Company Limited

Positions in other company

2014 - Present Non - Executive Director & Finance Director TEE Land Ltd., Singapore
2013 - Present Director / Managing Director Chewathai Interchange Company Limited
2013 - Present Director Viet-TEE Co., Ltd., Vietnam
2011 - Present Director Global Environmental Technology Company Limited
2008 - Present Director Oscar Design and Decoration Company Limited
2001 - Present Director Oscar Estate Management Company Limited
2000 - Present Director Trans Equatorial Indochina Company Limited



Mrs. Somhatai Panichewa

Director

Age 51 years

**Total of CHEWA shares
as of 18 November 2016** 625,000 shares

Date of Appointment 13 March 2008

Education / Training

- Bachelor of Education Chulalongkorn University
- Master of Management Sasin Graduate Institute of Business Administration Chulalongkorn University
- Director Certification Program (DCP) class 104/2008

Work Experiences

2008 - 2015	Director / Executive Director	Chewathai Co., Ltd.
2014 - 2015	Director	ATP 30 corporation Co., Ltd.
2011 - 2015	Director	B. Grimm Power Co., Ltd.

Current Position

Position in listed company

2015 - Present	Director	Chewathai Public Company Limited
2015 - Present	Director	ATP 30 PLC
2015 - Present	Director / Chief Executive	Officer Amata vn Public Company Limited
2012 - Present	Chairman of the Investment Committee	Amata Corporation Public Company Limited

Positions in other company

2013 - Present	Director	Chewathai Interchange Company Limited
2011 - Present	Director	Global Environmental Technology Company Limited
2004 - Present	Director	President Amata City Bien Hoa Joint Stock Company
1997 - Present	Director	Chartchewa Company Limited
1995 - Present	Director	Amata Holding Company Limited



Mr. Phua Cher Chew

Director

Age 43 years

**Total of CHEWA shares
as of 18 November 2016**

None

Date of Appointment

8 August 2013

Education / Training

- Bachelor of Faculty of Business, Central Queensland University
- Director Accreditation Program (DAP) Class 125/2559

Work Experiences

2013 - 2015	Director / Executive Director	Chewathai Company Limited
2012 - 2015	Director	KSH (China) Venture Pte Ltd, Singapore
2010 - 2012	Director	Rong Cheng (Sin Ming Road) Bak Kut Teh Pte Ltd., Singapore
2007 - 2013	General Manager	TEE International Ltd., Singapore
2004 - 2013	Director	TEE Management Pte Ltd., Singapore
2004 - 2013	Director	Trans Equatorial Engineering Pte Ltd., Singapore
2001 - 2014	irector	Oscar Estate Management Company Limited

Current Position

Position in listed company

2015 - Present	Director	Chewathai Public Company Limited
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Positions in other company

2014 - Present	Director	Potts Point Hospitality Pty Ltd., Australia
2014 - Present	Director	JPJ Properties Pty Ltd, Australia
2014 - Present	Director	TEE Vista Pte Ltd., Singapore
2014 - Present	Director	Menara Jutamas Sdn Bhd, Malaysia
2013 - Present	Director	Chewathai Interchange Company Limited
2013 - Present	Chairman & Director	Viet-TEE Co., Ltd., Vietnam
2013 - Present	Director	Klang City Development Pte Ltd., Singapore
2013 - Present	Director	KAP Holding (China) Pte Ltd, Singapore
2013 - Present	Director	Workotel Ltd, New Zealand
2013 - Present	Director	TEE Ventures Pte Ltd., Singapore
2013 - Present	Director	TEE Oceania Pte Ltd., New Zealand
2013 - Present	Director	Wealth Development Pte. Ltd., Singapore
2013 - Present	Director	Development 16 Pte Ltd., Singapore
2013 - Present	Director	TEE Industrial Pte. Ltd., Singapore

Positions in other company

2012 - Present	Director & Chief Executive Director	TEE Land Ltd., Singapore
2012 - Present	Director	Unique Commercial Pte Ltd., Singapore
2012 - Present	Director	Unique Wellness Pte Ltd., Singapore
2012 - Present	Director	Development 32 Pte Ltd., Singapore
2012 - Present	Director	Development 72 Pte Ltd., Singapore
2012 - Present	Director	TEE Hospitality Pte Ltd., Singapore
2012 - Present	Director	Unique Capital Pte. Ltd., Singapore
2012 - Present	Director	Unique Consortium Pte Ltd., Singapore
2012 - Present	Director	Unique Realty Pte Ltd., Singapore
2012 - Present	Director	Residenza Pte Ltd.,Singapore
2012 - Present	Director	Development 26 Pte Ltd., Singapore
2012 - Present	Director	Unique Development Pte Ltd., Singapore
2011 - Present	Director	TEE Resources Sdn Bhd, Malaysia
2011 - Present	Director	TEE Homes Pte Ltd., Singapore
2011 - Present	Director	Development 83 Pte Ltd., Singapore
2011 - Present	Director	TEE Property Pte Ltd., Singapore
2011 - Present	Director	TEE Realty Pte Ltd., Singapore
2011 - Present	Director	TEE Development Pte Ltd., Singapore
2011 - Present	Director	



Mrs. Supaporn Burapakusolsri

Director / Independent Director / Chairman of the Audit Committee /
Member of Nomination and Remuneration Committee /
Member of Corporate Governance Committee

Age 62 years

Total of CHEWA shares as of 18 November 2016

None

Date of Appointment

18 February 2015

Education / Training

- Master of Accounting Thammasat University
- Bachelor of Accounting Thammasat University
- Director Accreditation Program (DAP) class 87/2011
- Role of the Compensation Committee Program (RCC) class 13/2011
- Director Certification Program (DCP) class 172/2013
- Advance Audit Committee Program (AACP)

Work Experiences

2008 - 2012	Director	Suvarnabhumi Airport Hotel Company Limited
2008 - 2013	Senior Executive Vice President (Planning and Finance)	Airport of Thailand PLC.
2015 - 2015	Director / Independent Director / Chairman of the Audit Committee	Chewathai Co., Ltd

Current Position

Positions in listed company

2015 - Present	Director / Independent Director / Chairman of the Audit Committee / Member of Nomination and Remuneration Committee / Member of Corporate Governance Committee	Chewathai Public Company Limited
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Positions in other company

None



Mr. Chaiyut Techatassanasoontorn

Director / Independent Director / Member of the Audit Committee / Member of Nomination and Remuneration Committee / Chairman of Corporate Governance Committee

Age 46 years

Total of CHEWA shares as of 18 November 2016 None

Date of Appointment 18 February 2015

Education / Training

- Master of Management Johnson & Wales, Rhode Island, USA
- Bachelor of Law Thammasat University
- Director Accreditation Program (DAP) class 119/2015

Work Experiences

2015 - 2015 Director / Independent Director / Audit Committee Chewathai Company Limited

Current Position

Positions in listed company

2015 - Present Director / Independent Director / Member of the Audit Committee / Member of Nomination and Remuneration Committee / Chairman of Corporate Governance Committee Chewathai Public Company Limited

2012 - Present Director / Independent Director TTL INDUSTRIES PLC

Positions in other company

2014 - Present Director Paibul Capital Company Limited

2014 - Present Director Kiartiland Company Limited

2013 - Present Director / Audit Committee Kiarti Thanee Country Club Company Limited

2010 - Present Director General Insurance Broker Company Limited

2010 - Present Director The Litigator Company Limited



Mr. Chung Tang Fong

Director / Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee

Age 64 years

Total of CHEWA shares as of 18 November 2016 None

Date of Appointment 31 March 2015

Education / Training

- Research Scholar, Peking University, School of Economics, Beijing, China
- Post-Doctoral Professional Studies (International Business Mgt), Harper Adams University Collage, Newport, Shropshire, UK
- Doctor of School of Management, Victoria University Neuchatel Switzerland
- Master of Business in International Marketing, Curtin University, Graduate Business School, Perth, Australia
- Bachelor of Arts in Business Administration, Ottawa University, Ottawa, Kansas, U.S.A.
- Graduate Diploma in Sales and Marketing Management, Temasek Polytechnic, Singapore
- Post Graduate Diploma in Business Administration, The Society of Business Practitioners, Manchester, U.K.
- Diploma in Business Efficiency & Productivity, NPB Institute for Productivity Training (Now - PSB Academy)
- Diploma in Business Management, Singapore Institute of Management (Now - SIM University)
- Certificate in Modern Management (Executive Education), NUS Business School, National University of Singapore
- Diploma in Business Studies, Singapore Institute of Management (Now - SIM University)
- Certificate in Industrial Management & Business Studies, Singapore Institute of Management (Now - SIM University)

Work Experiences

2015 - 2015 Director / Independent Director / Audit Committee Chewathai Company Limited

Current Position

Positions in listed company

2015 - Present Director/ Independent Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee Chewathai Public Company Limited

Positions in other company

2014 - Present Independent Director Southern Packaging Group Ltd., Singapore
 2014 - Present Independent Director Ace Achieve Infocom Ltd., Singapore
 2004 - Present Managing Director Xi-Hong Enterprise Pte Ltd., Singapore



Mr. Phua Chian Kin

Chairman of Executive Director

Age 57 years

**Total of CHEWA shares
as of 18 November 2016**

None

Date of Appointment

13 March 2008

Education / Training

- Diploma of Electrical Engineering, Singapore Polytechnic

Work Experiences

2015 - 2015	Chairman of Executive Director	Chewathai Company Limited
2008 - 2013	Director / Executive Director	Chewathai Company Limited
2012 - 2013	Managing Director	Development 72 Pte Ltd., Singapore
2012 - 2012	Director	Development 32 Pte Ltd., Singapore
2011 - 2012	Director	TEE Homes Pte Ltd., Singapore
2011 - 2012	Director	Residenza Pte Ltd., Singapore
2011 - 2012	Director	KSH (China) Venture Pte Ltd., Singapore
2009 - 2012	Managing	Director Development 83 Pte Ltd., Singapore
2009 - 2012	Director	Development 26 Pte Ltd., Singapore
2007 - 2013	Director	TEE Development Pte Ltd., Singapore

Current Position

Positions in listed company

2015 - Present	Executive Director	Chewathai Public Company Limited
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Positions in other company

2015 - Present	Vice Chairman	Power Source Philippines Distributed Power Holdings Inc., Philippines
2014 - Present	Director	TEE Hydro Pte Ltd.,Singapore
2013 - Present	Director and Managing Director	TEE Infrastructure Pte Ltd., Singapore
2012 - Present	Director and Managing Director	TEE Resources Pte Ltd., Singapore
2012 - Present	Director	TEE Hong Kong Ltd., Hong Kong
2012 - Present	Director and Managing	Director PBT Holding Pte Ltd., Singapore
2011 - Present	Director and Company Secretary	ARY Venture INC Pte Ltd., Singapore
2011 - Present	Chairman	TEE Vietnam Co, Ltd., Vietnam
2011 - Present	Director	CMC Communications (Philippines) Inc.(Philippines)
2011 - Present	Director	CMC Communications (Thailand) Co, Ltd.
2011 - Present	Director	Global Environmental Technology Company Limited
2011 - Present	Director	CMC Communications (Singapore) Pte Ltd., Singapore
2011 - Present	Director	CMC Communications Sdn Bhd, Malaysia
2009 - Present	Director	PBT Engineering Sdn Bhd, Brunei
2009 - Present	Director	New Zealand Bloodstock Asia Pte Ltd., Singapore
2007 - Present	Director	PBT Engineering Sdn Bhd , Malaysia
2005 - Present	Director	TEE Chem Pte Ltd., Cambodia
2003 - Present	Director	NexFrontier Solutions Pte Ltd., Singapore
2003 - Present	Director	Oscar Design and Decoration Co., Ltd.
2002 - Present	Director	TEE M&E Engineering Sdn Bhd, Malaysia
2001 - Present	Director	Security Pro-Telco Pte Ltd, Singapore
2001 - Present	Director	Oscar Estate Management Co., Ltd.
2000 - Present	Director & Managing Director	TEE International Ltd., Singapore
2000 - Present	Managing Director	PBT Engineering Pte Ltd., Singapore
2000 - Present	Managing Director	TEE Management Pte Ltd., Singapore
2000 - Present	Director	Trans Equatorial Indochina Co., Ltd.
1999 - Present	Director	4 P Investments Pte Ltd., Singapore
1999 - Present	Director	PBT International Holdings Pte Ltd., Singapore
1996 - Present	Director	PBT Automobile & Credit Pte Ltd., Singapore
1996 - Present	Managing Director	Trans Equatorial Engineering Pte Ltd.,Singapore



Mr. Yuthana Boonsitivaraporn

Senior Vice President Construction

Age 44 years

**Total of CHEWA shares
as of 18 November 2016**

None

Date of Appointment

10 August 2015

Education / Training

- Bachelor of Civil Engineering Southeast Asia University

Work Experiences

2013 - 2014	Project Manager Product and Construction Development, Department Store and Hyper Market	Ek Chai Distribution System Company Limited
2012 - 2013	Department Manager	Asian Property Management PLC
2011 - 2012	Senior Project Manager	Pruksa Real Estate PLC

Current Position

Positions in listed company

2015 - Present	Senior Vice President Construction	Chewathai Public Company Limited
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Positions in other company

None



Mr. Sataporn Semsawang

Senior Vice President Aftersales Service

Age 43 years

**Total of CHEWA shares
as of 18 November 2016**

None

Date of Appointment

8 October 2015

Education / Training

- Bachelor of Construction Management Sukhothai Thammathirat Open University

Work Experiences

2015 - 2015	Senior Vice President	Aftersales Service Chewathai Company Limited
2010 - 2015	Project Manager	Ananda Development Public Company Limited
2007 - 2010	Project Manager	Aftersales Service Prinsiri PLC
1996 - 2007	Construction Inspector	Land and House Company Limited

Current Position

Positions in listed company

2015 - Present	Senior Vice President Aftersales Service	Chewathai Public Company Limited
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Positions in other company

None



Mr. Somchok Luengsupornpong

Senior Vice President Construction

Age 53 years

**Total of CHEWA shares
as of 18 November 2016**

50,000 shares

Date of Appointment

1 January 2014

Education / Training

- Bachelor of Civil Engineering Prince of Songkla University

Work Experiences

2015 - 2015	Senior Vice President Condo and Construction	Chewathai Company Limited
2014 - 2014	Engineering Manager	Chewathai Company Limited
2013 - 2013	Project Manager	Natural Thai Location Co.,Ltd.
2004 - 2012	Project Manager	EMC PLC

Current Position

Positions in listed company

2015 - Present	Senior Vice President Construction	Chewathai Public Company Limited
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Positions in other company

None



Ms. Sunantra Mahaprasitchai

Vice President Finance and Accounting

Age 33 years

**Total of CHEWA shares
as of 18 November 2016**

None

Date of Appointment

1 December 2014

Education / Training

- Bachelor of Accounting Ramkhamhaeng University
- 2014 Yong CFO Certification Program
- 2015 TFRS Year 2015 class 1/58
- 2016 Pack 5 & Fair Value class 1/59
- 2016 Strategic CFO in Capital markets class 3

Work Experiences

2015 - 2015	Vice President Finance and Accounting	Chewathai Company Limited
2014 - 2015	Finance and Accounting Manager	Chewathai Company Limited
2012 - 2014	Finance and Accounting Manager	Trans Equatorial Indochina Company Limited
2009 - 2012	Accounting Deputy Manager	MT Gold Future Co., Ltd.

Current Position

Positions in listed company

2015 - Present	Vice President Finance and Accounting	Chewathai Public Company Limited
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Positions in other company

None



Mr. Pachathip Mettprasopkit

Company Secretary / Vice President Legal

Age 32 years

**Total of CHEWA shares
as of 18 November 2016**

350,600 shares

Date of Appointment

1 December 2014

Education / Training

- Master of Business Administration Ramkhamhaeng University
- Bachelor of Law Ramkhamhaeng University
- Company Secretary Program (CSP) class 61/2015

Work Experiences

2014 - 2015	Vice President Legal	Chewathai Company Limited
2014 - August 2016	Director	EMC Communication (Thailand) Co., Ltd.
2006 - 2014	Manager	Trans Equatorial Indochina Co., Ltd.

Current Position

Positions in listed company

2015 - Present	Company Secretary / Vice President Legal	Chewathai Public Company Limited
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Positions in other company

None

CORPORATE GOVERNANCE



Corporate Governance Policy

The Company's Board of Director places high importance on stringent conforming to the Corporate Governance principle. Recognizing the importance of the roles and responsibilities of the directors, executives and employees in building a good Corporate Governance environment that will strengthen the Company's competitiveness, fortify effective and transparent management, and increase the level of trust from shareholders, investors, and other stakeholders, the Company established its Corporate Governance policy, covering 5 main principles as the followings:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles to Stakeholders
4. Disclosure of Information and Transparency
5. Responsibilities of Board of Directors

SECTION 1: RIGHTS OF SHAREHOLDERS

The Company respects basic rights of shareholders both as investors and owners of the Company by treating all shareholders equally. Shareholders are able to find out the result of the performance of the Company, management policies or complete any transactions through the Company's website i.e. www.chewathai.com both in Thai and in English or the website of the Stock Exchange of Thailand i.e. www.set.or.th. Shareholders can be confident that such rights are protected and treated with respects.

1. The Company appointed Thailand Securities Depository Co., Ltd. as a registrar of the Company in order to provide convenience for shareholders in any business related to securities registration of the Company.
2. As for the date of the Annual General Meeting of Shareholders, the meeting will not be organized on a public holiday or bank holiday. The time will be between 8.30-17.00 hrs. and the venue will be in Bangkok.

3. Shareholders have the right to attend the Annual General Meeting of Shareholders which is organized once a year on appropriate date and time which will not be longer than four months after the end of the accounting period of the Company.
4. The Company assigned Thailand Securities Depository Co., Ltd. which is the registrar of the Company to deliver the meeting invitation letter to shareholders not less than 14 days prior to the meeting. The Company gives the right to shareholders who attend the meeting after it has already been started to cast a vote on the agenda being considered and not yet voted. Shareholders will be counted as a quorum for the meeting starting from the agenda being considered when they enter the meeting. The company provide the proxy for shareholder to authorize the independent director or any other person to attend the annual general meeting by giving proxy form B (specification form). The company provide form A, form B and form C following the ministry of commerce attach in the notice of annual general meeting of shareholders.
5. The Company will facilitate shareholders in the shareholder's meeting by selecting a highly accessible venue and a convenient meeting date and attaching the map to the venue with the invitation letters. The meeting time is also designed to be sufficient and of proper length.
6. Before the commencement of the shareholders' meeting, the Company will declare to the shareholders proper approaches to vote, express opinions, and make inquiries in the Meeting for each agenda. Every shareholder maintains equal rights to express opinions and make inquiries during the meeting. The Meeting's chairman is responsible for proper time allotment so that there is sufficient time for all shareholders wishing to make comments. Relevant directors and executives will also attend the meeting to respond to comments or inquiries brought up in the Meeting.
7. The Company will increase its communication channel to its shareholders using the Company's website, on which news and details are constantly posted and updated. Meeting invitations will be posted on the website prior to the shareholder's meeting date so that the attendants can download and study the meeting agenda and supporting documents before being given the hard copies from the Company.
8. The Company must maintain meeting minutes that are complete, precise, timely, and transparent and record all major opinions and inquiries in the minutes so that shareholders can review them later. In addition, the Company must upload minutes of its shareholders' meeting on the Company's website to allow shareholders to review and also send the hard copy of such minutes to SET within 14 days since the meeting date.
9. The Company will facilitate its shareholders by distributing dividend payment through bank transfer (in case of dividend payment) to help shareholders get the payment on time and to prevent against lo, damaged, or delayed checks.
10. The Company has taken care of shareholders by providing information and news and informing the result of the performance and management policy on a regular basis and in a timely manner. Apart from the disclosure of information through the news system of the Stock Exchange of Thailand, the Company has also published important information and up-to-date news on the website of the Company i.e. www.chewathai.com

11. The Company published an announcement via the information system of the Stock Exchange of Thailand and the website of the Company i.e. www.chewathai.com to invite minor shareholders to propose an agenda which should be considered in the Annual General Meeting of Shareholders in advance from 1 December 2016 - 15 January 2017. As for the Annual General Meeting of Shareholders in 2017, on 30 November 2016, the Company has invited minor shareholders via the information system of the Stock Exchange of Thailand and the website of the Company i.e. www.chewathai.com to propose a meeting agenda during 1 December 2016 - 15 January 2017, in Invertor Relation on company website, the end of the period is 15 January 2017.

SECTION 2: EQUITABLE TREATMENT OF SHAREHOLDERS

The Company requires that all shareholders be treated fairly and equally. The Board of Directors performs its duties in consideration of the highest interests for all shareholders equally and gives importance to and respects the rights of shareholders as owners of the Company without favouring any particular group of shareholders. Therefore, shareholders can be confident that their rights will be protected and treated fairly. The Board of Directors maintains such rights of shareholders as follows:

1. The Company discloses sufficient information on the result of the performance and management policy to all shareholders on a timely basis. The information of connected transactions is also provided accurately and completely. The information necessary for decision making of shareholders will be published on the website of the Stock Exchange of Thailand i.e. www.set.or.th and that of the Company i.e. www.chewathai.com both in Thai and in English.
2. Determine a clear rule in advance as to whether and how to add additional agenda suggested by minority shareholders into the exiting agenda, and as to how minority shareholders can nominate candidates for the Company's directors.
3. Include only the agenda determined in advance without changing major information or adding new untold agenda unnecessarily, especially in the meeting with agenda that require extensive time to study and thorough understandings from shareholders.
4. In case that shareholders are unable to attend the meeting, the Company will send proxy form which is consistent with the form of the Ministry of Commerce together with the meeting invitation letter so that any shareholders who intend to appoint a proxy to attend the meeting can authorize a person or an independent director of the Company to attend the meeting in order to reserve the right of the shareholders. Treat every shareholder fairly and equally, regardless of being majority or minority shareholders, Thai or foreign shareholders
5. Encourage the use of voting cards in every agenda to prove transparency and measurability in the voting process, in case of a later dispute. In the director nomination agenda, the Company grants each shareholder the right to nominate directors person by person.
6. Establish a written guideline to maintain internal information and prevent misuse of such information and communicate the guideline to all entities in the organization. The Company also requires that all directors and executives report their securities holding and submit the report to the Company's BOD.
7. The voting right of shareholders is according to the amount of shares held i.e. one share is equivalent of one vote.

8. The Company controls the use of internal information and prohibits directors and executives to use essential internal information of the Company and subsidiary companies which are not yet disclosed to the public for the their own benefits or for benefits of others, including the purchase and sell of securities of the Company. Directors, executives and employees who have access to internal information must refrain from purchasing or selling securities of the Company during the period of one month prior to the disclosure of the financial statements to the public.
9. Every time directors or executives purchase, sell, transfer or accept transfer of the securities of the Company, they must inform the Securities and Exchange Commission and the Stock Exchange of Thailand within three days from the date of the change as well as inform the Company Secretary.
10. The Company establishes direction to monitor and solve conflict of interest problems. According to the Audit Committee Charter, the Audit Committee will be responsible for reviewing compliance with rules, regulations and law as required by the Stock Exchange of Thailand and the Securities and Exchange Commission. If the meeting passes a resolution that may cause a conflict of interest or connected transactions, the Company will publish the value of the transaction, names of contracting parties, persons connected, necessary reasons for the transaction and any other details related to the transaction completely and accurately on the website of the Stock Exchange of Thailand i.e. www.set.or.th and that of the Company i.e. www.chewathai.com both in Thai and in English.

SECTION 3: ROLES OF STAKEHOLDERS

The Company truly recognizes and respects the rights of internal stakeholders, such as shareholders and employees, and external stakeholders, such as customers, trading partners, competitors, governmental entities, and other entities including surrounding communities, as they are important contributors to the Company's competitiveness and profitability, the main drivers of the Company's long-term value creation. The Company, therefore, set up the following policies:

1. Proper Conducts and Responsibilities towards Shareholders

The Company realizes that shareholders are the true owners of the Company and wholeheartedly accepts fiduciary duty to create long-term value to its shareholders. It therefore requires that its employees adhere to the following guidelines:

- Behave in an honest, upright manner and always base one's decision on thorough considerations and fairness to every shareholder in order to maximize overall shareholders' value.
- Monitor and control the operation to ensure that the Company's financial status and performance are well maintained, and regularly report the Company's business status, performance, financial status, accounting information and other information in a true, unbiased manner.
- Report the Company's positive and negative trends, based on probabilities, solid evidence and backup reasoning, to every shareholder in an equal, unprejudiced fashion.
- Refrain from exploiting the Company's undisclosed information to one's or other's personal benefits and abstain from any other actions that may result in conflicts of interest with the organization
- The Company must treat all shareholders equally in the shareholders' meeting

2. Proper Conducts and Responsibilities towards Governmental Entities

The Company highly values compliance with laws, rules, and regulations set forth by the regulating bodies, especially when transacting with governmental entities. In such exposures, it will avoid maneuver that may lead to misuses of authorities and misconducts. The Company, instead, tries to build relationships with the governmental bodies in a lawful way, such as normal greetings in public venues and paying visits in normal traditions. Guidelines for dealing with governmental bodies are as follows:

- Properly and carefully conduct oneself when contacting with governmental bodies or persons.
- Always realize that the laws, rules, and regulations set by different governmental entities may require different procedures, which the Company must know by heart and follow accordingly.

3. Proper Conducts and Responsibilities towards Employees

The Company realizes that all employees are the most valuable assets and the key drivers for the organization's achievement. It thus determined the policy to ensure fair treatment in employment opportunity, compensation, nomination, job rotation, and skill development as the followings:

- Treat all employees with respects in their honors, dignities, and individual rights.
Always maintain a working environment that is safe for the lives and properties of employees.
- Nomination, rotation, awards giving, and penalty giving must be done with genuine intention, taking into account such employee's knowledge and appropriateness.
- Support the development of knowledge and skills of employees by constantly engaging them in learning opportunities, such as seminars, trainings, and workshops, which are equally accessible to all employees.
- Set fair remuneration rates consistent with the industry condition, business competition, job type, performance, and the Company's ability to pay.
Avoid any unfair treatment that may negatively affect employees' job security.
- Create opportunities for employees to give comments or file complaints in the subjects related to their professions and to suggest possible recommendations that will benefit all parties involved and create relationships and good working environment.

4. Proper Conducts and Responsibilities towards Customers

The Company is determined to stay in real estate development business with the main purposes to create, present, and administer its products and services in the quality-focused, ethical principles as shown below:

- Be determined to procure and develop products and services to best serve the need of the clients.
Deliver quality products and services with fair terms and conditions.
- Provide precise and sufficient information related to products and services that customers can utilize in their decision making process without exaggerating the qualifications, quality, quantity, or any conditions of the products and services in the Company's advertisement or in other communicating channels.

- Arrange to have communicating mechanism for customer complaints in place should there be any problems related to the Company's products or services so that the Company can immediately resolve such problem and utilize the information to improve the quality of its products and services.
- Maintain customers' confidential information and abstain from revealing or misuse of such information.

5. Proper Conducts and Responsibilities towards Trading Partners and Counterparties

the Company has a strong policy to treat its trading partners and counterparties fairly and equally, placing mutual benefits before its own benefits. Guidelines for treatment of trading partners and counterparties are as follows:

- The company will arrange to procure products and services efficiently by applying the following principles:
 - Competition on equivalent information.
 - Clear rules on trading partners and counterparty selection and assessment.
 - Have proper agreements that are fair to both sides.
 - Put in place management and tracking system to ensure that the conditions in the agreement are followed through completely and accurately to prevent fraud and corruption in every step of the procurement process
 - Make payment to trading partners and counterparties in a timely manner according to the agreed payment terms
- The Company is strongly resolute to develop and preserve sustainable relationship with its trading partners and counterparties that are reliable and determined to provide quality products and services worth of the Company's cost.
- All executives and employees must abstain from taking personal benefits from trading partners and counterparties directly or indirectly in any circumstance.
- All executives and employees must abstain from abusing information on procurement or purchasing for personal gains of oneself or of others.

6. Proper Conducts and Responsibilities towards Lenders

The Company is determined to conduct its business based on solid principles and strict disciplines to create trust for lenders. In so doing it follows these rules:

- Rigorously follows the terms and conditions defined in the contracts or agreements.
- If any circumstances, cannot satisfy the said terms and conditions, it will promptly inform relevant lenders in advance to seek for mutually agreed resolutions.

7. Proper Conducts and Responsibilities towards Competitors

The Company is determined to be sustainably successful and to stand to be a leading real estate developer that competes fairly and ethically by following these principles:

- Conduct oneself according to a fair competition framework.
- Abstain from acquiring competitors' confidential information wrongfully or inappropriately and abusing such information for the Company's sake.

- Refrain from making false allegations or false statements that may destroy the reputation of the competitors
- Abstain from engaging in activities that violate intellectual property rights of the Company's competitors or other entities

8. Proper Conducts and Responsibilities towards Society

- The Company has been active in arranging several altruistic activities in its surrounding communities applying the following principles on responsibilities towards communities and environment:
- Put in place a policy to responsibly conduct business, taking into account environmental concerns, and strictly adhere to the laws and regulations on environment conservation currently in use.
- Have a clear set of CSR policies and enforce such policies in the organization
- Encourage the Company's employees to be aware of and responsible for environment and society.
- Pay respects to local traditions, customs, and cultures in which the Company operates.
- Constantly engaging in activities that improve the living conditions of the surrounding communities, society, and environment held both by the Company itself and through collaboration with other governmental, local, or private entities.
- Suitably participate in the activities held by communities surrounding the project sites.
- Respond promptly and efficiently to the incidences that may affect the environment, communities, lives, and properties of others due to the business conducts of the Company, and unduly cooperate with governmental agents or other relevant parties to resolve such incidences.

COMMUNICATION CHANNELS FOR STAKEHOLDERS

The Board of Director gives importance to the participation of stakeholders in supporting the operation of the Company in order to build stability and sustainability of the Company by disclosing important business information to stakeholders sufficiently and transparently. The stakeholders, shareholders and investors can submit their comments, file a complaint or provide useful recommendations to add value to the Company by mailing to:

1. Chairman of the Board of Directors or
2. Chairman of Audit Committee or
3. Managing Director

The mailing address is as follows:

Chewathai Public Company Limited
1168/80, 27 Floor, Lumpini Tower, Rama 4, Tungmahamek, Sathorn, Bangkok 10120

The Company will protect those who submit their comments or recommendations by keeping their information confidential by independent directors or the audit committee. The audit committee will investigate and consider to solve the problem (if any) and report to the Board of Director.

As for employees, they can submit their opinions or complaints or report any wrongdoings or misconduct to the Company via whistleblower venue of the company.

The Company emphasizes the importance of environmental and social responsibility as well as the responsibility towards stakeholders. The business operation of the Company is conducted by taking impacts on society, environment, customers, trade partners, competitors, staff and creditors into consideration. In 2016, there are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe.

SECTION 4: DISCLOSURE AND TRANSPARENCY

The policy of the Company is to disclose information to related parties in a transparent manner, whether they be shareholders, customers or staff. The details are as follows:

1. Shareholders

The Company provides information e.g. financial information, general information related to the business operation and performance of the Company that is accurate and complete on a regular basis. The information is distributed to the shareholders, investors, analysts and other stakeholders through various channels. The Investor Relations Department is responsible for providing information on various activities of the Company to shareholders, investors, analysts and stakeholders through various channels e.g. - The Electronic Listed Company Information Disclosure system of the Stock Exchange of Thailand.

- Disclosure of Annual Information Form (Form 56-1)
- The Company's website i.e. www.chewathai.com

The Investor Relations Department also collaborates with the outsource IR to distribute the information through other channels such as:

- Media including newspapers, journals and TV channels

Minor shareholders, general investors and analysts who would like to receive the information about the Company can contact the staff at the Investor Relations of the Company directly. The Company believes that minor shareholders and general investors nowadays give very much importance to investment information. The staff of the Company will disclose all information equally. The Company emphasizes and is responsible for ensuring the reliability of financial information. The Board of Directors will prepare accurate and complete financial report according to the generally accepted accounting standards and principles. Important information which affects or



may affect the changes in the price of the securities of the Company and the decision to invest will be disclosed strictly in compliance with law and rules and regulations of the Stock Exchange of Thailand, the Securities Exchange Commission and other governmental agencies. The Company will constantly monitor any changes to ensure that the laws and regulations are up to date for the shareholders to be confident in the business operation of the Company.

In 2016, the company has organized various activities to provide information and news to shareholders, investor, analyst, stakeholders and public as follows:

- 1) The executives of the Company has provided the overview of the operation and answered questions of the analysts and investors such as Company Visit, Conference Call, Analyst Meeting, Opportunity Day and Site Visit.
- 2) Press releases are sent to newspapers, magazines and journals to promote the business of the Company and the performance of the Company. The executives of the Company i.e. Executive Directors and Managing Directors of the Company are interviewed by the media.
- 3) Attending to the MAI Forum 2016 on 1 July 2016 at Centara Grand Central World to public the company's information to investor, analyst, media and general public.
- 4) Information provided to the Stock Exchange of Thailand and Securities and Exchange Commission such as Form 56-1, Financial Statements of the Company, quarterly and annual financial analysis reports and others.

Shareholders, investors and the general public can make enquiries by contacting:

Investor Relations: Mr. Pachathip Mettaprasopkit

E-mail Address: ir@chewathai.com Telephone: (02) 679 8870 - s4

2. Customers

The policy of the Company is to disclose the information related to the condominiums of the Companies and subsidiary companies via the website of the Company i.e. www.chewathai.com.

3. Employees

The employees of the Company, whether they be employees at the head office or at the offices in Bangkok, will receive the information through notice boards in the Company and projects, whatsapp and line group which includes high-ranking executives as well. The objective is for the staff to be aware of the news related to the Company such as:

- news of activities of the Company
- news or information related to benefits of employees
- news related to employees e.g. promotion of employees, new employees, employees leaving, etc.
- news for knowledge of employees e.g. tax, social security, etc.

SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Board of Directors owes its fiduciary duty to the Company's shareholders to ensure that the Company complies with the governing laws, company's objectives, company's articles of association, and resolutions of shareholders' meetings.

1. Structure of the Board of Directors

Board of Directors consists of experienced and knowledgeable directors in various fields e.g. engineering, architecture, economics, business management, law, accounting and finance all of whom have attended the Direct Accreditation Program of the Thai Institute of Directors Association (IOD). The Board of Directors play a significant role in designing the policy of the Company in cooperation with high-ranking executives, preparing both long-term and short-term work plan, making financial policy, managing risk and overall image of the Company as well as supervising, overseeing and independently evaluating the performance of the Company and high-ranking executives to achieve the planned outcomes.

The structure of the management of the Company in 2016 consists of five committees as follows:

1. Board of Directors
2. Audit Committee
3. Executive Committee
4. Nomination and Remuneration Committee
5. Corporate Governance Committee

The Company has clearly established and separated the authority of each committee. The consideration of any important issues must be approved by each committee which has specific responsibilities before being proposed to the Board of Directors for consideration or acknowledgement so as to balance the power and ensure transparency and fairness to all related parties.

2. Nomination and Term of Directors

2.1 Nomination and Appointment of Directors

Directors of the Company must have the qualifications and experiences that meet the needs of the Company and do not have any prohibited qualifications stated in the Public Company Act B.E. 2535 and other related laws. The directors must contribute their time and knowledge in their performance in the Company. The selection criteria for the position of the director of the Company in line with the Article of Association of the Company is as follows:

- 1.) All directors of the Company must have the qualifications that meet the needs of relevant rule and regulations and the Article of Association of the Company.
- 2.) At least graduate bachelor's degree in any discipline.
- 3.) Be knowledgeable about the company and dedicate enough time to the company, also use the knowledge for company benefit.
- 4.) Be honest and high moral.

- 5.) Directors is not served as a director in other listed company more than five companies, in case that any director is served as a director in listed company more than five companies, the Board of directors will consider to the duties and efficiency of that director and report the reason of appointment follow to the CG code which appear in Annual Registration Statement (Form 56-1) and Annual Report Form 56-2.
- 6.) Directors will be appointed, elected and relieved by shareholders' meeting and hold office at the term stated in the Articles of Association. Directors may be re-elected after the expiration of the term of office except when the director position becomes vacant not by rotation, the Nomination and Remuneration Committee will be nominating a suitable candidate and propose to the Board of Directors' Meeting in order to appoint a substitute director to fill the vacant position as required by the Articles of Association.
- 7.) In every Annual General Meeting of Shareholders, one-third of directors are to retire. If the number of the directors is not divisible, the number of retiring directors is to be closest to the one-third ratio. The retire director is able to re-elected again.

In addition to the end of the term of the directors, the director vacates is upon

- 1) Die
- 2) Resign (effective since the company accept the notice)
- 3) Not qualified or prohibited by law and regulations or by the Articles of Association
- 4) The resolution of Annual General Meeting of Shareholders
- 5) Order by the court
- 8.) The Nomination and Remuneration Committee will nominate candidates for consideration of the Board of Directors before being proposed to the Annual General Meeting of Shareholders for election to replace the directors who retire by rotation.
- 9.) In the election of the director, the voting will be done on an individual basis. The shareholders have the right to vote for the candidates who are nominated for the position of directors. The vote is not dividable.
- 10.) Individuals receiving the highest number of votes and so forth will be elected as directors of the Company. The number of individuals elected will be the same as the number of positions of directors elected at the time. The directors who are to retire by rotation can be re-appointed again.
- 11.) One share equals one vote.

In 2016, in the Annual General Meeting of Shareholders on 3 March 2016, there are two directors who retire by rotation, namely,

1. Mrs. Supaporn Burapakusolsri Independent Director
2. Mr. Phua Cher Chew Director

In the Annual General Meeting of Shareholders 2016, the resolution is passed by the majority of votes of all the votes of the shareholders attending the meeting and having the right to vote to reappoint all the two directors for another term of office.

2.2 Term of Directors

The Company specify the age of a director terms is 3 years. However, the company belief that age or the duration of service is not as important as valuable knowledge and experiences each director bring for the benefit of the Company.

3. Number of Companies in which Directors Serve as Directors

The Company establishes a policy that directors of the Company must not serve as directors in more than five other listed companies but does not limit the number of subsidiary companies of other listed companies in which directors serve as directors. The details are as follows:

No.	Name – Surname	Other Listed Companies
1.	Mr. Chartchai Panichewa	1. Director / Chairman of the BOD ATP30 PCL 2. Director / Managing Director TTL Industries Public Company Limited 3. Director / Chairman of the BOD Thaisri Insurance Public Company Limited. 4. Director Cathay Leaseplan Public Company Limited
2.	Mrs. Somhatai Panichewa	1. Director ATP30 PCL 2. Director / Chief Executive Officer Amata VN Public Company Limited 3. Chairman of the Board of Investment Amata Corporation PCL
3.	Mr. Phua Cher Chew	Non director in Thailand listed company
4.	Mr. Boon Choon Kiat	None
5.	Mrs. Supaporn Burapakusolsri	None
6.	Mr. Chaiyut Techatassanasoontorn	Director / Independent Director TTL Industries Public Company Limited
7.	Mr. Chung Tang Fong	Non director in Thailand listed company

The Company has disclosed the information about the number of companies in which each director serves as a director in Form 56-1 and in the Annual Report (56-2). The Company is confident that this will not cause any conflict of interests or affect the performance of the directors in any way. Over the years, the Board of Directors has shown that they are able to dedicate their time for the performance of their duty. The Company has continuously and regularly received useful guidance, advice and recommendations on the business operation of the Company.

Subcommittee

As of 31 December 2016, The Board of Directors has appointed four subcommittees are as follow;

1. Audit Committee
2. Executive Committee
3. Nomination and Remuneration Committee
4. Corporate Governance Committee

AUDIT COMMITTEE

The Audit Committee comprises directors with the qualifications of independent directors according to the Stock Exchange of Thailand, all of whom are independent and qualified as required by the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee has the duties, roles and responsibilities to be independent in supporting the Board of Directors to ensure that the corporate governance is in accordance with good corporate governance principles, solve conflict of interest problems, review financial information disclosed to the public and shareholders, review internal control systems and internal audit system and communicate with auditors of the Company.

As of 31 December 2016, the Audit Committee comprise of three directors are as follows:

1. Mrs. Supaporn Burapakusolsri Chairman of the Audit Committee (has accounting and finance knowledge)
2. Mr. Chaiyut Techatassanasoontorn Member of the Audit Committee (has legal knowledge)
3. Mr. Chung Tang Fong (has management knowledge)

The Audit Committee held a series of meeting regularly and reported to the Board of Directors of the Company. In 2016, the total of four meetings of the Audit Committee is held. The details of the meetings are as follows:

Meeting No.	Date	Agenda
1/2016	16 February 2016	Approved the financial statements of 2015
2/2016	13 May 2016	Approved the financial statements of Q1/2016
3/2016	10 August 2016	Approved the financial statements of Q2/2559
4/2016	10 November 2016	Approved the financial statements of Q3/2559

Duties and Responsibilities of Audit Committee

The Audit Committee has the duties as delegated by the company's BOD as follows:

1. To review the company's financial reporting process to ensure that it is accurate and adequate;
2. To review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independent , as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the company's compliance with the law on securities and exchange, the regulations of SET, and the laws relating to the company's business;
4. To consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of SET, and are reasonable and for the highest benefit of the Company;

6. To prepare, and to disclose in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - an opinion on the accuracy, completeness and credibility of the company's financial report;
 - an opinion on the adequacy of the company's internal control system;
 - an opinion on the compliance with the law on securities and exchange, the regulations of SET, or the laws relating to the company's business;
 - an opinion on the suitability of an auditor;
 - an opinion on the transactions that may lead to conflicts of interests;
 - the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors
7. To perform any other act as assigned by the company's BOD, with the approval of the Audit Committee.

The Audit Committee is responsible to the BOD according to the duties assigned by the BOD, while the responsibilities for all activities of the company towards third persons are still vested in the entire BOD.

EXECUTIVE COMMITTEE

The Executive Committee is appointed by the approval of the Board of Directors and comprises three executive directors and one high-ranking executive of the Company. The selection of the members of the Committee bases on the competencies of the persons and the understandings in roles and responsibilities and in nature of work and business operation of the Company. The Executive Committee will be responsible for ensuring that the management of the Company is in accordance with the policy of the Board of Directors while always upholding the highest benefit of the Company. As of 31 December 2016, the Executive Committee comprise of three directors are as follows:

- | | | |
|----|-------------------------|---------------------------------|
| 1. | Mr. Phua Chian Kin | Chairman of Executive Committee |
| 2. | Mr. Chartchai Panichewa | Executive Committee |
| 3. | Mr. Boon Choon Kiat | Executive Committee |

In 2016, the Executive Committee Meeting is held every three month, the total of four meetings. The purposes of the meeting held are as follows:

- To approve various transactions as assigned by the Board of Directors of the Company.
- To identify the direction of operation on various matters stated in the annual business plan approved by the Board of Directors.
- To follow up the performance of the Management and provide management guidance.

Duties and Responsibilities of Executive Committee

1. Provide recommendations on the Company's strategic direction, management structure, and annual business plan and budget.
2. Manage the Company's business operations in order to achieve the planned objectives and targets.
3. Monitor the financial and operating results of the Company and the companies in the Group, and keep the BOD members informed by monthly report.
4. Identify and evaluate new business opportunities.
5. Review and make recommendations to the BOD regarding the Company's dividend policy.
6. Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by the BOD.
7. Consider and review the Company's risk management and control system.
8. The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's articles of association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the BOD and regulatory bodies.
9. Engage consultants or independent persons to provide opinions or advice if necessary.
10. Call members of the management or staff to attend the Committee meetings or provide pertinent information on the matters under discussion.
11. Report regularly to the BOD on matters within the scope of the Committee, as well as any special issues that merit the BOD's attention.
12. Annually review its performance
13. Annually review and reassess the adequacy of this charter and recommend any proposed changes to the BOD for approval.
14. Perform other tasks as assigned by the BOD

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is appointed by the Board of Directors and comprises three members consisting three independent directors, as of 31 December 2016 to create a balance of power to help with the business of the Board of Directors and shareholders. The members of the Nomination and Remuneration Committee are as follows:

- | | | |
|----|----------------------------------|--|
| 1. | Mr. Chung Tang Fong | Chairman of Nomination and Remuneration Committee and Independent Director |
| 2. | Mrs. Supaporn Burapakusolsri | Independent Director |
| 3. | Mr. Chaikut Techatassanasoontorn | Independent Director |

Remark Mr. Chartchai Panichewa and Mr. Boon Choon Kiat has resigned from the Nomination and Remuneration Committee on 10 November 2016

In 2016, the total of two Nomination and Remuneration Committee's meetings is held as follows:

Meeting No.	Date	Agenda
1/2016	16 February 2016	Considered the remuneration for director and high-ranking executives
2/2016	10 November 2016	Considered the remuneration for director and high-ranking executives Considered the Competency and Performance Year 2017

Duties and Responsibilities of Nomination and Remuneration Committee

1. To consider the policies and criteria for recruiting qualified candidates for the position of directors, the Managing Director and Executives of the Company, as well as to select and nominate qualified candidates for proposal to the Managing Director and/or the BOD's Meeting and/or the Shareholders' Meeting for consideration and appointment as Company directors;
2. To consider and revise the policies and criteria relating to the determination of the remuneration and benefits of the directors, Managing Director and executives of the Company;
3. To give suggestions to the BOD with respect to the remuneration of the directors, the Managing Director, and the executives of the Company for further proposal to the BOD's Meeting and/or the Shareholders' Meeting for consideration and approval. The BOD shall be authorized to approve the remuneration and benefits of the Managing Director and the executives, and shall propose the remuneration and benefits of the directors of the Company to the Shareholders' Meeting for consideration and approval.

CORPORATE GOVERNANCE COMMITTEE

As of 31 December 2016, the Corporate Governance Committee is comprised three members consisting two independent directors and an executive director are as follows:

1. Mr. Chaiyut Techatassanasoontorn Chairman of Corporate Governance Committee and Independent Director
2. Mrs. Supaporn Burapakusolsri Independent Director
3. Mr. Boon Choon Kiat Executive Director

In 2016, A Corporate Governance Committee's meetings is held as follows:

Meeting No.	Date	Agenda
1/2016	19 December 2016	Planning and Strategy in scope of corporate governance work

Duties and Responsibilities

1. The Corporate Governance Committee is responsible directly to the Board of Directors in accordance with the duties and responsibilities assigned to them. Additionally, the Board of Directors is also responsible to third parties for the operation of the Company.
2. Determine directions and suggest policies or practices concerning business code of conduct and ethics in accordance with the good corporate governance system to the Board of the Directors and the management for use as standardized proper practices of the organization.

3. Govern, advise, evaluate and review policies and practices in accordance with the good corporate governance principles and business code of conduct in order to improve and enhance the corporate governance system of the Company to international standards.
4. Engage in any other duty as assigned by the Board of Directors.

Report on Meeting Attendance of Committees' Members

In 2016, the details of meeting of various committees are as follows:

1. Audit Committee

In 2016, the total of four meetings of the Audit Committee which is planned in advance is held with the attendance of the following members:

No.	Name	Position	No. of Meeting Attended
1.	Mrs. Supaporn Burapakusolsri	Chairman	4/4
2.	Mr. Chaiyut Techatassanasoontorn	Committee Member	4/4
3.	Mr. Chung Tang Fong	Committee Member	4/4

2. Executive Committee

In 2016, the total of four meetings of the Executive Directors Committee is held with the attendance of the members as follows:

No.	Name	Position	No. of Meeting Attended
1.	Mr. Phua Chian Kin	Chairman	4/4
2.	Mr. Chartchai Panichewa	Committee Member	4/4
3.	Mr. Boon Choon Kiat	Committee Member	4/4

3. Nomination and Remuneration Committee

In 2016, the total of two meetings of the Nomination and Remuneration Committee which is planned in advance is held with the attendance of the following members:

No.	Name	Position	No. of Meeting Attended
1.	Mr. Chung Tang Fong	Chairman and Independent Director	2/2
2.	Mrs. Supaporn Burapakusolsri	Independent Director	2/2
3.	Mr. Chaiyut Techatassanasoontorn	Independent Director	1/2
4.	Mr. Chartchai Panichewa *	Director	1/2
5.	Mr. Boon Choon Kiat *	Executive Director	1/2

Remark* Mr. Chartchai Panichewa and Mr. Boon Choon Kiat has resigned from the Nomination and Remuneration Committee on 11 November 2016. They weren't attend to the Nomination and Remuneration Committee No. 2/2016.

4. Corporate Governance Committee

In 2016, the total of a meetings of the Corporate Governance Committee after appointed by the resolution of Board of Director committee on 11 November 2016, with the attendance of the following members:

No.	Name	Position	No. of Meeting Attended
1.	Mr. Chaiyut Techatassanasoontorn	Chairman and Independent Director	1/1
2.	Mrs. Supaporn Burapakusolsri	Independent Director	1/1
3.	Mr. Boon Choon Kiat	Executive Director	1/1

Director and Executive Nomination Process

Independent Director

As of 31 December 2016, there is the total of three independent directors, accounting for 42% of all the 7 directors of the Company, namely,

1. Mrs. Supaporn Burapakusolsri
2. Mr. Chaiyut Techatassanasoontorn
3. Mr. Chung Tang Fong

The definition of the independent directors of the Company is established in line with the regulations of The SEC Act, Notification from the SEC and the Capital Market Supervisory Board including relevant rule and regulations. Independent directors must have not less than one third of the total number of the Board of Directors' and not less than three independent director. The qualification of the independent director are as follow;

1. Not holding more than 1 per cent of total shares which are entitled to vote of the company, subsidiary company, affiliated company or juristic persons with conflict of interests, which shall be inclusive of the shares held by his/her related persons.
2. Not being a director or having been a director with participation in the management, not being a staff member, employee or advisor receiving regular salary from the company, not having the controlling powers of the company, subsidiary company, associated company or juristic persons with conflict of interests at present or during the period of 2 (two) years before being appointed.
3. Not having blood ties or by way of legal registration in the manner of father, mother, spouse, sibling, or offspring including spouse of offspring of an executive, major shareholder, those who have controlling powers or those who are to be nominated as executives or those who have controlling power of the company, subsidiary company and associated company.
4. Not having or used to have a business relationship with the Company, subsidiary company, associated company, major shareholders of the Company or authorized person of the Company in the manner that may obstruct the independent exercise of discretion and not being or has been a significant shareholder or authorized person of the person with business relation with the Company, subsidiary company, associated company, major shareholders of the Company or authorized person of the Company, except relieved from aforesaid characteristics at not less than two years.

5. The business relation in paragraph one includes trade transactions in normal business, rent or lease on items related to asset or service or in giving or receiving financial assistance through acceptance or lending, guarantee, granting asset as debt security including similar behavior resulting in the Company or contract party with debt burden to be settled with another party from three per cent of net tangible asset of the Company or from twenty million THB up, as which amount is lower. However, the debt burden calculation shall be in value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis mutandis. But the consideration of such debt burden shall include debt burdens incurred at one pervious year before the date of business relation with the same person.
6. Not being or used to be auditor of the Company, subsidiary company, associated company, major shareholders or authorized person of the Company and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the Company, subsidiary company, associated company, major shareholders or authorized person of the Company in attachment, except relieved from such characteristics at not less than two years.
7. Not being or used to be any professional provider which includes legal consulting or financial consulting with service fee over two million THB from the Company, subsidiary company, associated company, major shareholders or authorized person of the Company and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristics at not less than two years.
8. Not being a director appointed to be representative of the director of the Company, major shareholder or shareholders with relation with the major shareholder.
9. Not operating similar or significant competitive business to the business of the Company, subsidiary company or not being significant partner in the partnership or directorship with management participation on employees, staff, consultant with regular salary or holding shares over one per cent of the total shares with voting right in other company operating business similar or competing with business of the Company or subsidiary company.
10. Not having any other characteristics that limit his/her ability to express independent opinions regarding the Company's operations.

Audit Committee

The Nomination and Remuneration Committee considered the qualification of the audit committee and present to the Board of Director to approve. The nomination and appointment of the audit committee are as follow;

1. The audit committee comprises of at least three independent director.
2. At least one member of the audit committee have knowledge and an experience to audit the financial statement.

Qualifications of Audit Committee Members are as below;

1. Be the independent director that qualified to the definition from the Capital Market Supervisory Board.
2. Not being a director with participation in the management including subsidiary company, associated company, major shareholder or controller of the company
3. Not being a director of the company, subsidiary company, associated company especially in the listed company.
4. Having enough knowledge and experience to do the audit work.

The term of office of the audit committee will be three years from the appointed date. In the end of term of office, the audit member may reappointment from the Board of directors' opinion.

Director and High-Ranking Executives Nomination Process

1. Director Nomination Process

The Nomination and Remuneration Committee is responsible for nominating qualified candidates to take up the position of directors to the Board of director and/or the shareholder meeting to approve. The guideline for the nomination of the directors of the Company is based upon the following:

1. The Board of director comprise of at least seven person and not haft of the amount have to have residential in the kingdom.
2. The Board of Director consist of at least three independent director and not less than on third of the director is the independent director.

Qualifications of director are as below;

1. The Board of Directors must have the vacant position as required by the Articles of Association.
2. Graduate at least in any bachelor degree.
3. Have knowledge and expertise that is relevant to the business of the Company. Have enough time to operate the business of the company.
4. Be honest and have a high moral.
5. Directors is not served as a director in other listed company more than five companies, in case that any director is served as a director in listed company more than five companies, the Board of directors will consider to the duties and efficiency of that director and report the reason of appointment follow to the CG code which appear in Annual Registration Statement (Form 56 — 1) and Annual Report Form 56-2.

In every Annual General Meeting of Shareholders, one-third of directors are to retire. If the number of the directors is not divisible, the number of retiring directors is to be closest to the one-third ratio. The retire director is able to re-elected again. In addition to the end of the term of the directors, the director vacates is upon

- 1) Die
- 2) Resign (effective since the company accept the notice)
- 3) Not qualified or prohibited by law and regulations or by the Articles of Association
- 4) The resolution of Annual General Meeting of Shareholders
- 5) Order by the court

2. Executive Director Nomination Process

The Nomination and Remuneration Committee is the responsible to nominate executive director and present to The Board of Directors of the Company for the appointment of the executive directors. The candidates are knowledgeable, have the expertise that is relevant to the business operation of the Company, is able to establish a policy and strategy as well as ensure the efficiency and effectiveness of the implementation of such strategy.

3. High-Ranking Executives Nomination Process

With regard to the nomination of high-ranking executives i.e. Managing Director and high-ranking executives of the Company, the Nomination and Remuneration consider the candidates based on the qualifications, experiences, expertise in the profession and transparent professional background to propose to the Board of Directors' Meeting for approval.

4. Subcommittee Nomination Process

The Board of Directors has appointed committees and subcommittees i.e. Executive Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee to be responsible for specific matters and propose to the Board of Directors for consideration and acknowledgement. The responsibilities and duties of each committee are as established.

5. Leadership and Vision

The Board of Directors is to establish the vision, mission and policy as well as to ensure that the operation of the Company is in line with the planned objectives and goals for the highest interests in order to add economic value to the Company and shareholders. The Board of Directors also upholds the interests of all stakeholders, expresses their comments and makes a decision independently, does not seek benefits for themselves or others and do not operate in a way that will cause a conflict of interest or a competition with the Company or subsidiary companies. The Board of Directors of the Company had established clear and written role, responsibilities and duties between the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Executive Committee. Moreover, the mechanism to supervise and follow up the operation and control the Management in a necessary and appropriate time is in place. The Board of Directors gives importance to financial reports which must reflect actual performance, evaluates and specifies management standard and effectively prevents and manages risks as appropriate under the principle of the balance of power and is reviewable. The Board of Directors determines to develop and enhance the business of the Company in the secure and sustainable manner in order to generate appropriate returns for the shareholders.

6. Specific Roles and Duties of the Board of Directors

The Company clearly specifies and separates the power of the Board of Directors from the Management in each level. The consideration of any important issues must be approved by the Board of Directors and subcommittee so as to balance the power and ensure transparency and fairness to all related parties.

7. Combination or Separation of Positions

The policy of the Company is to separate the responsibilities of the Chairman of the Board of Director from the Managing Director, both of whom have to be knowledgeable and capable, be equipped with suitable experiences and qualifications and must not be the same person. The governance and management responsibilities have been separated in order to create a balance of power.

Chairman of the Board of Directors: The Chairman of the Board of Directors is to be Non-Executive Director and not be the same person as the Managing Director. The Chairman of the Board of Directors is independent from the Management and the corporate governance policy making duty is clearly separated from the management of day-to-day business. The Chairman of the Board of Directors is to chair the Board of Directors' Meeting which is responsible for determining the vision, mission and important policy for the Management to implement. All directors

are to independently propose an agenda of the meeting, give comments on the performance of the Company and carefully consider any issues which may cause conflict of interests in order to ensure integrity and transparency of the matter.

Managing Director: The Managing Director is not the same person with the chairman of the board of director and is the head of the Management and is responsible for supervising the operation and performance of the Company in order to be in line with the vision, mission and policy of the Board of Directors.

8. Succession Plan

The Board of Directors gives importance to the succession of all high-ranking executives especially the Managing Director position in order to maintain the confidence of investors, organization as well as staff in the immediate continuation of the operation of the Company and assigns the Executive Committee to be responsible for the establishment of the succession criteria and plan.

Therefore, the Board of Director has prepared the succession criteria and plan by identifying the policy, preparing the readiness of staff and coming up with the direction of development. Personal development plan is also in place so as to prepare staff to be ready for the position of high-raking executive.

9. Self-Evaluation of the Directors and Subcommittees

The Chairman of the Board of Directors gives importance to the evaluation of the performance of the Board of Directors and subcommittees with an aim to improve the performance of the Board of Directors on various aspects. The Board of Directors has assigned the Nomination and Remuneration Committee to implement the evaluation process. The level of score is as follows:

1. 60% and Lower-Below Standard
2. 61-70%-Fair
3. 71-80%-Good
4. Over 80%-Very Good

In 2016, the result of the evaluation of the Board of Directors and subcommittees is as follows:

9.1 Evaluation of Committee can be categorized into three categories as follows:

- Board structure and qualifications
- The Meeting is conducted under conditions
- The duties and responsibilities

The summary of the self-evaluate of the board of director as a whole, the overall result is Very Good the average is equal to 86.79%

Category 2: Evaluation of Subcommittee as a whole to evaluate the subcommittee in the overall.

- The structure and qualifications
- The Meeting is conducted under conditions
- The duties and responsibilities

The summary of the self-evaluate of the subcommittee as a whole, the overall result is Very Good the average are as follow;

1. The Audit Committee, result is 90.36%
2. The Nomination and Remuneration Committee, result is 85.79%
3. The Executive Committee, result is 87.50%

Category 3: Evaluation of individual of the Board of Directors and individual subcommittee;

- The structure and qualifications
- The Meeting is conducted under conditions
- The duties and responsibilities

The summary of the self-evaluate of the board of director and subcommittee as an individual, the overall result is Very Good the average is equal to 87.50%

The evaluation is to start in December. The Secretary of the company will be responsible for sending the evaluation forms to each director to complete independently and will then collate the completed forms, summarize and analyze the results and present to the Board of Directors' Meeting.

The result of the performance evaluation of the Board of Directors in the year 2016 has been presented to the Board of Directors' Meeting Ref. 2/2017 in year 2017.

9.2 The Evaluation of the Managing Director

The Nomination and Remuneration Committee has asked the Board of Directors to evaluate the Managing Director in the area which are leadership, strategy, implementation of strategy, financial planning and performance, relationship with the Board of Directors, relationship with external parties, management and relationship with staff, succession plan, knowledge about products and services and personal qualifications. The evaluation form has been adapted from that of the Stock Exchange of Thailand.

The result of evaluation of the Managing Director is a part of yearly remuneration of the managing director.

10. Directors and Executives Development

The Board of Directors and executives give importance to capacity development of directors and encourage the directors to attend training courses or seminars that are beneficial for their performance. The trainings/seminars will provide them with the knowledge that is necessary for business operation in the competitive environment. There is also a policy to develop the capacity of the executives. Both internal and external trainings are organized in order for the Company to become a learning organization.

The directors of the Company has participated in the training courses of the Thai Institute of Directors Association (IOD) according to the requirement of the Securities and Exchange Commission that directors of listed company must attend at least one course, namely the Director Accreditation Program (DAP) and the Director Certification Program (DCP). Apart from this, the Board of Directors is also aware of the importance of the participation in other courses of the IOD such as the Company Secretary course of the Thai Listed Company Association in order to enhance professional leadership skills and true understanding of roles and responsibilities of directors and set an example for others in pushing the organization forward towards good corporate governance. The details are as follows:

No.	Name	Course Attended
1.	Mr. Chartchai Panichewa	Director Accreditation Program (DAP) 9/2004
2.	Mrs. Somhatai Panichewa	Director Accreditation Program (DAP) 104/2008
3.	Mr. Boon Choon Kiat	Director Certification Program (DCP) 155/2012
4.	Mrs. Supaporn Burapakusolsri	Director Certification Program (DCP) 127/2013 Director Accreditation Program (DAP) 87/2011 Role of the Compensation Committee Program (RCC) 13/2011
5.	Mr. Chaiyut Techatassanasoontorn	Director Accreditation Program (DAP) 119/2015
6.	Mr. Pachathip Mettaprasopkit	Company Secretary Program (CSP) 61/2015

In 2016, directors attended the training and seminar courses as follows

No.	Name	Course Attended
1.	Mr. Boon Choon Kiat	- Basic IR - SID Corporate Governance Roundup 2016 (Singapore)
2.	Mrs. Supaporn Burapakusolsri	- Advance Audit Committee Program (AACP) from Thai IOD
3.	Ms. Sunantra Mahaprasitchai	- Pack 5 & Fair Value 1/59 - Strategic CFO in Capital markets 3
4.	Mr. Pachathip Mettaprasopkit	- Basic IR - Training System Disclosure of Listed Companies (SET Portal)

As for the capacity building of executives who are staff of the Company, the details will be included in "Employees Development Policy."

11. Orientation of New Directors

In case of new directors, the Company has identified the guideline to prepare the newcomers to be able to perform the duty as a director immediately. The Secretary of the Company will be responsible for:

1. Providing the legal information of the Company as well as other information such as the Articles of Association, the objectives of the Company, the organization structure and the Code of Business Conduct.
2. Arranging a meeting with the Chairman of the Board of Directors, Board of Directors, subcommittees and the Company's executives to be informed of the operations of the Company.

In 2016, there is no appointment of new directors so the orientation for new directors has not been organized.

12. Criminal Record of Directors and Executives

During the past years and 2016, there has been no case of violation against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act or any other laws such as the submission of financial statements within a given timeframe. The Company does not have a negative reputation as a result of the failure of the Board of Directors or subcommittees. None of the non-executive directors resign from their position as a result of an issue related to corporate governance of the Company. There are no cases of violation of labor law, employment law, trade competition act or punishment from the government or other regulators as a result of a failure to disclose significant information within the given timeframe.

In addition, the directors and executives of the Company do not violate against rules, regulations and laws e.g. regulations of the Securities and Exchange Act, Public Limited Companies Act or any other civil or criminal laws and do not have any conflicts of interest with the Company. The directors and executives of the Company and subsidiary companies do not:

1. Commit insider trading;
2. Commit an act of corruption or misconduct.

13. Acquisition Report of Directors and Executives

The directors and executives have the responsibility to provide an acquisition report and acquisition changes report in accordance with Section 59 of Securities and Exchange Act B.E. 2535 to the Securities and Exchange Commission within three days of the buying, selling, transferring and accepting transfer. They are also to refrain from trading securities of the Company during the period of one month before the disclosure of the financial statements to the public. Furthermore, the acquisition of directors and their spouse and the first four managers after the Managing Directors as well as the Accounting Manager and Finance Manager must be reported in the Board of Directors' Meeting.

14. Report on Interest of Directors and Executives

In compliance with Section 89/14 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and the Notification of the Capital Market Supervisory Board No. TorChor. 2/2552 Re: Report on Interest of Directors, Executives and Related Persons which stipulates that a director and an executive shall file with the company a report on his interest or a related person's interest in relation to management of the company. The company is following the report such as;

1. Reporting

The directors and executives, meaning Managing Director, Assistant Managing Director, the first four managers after the Managing Director, those in the positions equivalent to the holders of the management position no. 4 and the executives in the highest position in the accounting or finance line of work must report his/her interest or a related person's interest to the Company.

2. Reporting Method

A report must be prepared and submitted to the Company Secretary. Should there be any changes in the information, a report must also be prepared and submitted to the Company Secretary within seven days from the date of the information changes.

3. Reporting to the Board of Directors

The Company Secretary must report the interest of directors and executives and related persons to the Board of Directors' Meeting in the third quarter of every year for acknowledgement.

15. Other Adherences with Good Corporate Governance

The Company has emphasized the significance of good corporate governance as it is beneficial for the organizational development. The good corporate governance principles for listed companies of the Stock Exchange of Thailand have continuously been implemented.

Intellectual Property Policy

The Company has a policy not to violate intellectual property rights, whether they be copyright, patent or trademarks. Operational guidelines have been established clearly, for example, in terms of copyright, the Company has a policy on the usage of the information system of the Company and subsidiary companies and regularly monitors the usage of various software programs to prevent the use of pirated software or the software that is not related to work.

Human Right Policy

The Company fully respects the human rights and equality of employees. All employee of the Company, subsidiary companies and trade partners are treated fairly and equally and are not discriminated based on race, nationality, age, educational background or physical and mental disabilities. The personal rights and freedom shall not be violated directly or indirectly. The staff of the Company and subsidiary companies must treat each other with respect and behave themselves properly in accordance with the regulations of the Company and good traditions without causing a negative impact on the image of the Company.

The Use of Internal Information

The Company has its policy and control system in place so that directors and executives cannot use the internal information for personal benefit, including the trading of securities as mentioned below:

1. The Company has informed its directors, executives and persons holding managerial positions, including their equivalents or higher in the accounting and finance departments of their obligation to prepare and submit reports disclosing the possession of securities in respect of themselves, their spouse and minor children, to the Office of the SEC pursuant to Section 59 of the Securities Act. They have also been informed of the corresponding penalties set out in Section 275 of the Securities Act (as amended).
2. The Company requires its directors, executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments to prepare and submit reports disclosing the possession of securities in respect of themselves, their spouse and child to the Company's Secretary prior to their submission of the same to the SEC. The report shall be prepared and submitted within 30 days of the date of appointment of the director or executive. Any change in possession of securities is to be reported within 3 working days from the date of the purchase, sale, transfer or receipt of transfer of securities. Including the report of changing and summary of the securities of director as individual to report to the Board of Director for acknowledge. In case director and the high-ranking of the company wish to sell buy transfer the company's securities, the company set that the director declare to the Company Secretary at least one day before enter into those transaction.

3. The Company requires its directors, executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments and relevant operators who have access to internal information which may materially affect the share price of the Company, to avoid trading of the Company's securities for a specified period before the disclosure of financial statements or the status or financial condition of the Company, or until the Company has disclosed such information to the public. The Company will provide notification in writing to its directors, executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, at least 30 days prior to the disclosure of such information to the public, not to trade in the Company's securities until at least 24 hours after such disclosure. The Company also requires such material information not to be disclosed to any third party.
4. Should it be determined that the above rules were breached for personal benefit, the disciplinary sanctions imposed by the Company may vary from a written reprimand, wage reduction, suspension of work without pay or termination of employment. The severity of the sanction imposed shall be determined based on whether the breach was intended and the severity of the misconduct.

In 2016, there is no director and high-ranking executive enter into sell and buy the securities using internal Information.

Audit Fee

The remuneration for auditor for yearend 2016 to EY office Co., Ltd. detail is as follow;

Audit Fee	
The remuneration (THB)	1,360,000

The company has no non-audit fee to the auditor at the yearend 2016.

In addition, EY office Co., Ltd and the auditor is not a director, staff, employee or any position in the company as follow to the article no. 121 of Public Limited Companies Act, B.E.2535 and have on relationship and being the conflict of interest with the subsidiaries, executives, major shareholder or relevant with those person. The auditor is independent and certified by the SEC. Furthermore, the company have not used another service from EY office Co., Ltd.

In the same way, directors and executives of the company has never been the staff or partner or the relevant of EY office Co., Ltd in the past two year.

Non - Audit Fee

- None-

CORPORATE SOCIAL RESPONSIBILITY



Policy

The company is committed to operate business in accordance with social responsibility for business development and sustainable growth by aiming three factors that can lead the company to sustainability growth including economic, environmental and social factors. The company enhances the Corporate Social Responsibility or CSR policy to be the process to achieve the goal in our business in long-term. There are framework and guideline to process as follow;

Good Corporate Governance

The Company committed to do the business with responsibility with awareness includes allocating the benefit to all stakeholders abided by law and regulations, enforce transparency and reliability by holding the good corporate governance as well as shareholder benefits, employee, partner, social, contractors, media, customers, public and stakeholders with transparently communicate and treat the shareholders and investors equally in order to disclose the right information to the shareholders and investors through easy access.

Fair business operation

The Company supports free trade business competition and avoids operations against beneficial discrepancies and intellectual property infringement. The Company resists every form of corruption and support social responsibility in every step of the business chain.

Human rights and employee treatment

The Company respects human rights protection and develops working skill to employees regularly including offering a chance to capable employees who are qualify to proper position in the company. The Company emphasizes human management system such as recruiting, employee development, proper welfare, promoting policies for professional staff development and good workplace environment. The Company ensures that above operations will lead to better work result and it will leads to the highest of business operation.

Consumers' responsibility

The Company aspires to be the preferred choice in real estate by relentlessly enhancing its products and services to transcend customers' satisfaction.

Environment and safety and social responsibility

The Company is aware of logically analyzing the risk and effect concerning to the environment and safety in every step of business including the efficient use of resources and energy saving according to international regulations. Social and community development participation supports the use of business operation for the benefit of improving the quality of life, building the economy and strengthening the community, neighbors and Thai society. Furthermore, the company will encourage and develop the business processes to improve the quality of life and create economic growth as well as to build a better living in the community.



The Company has settled the Corporate Social Responsibility guidelines into business policy to operate the business with care to all stakeholders which will lead to sustainability growth.

Anti - Corruption Policy

The Company is committed to conducting business with transparency, integrity and compliance with regulatory requirements as well as good corporate governance practices. Since integrity is a key to a sustainable reputation and business prosperity, the Company has established this Anti - Corruption Policy as an operational guideline. The Company and related parties at all levels act in compliance with the Anti - Corruption Policy.

1) Scope and Operational Guidelines

The Company places considerable emphasis on anti - corruption including to prevent the director, executive and the employee not to have the conflict of interest as follow:

Bribes and Inducements

It is prohibited to offer or receive any forms of bribe or inducement, or any direct rewards from anyone to conduct such an act on one's behalf.

Gifts and Benefits

It is prohibited to offer or receive any gifts or other benefits in exchange for doing, or refraining from doing, one's duties or doing unethical conduct aiming at gaining personal benefit, or for entering inappropriate business settlements. Strict compliance with the Code of Conduct is required.

Charitable Contributions and Financial Sponsorships

Charitable contributions and financial sponsorships must be transparent and conformed to laws and moral principles.

Activities and Political Contributions

The Company's funds shall not be used to make contributions to any political campaigns or the activities of any politicians or political parties, except for contributions that are permitted by laws and in support of democracy overall. The Company's specific permission is required for such contributions.

The Company has been reviewed the internal control to ensure that the process is efficient to prevent the corruption matter. The company provide the tracking system to ensure that all the processes are efficient and able to communicate to the suppliers, the services and the contractors from the start of doing its business.

Furthermore, the Company plans to join Thailand's Private Sector Collective Action against Corruption with in 2017.

2) Risk Management

The Company has put in place risk management systems to avoid unethical conducts aimed at gaining personal benefit to ensure that this risk can be controlled and prevented. Unethical conduct shall be identified, assessed, controlled and monitored, and reported per the Company's risk management policies and practices.

3) Internal Controls

The Company has put in place good corporate governance principles and an internal control culture where there are assessments of significant risks, effective control activities and appropriate segregation of duties. An adequate and reliable information system has been put in place, as well as regular monitoring of internal control.

4) Human Resource Management, Communications and Training

The Company has focused on effective human resource management, knowledge-based communications for staff and regular training on our Anti-Corruption Policy, as well as on related operational guidelines, to promote genuine understanding toward this policy and compliance with it.

Human Rights

The Company emphasizes on respecting in human rights by promoting and protecting the rights, freedoms, and equality within and outside the organization. The Company does not discriminate on race, sex, age, color, religion, physical condition, status or national origin. The Company violates the right to freedom both directly and indirectly and is not involved with human rights abuses, such as not supporting forced labor and fighting against child labor.

The employee's treatment

The Company always recognizes that all employees are the Company's most valuable assets and as factors towards the Company's achievement. The Company has set a policy of fair treatment in terms of opportunities, returns, appointments, relocation as well as potential development by adhering to the following guidelines.

- Treat employees with respect, honor, dignity and privacy.
- Maintain a safe working environment for employees' life and assets.
- Appointment and relocation includes reward and punishment of employees, act in good faith and based on their knowledge and competence.
- Focus on developing knowledge, employee competence by constantly evolving such as providing training, seminars, training and opportunities to all employees.
- Equitable compensation for employees according to industry conditions, business competition, nature of work, performance and the ability of the company in paying such compensation.
- Avoid any unfair actions which may affect to the stability of the employee's job.
- Allows staff to make suggestions or complaints about work and how to fix them to benefit all parties and build a good working relationship.



Consumers' responsibility

The Company focuses on real estate development and intends to create to present and manage our products and services to customers in a standardized and ethical manner under the following principles:

- Committed to provide the product development and services to transcend customers' satisfaction.
- Deliver quality products and services under fair conditions.
- Provide accurate and sufficient information about the products and services for the customer decisions without exaggerating either in advertising or in other communication channels which cause customers to mislead about the quality, quantity or any conditions of goods or services
- Provide a process that allows customers to report problems or services that are not appropriate to the company. The company will quickly resolve the problems to the customer and bring them for improvement or development on the products and services.
- Keep customer information with confidentiality and do not disclose or misuse it in any case.



Environment and Social Responsibilities

The Company prioritizes the community and society as a whole. We recognize that we are part of society to contribute social and environmental sustainability along with business growth under the responsibility of community and society as a whole.

- Conduct policy with regard to environmental conditions is important and strictly follow the applicable environmental laws and regulations.
- There is a policy accordance with corporate social responsibility (CSR) and practice within the organization.
- Encourage the company employees in accordance with consciousness and responsibility for the environment and society.
- Respect the local traditions and culture that the company went into business.
- Carry out activities to contribute the creation of society, community and the environment for a better quality of life, both on their own and in partnership with public and community agencies.
- Cooperate in activities with the surrounding communities in the area where the company goes into business as it should.
- Quick and effective response to events that affect the environment, communities, life and property due to the operation of the company by fully cooperating with government officials and relevant agencies.
- The company provides public hearing and Environmental Impact Assessment (EIA) reports on all projects.

Community Development

The Company is aware of social responsibility and participation in community and social development by supporting social activities, improving the quality of life in the community and promoting volunteer work related to community and social development. The Company has built relationships with neighboring communities where the project is developed and monitored the impacts of project development (if any), such as giving New Year baskets on New Year's Day occasion and improving the landscape nearby the area of the company's projects.



Corporate Social Responsibility Activities.

The Board of Directors of the company is well aware of the social and environmental benefits. The Company has a policy to organize social and environmental activities on an annual basis. The Company has a project to develop community development activities in the vicinity of the projects developed by the Company, as well as social development activities in other areas or provinces depend on appropriation. As of 31 December 2016, the Company has organized activities that are beneficial to the society as follows;

1. Share to Children

The Company has organized a project to “Share to Children” which built a new bathroom building and renovate the old bathroom for Pubplachai School located in U - Thong district, Suphanburi Province. There are management and employees joining the activity in addition to bathroom renovating. The company has also created a children’s playground for kindergarten students for encourage students to have space. In addition, the company also donates learning and sports equipment to share kindness to school children.



csr Share to Children

2. Chewathai supports Thai farmers

The Company organized a project to support Thai farmers by buying rice and distributing it to the construction workers in each project of the company under construction such as workers at Chewathai Residence Asoke, Chewathai Residence Bang Pho, etc., to support Thai farmers from falling rice prices. This activity also helped building the project for the well-being. The management had to distribute rice to each worker in the project to make relationships and cheer for work. It will produce a good work and quality to the clients of the company's projects.



CSR Chewathai supports Thai farmers

Progress and Sustainability Report

The Company follows the policy of corporate social responsibility as follows:

1. Progress of the Policy

The Company focuses on cultivating employees to understand the organization's goals and communicates its corporate social responsibility policy to all employees through the corporate governance policy of the Company. It is widely accepted for all employees to follow the right direction in the same direction. The company also encourage employees to attend workshops to enhance their work skills and participate in various activities in order to enhance awareness, participation and corporate social responsibility of the Company's personnel, the Company will consider appropriate CSR approach to business operation of the company, financial status and operating results of the Company to determine the budget and type of activities for that year.

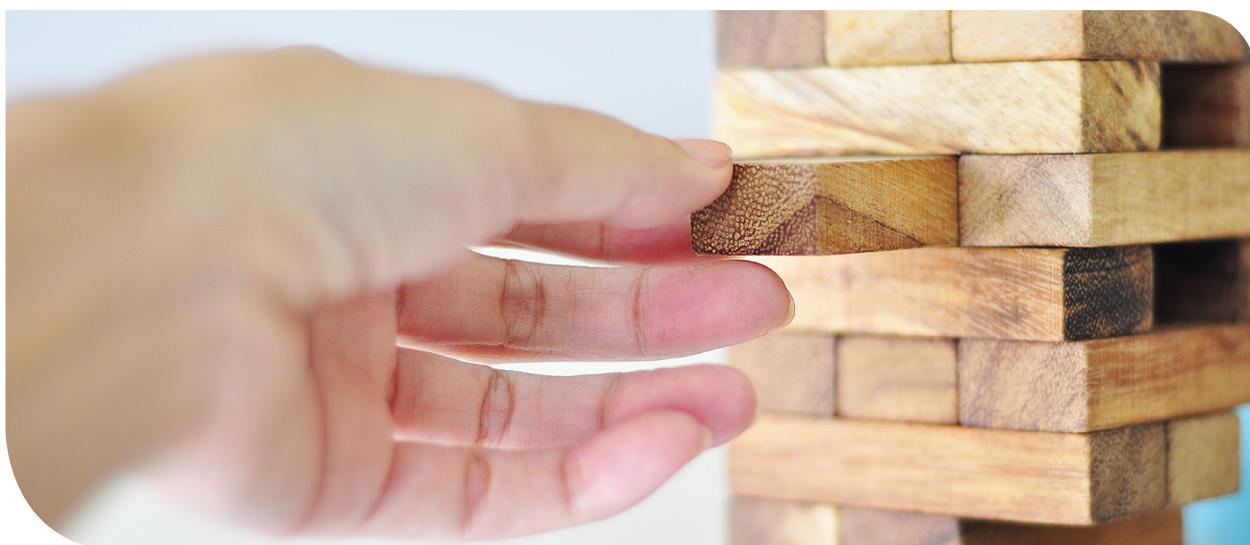
2. Sustainability Report

The Company has taken the framework of the implementation of social responsibility and defined policies into consideration. The report on Corporate Social Responsibility will be disclosed on the annual report or make a sustainability report for publication every year after listing on the stock exchange. The sustainability report is expected to be available by 2017.

The Businesses Effectuated by Corporate Social Responsibility

The Company has never been investigated or accused by any agencies for its business' conduct and has a negative impact on society, the environment or the Company's corporate social responsibility policy.

INTERNAL CONTROL AND RISK MANAGEMENT



The Board of Directors' Opinions on Internal Control

The Company has been aware of good internal control system management concerning the Company's efficient operation system in accordance with the good corporate governance, transparency and protection of personal interest from the use of inside information of the Company which is not yet disclosed to the public.

Regarding the Board of Directors' meeting no. 2/2017 on the 22nd of February 2017, held the audit committee and all independence director in the meeting, the Board of Director evaluated the internal control system by asking information from management and related department by comparison with the internal control approach under the concept of COSO the Committee of Sponsoring Organization of the Treadway Commission are as follows:

1) Control Environment

The Company sets obvious target and business objective and it is able to measure and review the target in every period of work. The Company has an organization dividing scope of work and a code of ethics in accordance with corporate governance, conflict of interest including authority to act in written and review the operating manual in line with the new standards.

2) Risk Assessment

The Company has evaluated from internal and external risk factors including other factors which may affect its business. There is an internal control and risk management in system of operating level along with ongoing risk management.

3) Control Activities

The Company prepares an operational manual for all departments as a reference. There is an operation manual for the right usage.

4) Information & Communication

The Company develops information and communication technology to support all the operational processes and gives importance to secure information system and electronic filing system. To support the operation to archive the target, there is a report to the management as a reference along with the financial report.

5) Monitoring Activities

The Company evaluates and adjusts internal control activities to be in accordance with the present situations and communicates to the responsible person as well as executives as appropriate.

The Company has appointed Dharmniti Internal Audit Co., Ltd. to assess the internal control system from the report of each department and review the company's key procedures to ensure that policies and practices is adequate and appropriate as well as efficient and effective. In the Audit Committee's meeting no. 1/2017 on the 22nd of February 2017 and the Board of Director's meeting no. 2/2017 on the 22nd of February 2017 had resolution on approval the report of the Audit Committee considering that the company has enough environmental control. The management focuses on processes preventing the risk and the ability of personnel.

Comment of The Internal Audit on Internal Control System

Dharmniti has assessed the internal control system from the report on each department. Dharmniti opines that the internal control system of the Company is sufficient and there is no significant matter that will effect to business operation in accordance with External Audit of the Company opined that the internal control system of the company is enough and efficiency.

In addition, the company has hired Dharmniti to review the adequacy of the Company's internal control system in each department and monitor the company's important workflow for the year 2017 continuously. Dharmniti has proposed an internal audit plan for the year 2017 to the Audit Committee Meeting No. 1/2017 held on 22 February 2017.

Information about the Chief of Internal Audit

The Chief of Internal Audit

The Company assigned Dharmniti which is an outsource to internal audit the company since the 14th of July 2014, Dharmniti has assigned Miss Korakoch Wanasawat to be the chief of internal audit who is the main responsibility to audit the company. Dharmniti will audit, follow up and assess the internal control system of the company from company's plans. Dharmniti will report and suggest for improvement in accordance with the Company's internal control plans and policies to archive the five criteria of COSO as mentioned above.

The Suitability of the Chief of Internal Audit

The Company considers that Dharmniti is independent and reports directly to the Audit Committee and is qualified to perform internal audits of the Company. Miss Korakoch Wanasawat is the head of internal audit and her qualification is appropriate and sufficient for the Company's internal audit function due to her extensive knowledge and experience in the field of internal audit for more than five years and has regularly attended training courses.

Guidelines on Appointment, Removal and Relocation of Head of Internal Audit

Appointment, removal and relocation of the head of internal audit of the Company must be approved by the Audit Committee. This is in accordance with the Charter of the Audit Committee of the Company. And approved by the Board of Directors' resolution on the meeting No. 1/2015 held on the 30th of January 2015.

RELATED PARTY TRANSACTIONS

The Company and subsidiaries have related party transactions with connected juristic person/persons who may have conflict of interest, all of those transaction were made in a normal course of business of the Company and supported maximum benefit to the Company. The transactions is considered necessary and reasonable thus, the Audit Committee will consider the reasonableness and appropriateness of the price and presented to the Board of Directors' meeting for approval. There are the related party transactions of the company and subsidiaries for the year end 31 December 2016 and year end 31 December 2015, the detail are as follow;

Juristic Person/ Person who may have Conflicts of Interest	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		Jan - Dec 2016	Jan - Dec 2015	
Chewathai Hup Soon Co., Ltd. (associated company)	Revenue from management services	0.13	0.50	The aforementioned transaction is the management service providing to the associated company. The service charge fee is appropriate therefore, the transaction is reasonable.
	Revenue from management services - accrued	-	0.04	
	Loan from related company	-	7.50	
	Interest expense	0.02	0.12	The aforementioned transaction occurs for being working capital and liquidity which benefits to the Company's business. However, the interest rate for the loan is referred from commercial banks' fixed deposit interest rate at that time. Therefore, this transaction is considered to be reasonable and most beneficial to the Company.
	Interest payables	-	0.03	
Global Environmental Technology Co., Ltd. (common directors with the company)	Revenue from management services	1.74	1.79	The aforementioned transaction is the management service fee to the related companies and deemed that the existing management service charged based on employees' salary who do the work. This transaction is considered to be reasonable and most beneficial to the Company.

Juristic Person/ Person who may have Conflicts of Interest	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		Jan - Dec 2016	Jan - Dec 2015	
Trans Equatorial Indochina Co., Ltd. (common directors with the company)	Office rental fee	0.8	2.09	The aforementioned transaction is beneficial to the Company. The office rental fee and other services fee are allocated from the proportion of actual space usage. Therefore, this transaction is considered to be reasonable and normal business transaction in the arm's length basis
	Office rental fee - accrued	0.12	0.06	
	Revenue from the office rental fee	0.21	0.03	The aforementioned transaction is office rental and services agreement. These costs are allocated from actual office rental fee, service management fee, and other expenses based on the proportionate area of the Company. Therefore, this transaction is considered to be reasonable and normal business transaction in the arm's length basis
	Revenue from management services	0.65	0.70	The aforementioned transaction is the management service fee to the related companies and deemed that the existing management service charged based on employees' salary who do the work. This transaction is considered to be reasonable and most beneficial to the Company.

Juristic Person/ Person who may have Conflicts of Interest	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		Jan - Dec 2016	Jan - Dec 2015	
Oscar Estate Management Co., Ltd. (common directors with the company)	Apartment rental	0.14	0.06	The aforementioned transaction is a rental apartment as a place to store documents of the company. The rental is based on market price and able to compare the price with near by location. This transaction is considered to be reasonable and most beneficial to the Company.
	Deposit	20,000 THB	8,000 THB	
	Car Rental	0.60	0.60	
	Revenue form office management service	1.09	1.50	The aforementioned transaction is the management service fee to the related companies and deemed that the existing management service charged based on employees' salary who do the work. This transaction is considered to be reasonable and most beneficial to the Company.
Oscar Design and Decoration Co., Ltd. (common directors with the company)	Revenue from management services	0.18	0.18	The aforementioned transaction is the management service providing to the related company. The service charge fee is based on employees' salary who do the work and scope of service which is fixed service monthly charge. It may not reflect to the actual cost of services for employees' salary increase and amount of work at any time.

Juristic Person/ Person of related person	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		Jan - Dec 2016	Jan - Dec 2015	
Thaisri Insurance PCL (common directors with the company)	Insurance Premium	1.56	1.20	The aforementioned transaction is a supporting business of the company and insurance premium is closed to the rate that Thaisri Insurance gives to other clients. This transaction is considered to be reasonable and most beneficial to the Company.
	Insurance Premium - other account payable	0.08	0.57	
Amata Water Co., Ltd (the company is related to the company's directors.)	Utility expenses in Amata	0.09	0.08	The aforementioned transaction is a supporting business of the company and has the same rate of other clients of Amata Water. This transaction is considered to be reasonable and most beneficial to the Company.
	City Utility expenses - other account payable	4,548 THB	0.01	
Amata Facilities Services Co., Ltd (the company is related to the company's directors.)	Maintenance fee in Amata City	0.55	0.40	The aforementioned transaction is a supporting business of the company and has the same rate of other clients of Amata Facilities. This transaction is considered to be reasonable and most beneficial to the Company.
TEE Land Ltd. (common directors with the company)	other account payable - advance payment Miscellaneous	0.52	0.35	The advance payment of the company is the transaction that occurred for the flexibility in operating the business such as travel expenses etc. however when such a transaction has occurred in the future, the company should expedite collecting of this expense immediately. This transaction is considered to be reasonable and most beneficial to the Company.
	Loan from related company	52.32	57.64	The aforementioned transaction occurs for being working capital and liquidity which benefits to the Company's business. However, the interest rate for the loan is closed to interest rate from commercial banks at that time. Therefore, this transaction is considered to be reasonable and beneficial to the Company.
	Interest expense	3.48	6.88	
	Interest payable	1.81	3.27	

Juristic Person/ Person of related person	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		Jan - Dec 2016	Jan - Dec 2015	
TEE Development Pte. Ltd. (common directors with the company)	other account payable - advance payment and miscellaneous	0.85	1.67	Such advanced payment was normal and made flexibility to the Company's group business. However, in the future, the Company should immediately request for the repayment once the advanced payment was made. Such transaction was then be reasonable.
	Management expense other payables - Management expense	0.45 0.74	0.26 0.29	Such advanced payment was normal and made flexibility to the Company's group business. However, the Company should immediately repay for the expense once the advanced payment was made. Such transaction will then be reasonable.
	Loan from related companies Interest expense Accrual interest expense	- 0.73 5.98	28.57 2.00 5.25	Such transaction was to support the working capital and liquidity of business which was benefit to the Company. The interest rate charged was similar to the banks' loan interest rate. Such transaction was then reasonable and benefit to the Company.
TEE Resources Pte. Ltd. (common directors with the company)	Interest receivables	1.00	1.00	Such transaction of the loan to related company must not occur in the future.

Related transactions of Chewathai Interchange Co., Ltd. which is the Company's subsidiary for the year 2016 and year 2015 are as follows;

Juristic Person/ Person of related person	Transaction	Transaction Value (million baht)		Audit Committee's Opinion
		Jan - Dec 2016	Jan - Dec 2015	
Chartchewa Co., Ltd (common directors with the company)	Loan from related companies	-	21.42	Such transaction was to support the working capital and liquidity of business which was benefit to CTIC. The interest rate charged was similar to the banks' loan interest rate. Such transaction was then reasonable and benefit to CTIC.
	Interest expense Accrual	1.31	1.50	
	interest expense	-	2.44	
TEE Land Ltd. (common directors with the company)	Loan from related companies	18.51	18.45	Such transaction was to support the working capital and liquidity of business which was benefit to CTIC. The interest rate charged was similar to the banks' loan interest rate. Such transaction was then reasonable and benefit to CTIC.
	Interest expense Accrual	1.15	1.29	
	interest expense	3.32	2.23	
TEE Development Pte. Ltd. (common directors with the company)	other account payable - advance payment and miscellaneous	1.10	0.70	Such advanced payment was normal and made flexibility to the Company's group business. However, in the future, the Company should immediately request for the repayment once the advanced payment was made. Such transaction will then be reasonable.
Thaisri Insurance PCL (common directors with the company)	Insurance Premium	0.23	0.49	Such transaction was to support CTIC's business. The insurance fee was charged similarly to other Thaisri Insurance's clients. Such transactions were then reasonable and benefit to CTIC.
	Insurance Premium - other account payable	-	0.19	

Necessary and Reasonable of Related Transactions

According to the resolution from the Board of Directors meeting No. 2/2017 on February 22, 2017 also attended by the Audit Committee and the independent directors to review the related party transaction for the period ended December 31, 2016 and December 31, 2015, the Board of Directors provided opinion concerning related transactions that such related transaction were necessary for the ordinary course of business whereas terms of such related party transactions with related persons during such period were according to the market rate, contractual and agreed price which were reasonable and in the ordinary course of business.

The Related Transactions divided into 3 groups as follow;

1. Normal Business such as sales the condominium units is the main core of business therefore this transaction is considered to be reasonable and most beneficial to the Company. The price list of the condominium unit is able to compare with the market price that the company has sold to other customer and the price is close to the price that the independent appraiser has estimated.
2. Ordinary Supporting Business such as office rental, land purchase in Amata City, car rental, facilities and maintenance expense etc. those transaction are considered to be reasonable and most beneficial to the Company.
3. Other apart from normal business and ordinary supporting business such as management service fee, financial, the audit committee has considered the related transaction is necessary and reasonable benefit to the Company. Therefore the audit committee considered the financial transaction and opine to those transactions will not occur in the future.

Measure or procedure for approval the related transaction

The Board of Director's meeting no. 3/2015 on 31 March 2015 had a resolution on approving the related transaction, the Company set out policy and procedures according to normal trading terms that the transaction are transparently and benefits to the company. The company will follow securities and exchange law, rule and regulation from The Securities and Exchange Commission, Thailand. The executive or related party will not allow to attend in the meeting during consider the related transaction. In case of the law specify that the approval must be approved by the Board of Directors, who will ask the audit committee to attend the meeting for the opinion on related transaction. The general business transaction and the transaction which is not a general condition, there are the principle as follow;

The general business transaction.

The general business transaction and supporting business of the company must have conditions with normal agreement and fair price which is able to compare with other company and orther individual or the transaction with conflict of interest persons or the same transaction with the same business in the market. In principle, the management can approve such transactions if the transaction has a transaction in the same way that a normal party will deal with the counterparty in the same situation with a bargaining power without any influence on its position as a director, executive or related person. The company is carried out under the principles approved by the Board of Directors and prepare a summary report of the transaction to the Audit Committee on a quarterly basis, the Company will comply with the Securities and Exchange Act and the regulations, notifications, orders or requirements of the Stock Exchange of Thailand including compliance with the disclosure requirements of connected transactions.

The transaction is not a general condition.

The transaction is not a general condition, the company assigned the audit committee to consider and opine in accordance with reasonable price of the transaction. In case the audit committee have no experience on the occur transaction, the company will provide the independence appraiser, the expertise or the external audit to opine the conneted transaction to the audit committee. The audit committee will use the information for decision making and give the opinion to the Board of Directors or shareholder whichever case for approval.

The policy or trends of future transaction.

The Company has entered into related transactions from normal business operations and normal supporting business that will continue in the future such as office management services, payments for utilities and facilities, car rental, apartment rental, payment for insurance, financial transaction with the person or juristic person related to the company. The transaction will be in line with the nature of the business with normal business conditions and can be referenced to business conditions of the same type as the Company, such as

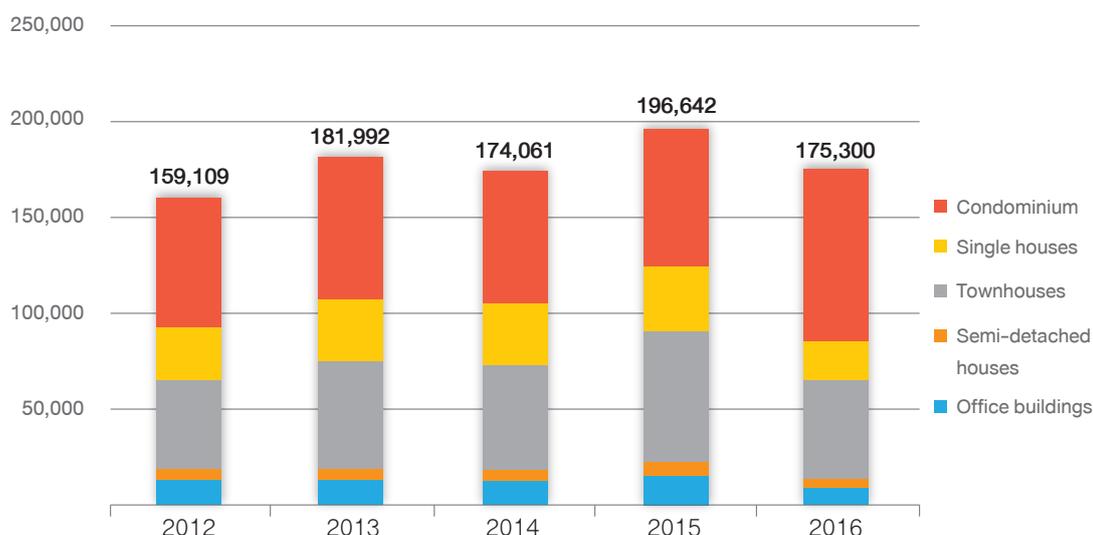
- Sales of the condominium unit price will base on selling to customer including promotion and special discount following the company policy.
- Loan from related company, the interest rate charged will be similar to the banks' loan interest rate.
- Office management service to the related company, the service charge fee is based on employees' salary divide into working hour multiply with each worker (cost of service) and the company will plus 20 percent from the cost of service.
- Other transaction which has fee and condition that could compare with price list in the maket.

The Audit Committee of the Company reviews and comments on normal business transactions or normal supporting business on a quarterly basis. However, if the transactions are not in line with normal business that may occur in the future, the Company will arrange the audit committee to review the necessity and reasonableness of the transaction before the transaction between each other.

ECONOMIC PERSPECTIVE AND STATUS OF THAILAND IN 2016

Overall, real estate market in 2016 has lower demands in accordance to the economy. Even though the market has received temporary positive factors from the government policies to enhance economy in real estate during the first 4 months of 2016. However, due to economic slowdown and reduced purchasing borrowing power caused by increased trend of household debt in 2016, which is estimated to be around 81.5 - 82.5 percent of gross domestic product (According to Kasikorn Thai Research Center), financial institutions become more conscious and careful in providing loaning. In term of supply, the operators have emphasized on selling the existed ones rather than launching new projects, in order to gain benefits from the real estate business enhancement policies. Even though the number of new projects was increased in the last two quarters of 2016, it was still less in comparison with the number presented in the past. In term of development, the factors in real estate development, including lands, construction materials, etc. have their prices increased continuously, causing increased costs in development projects, as well as increased prices of existing residences. In addition, there was a great loss to all Thai people in the fourth quarter of 2016 that caused the slowdowns of mainstream marketing and launching new projects as the buyers were not into the situation to spend and invest much.

Due to such situations, most of the sellers have postponed their new projects because of economic slowdown, as well as there are still a great number of unsold products; in response, the sellers have emphasized more on stock management and tried to sell what they have in hands first, in order to prevent too high level of market supply. However, condominium development projects are still in the greatest number, as there are many projects waiting to launch in 2017.



Source : Department of Lands; data collected and processed by Real Estate Information Center.

- Note :
1. Documents are limited to title deeds and certificates of utilization (NS3K)
 2. Only selling, excluding selling on consignment and mortgaging

THE MANAGEMENT DESCRIPTION AND ANALYSIS

The Company operates two core businesses: Residential property development and Ready - Built - Factories business. Currently, the Company has been developing residential real estates which are condominiums in both High Rise and Low Rise, as well as Housing project in the metropolitan area, emphasizing on locations of main roads, convenient transportation near expressways or along the prospect Mass Transit Railway. In addition, the Company has recognized the potential and business opportunities of small to medium - sized investors or entrepreneurs who intend to acquire a factory, but are not ready to invest in the long - run or by other factors, the company has developed a Ready - Built - Factories project to meet such demand. Currently, this project is located at Amata City Industrial Estate in Rayong province.

Operations Overview

For the year 2016, the company still has projects under construction and will be completed with revenue recognition in 2017. The three projects are Chewarom Rangsit - Don Mueang, Chewathai Residence Bang Pho, and Chewathai Residence Asoke projects with a total value of over 3,200 million Baht. The Company has already planned for their 'Grand Openings' in 2017. However, as of 31 December 2016, the three projects have already been sold more than 50%.

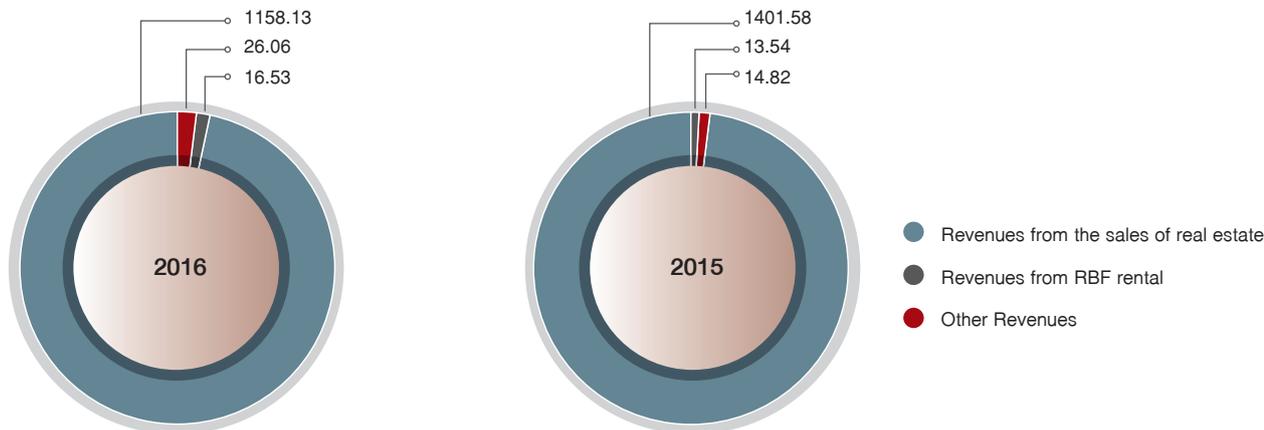
In addition, the Company has started to develop a 'High - Rise' real estate projects, the 'Chewathai Phetkasem 27', which will be completed with revenue recognition in 2018.

Company Performance and Financial status for year 2016 and 2015

For the year 2016, the company and its subsidiaries had total revenues of 1,200.72 million Baht, 16% decrease from the previous year. Moreover, the net profit for the year 2016 was 63.08 million Baht, 24% decrease from the previous year. The results and financial position of the Company in 2016 are as follows.

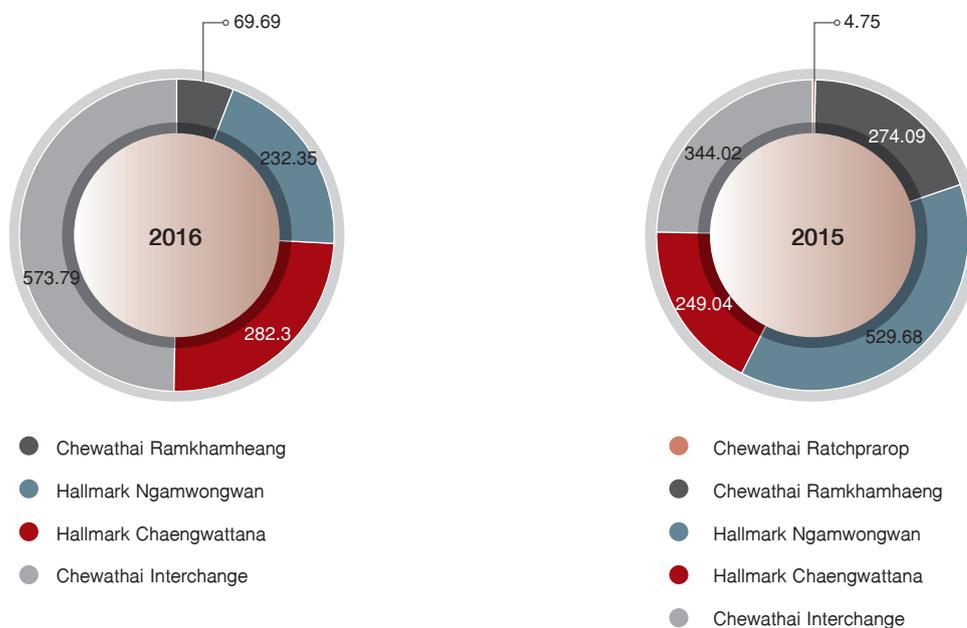
Revenue from Real Estate Sales

Revenue structure for the year 2016 and 2015, presented by the type of income. The details are as follows:



For the year 2016, the Company had revenues from the real estate sales of 1,158.13 million Baht, 243.45 million Baht decrease or 17% decrease from the previous year due to the slowdown in the domestic economy, especially during the fourth quarter effect. Another effect was the inflexibility of the home loan approval from financial institutions. Therefore, the company needs to have more stringent assessment in term of selecting customers.

The revenue recognition from the sale of real estate by projects for the year 2016 and 2015 are as follows:



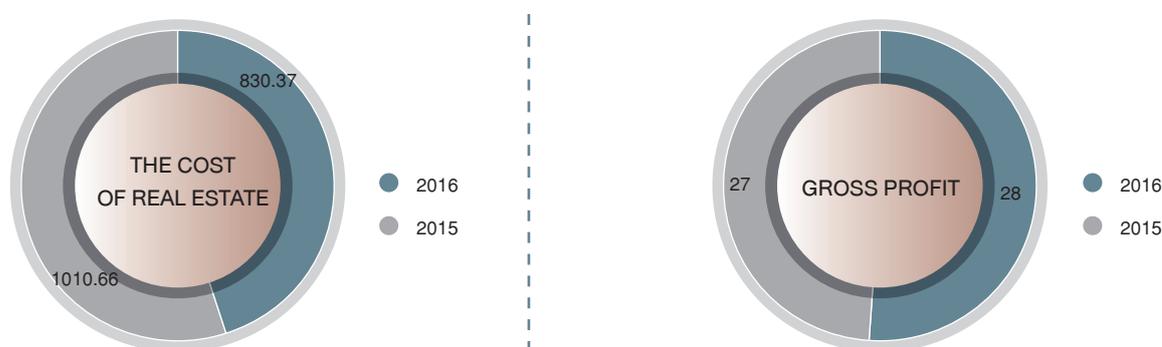
Revenues from Ready Built Factories rental and service fees

In the year 2016, the Company had rental income from factory rental and service fee of 16.53 million Baht, 3 million Baht increase or 22% increase from the previous year due to the increase of factory renters.

Other Revenues

Other income of the Company consists of the gain on foreign currency exchange, revenues from other related companies management services, confiscation of deposit Income, and revenues from electricity meter sales of condominium units. In the year 2016, the Company had other income of 26.06 million Baht, 11.24 million Baht increase or 76% increase over the same period last year. This is due to confiscation of deposit, which has been adversely affected by the inflexibility of the home loan approval from financial institutions.

Cost of Sales and Gross Profit



For the year 2016, the cost of sales of real estate was 830.37 million Baht, 180.30 million Baht increase or 18% increase from the previous year, the decrease was resulted by lower real estates sales.

Gross profit from Real estate sales in 2016 was 28.30%, 0.41% increase from last year due to higher sales profitability. The company still maintains gross profit level although the price competition is quite high. Moreover, HallMark Ngamwongwan, which started to recognize revenue in 2015, is a project that the company purchased from the original property developer and developed the project for resale. Such project has a lower margin than the real estate projects that the company has developed from the very beginning.

For cost of renting factories and services perspective, the depreciation cost of the factory for rent in 2016 and 2015 were equally Baht 10.77 million. The gross profit of the factory for rent in 2016 was 35%, an increase of 15% from the previous year.

Selling and Administrative Expenditure

Selling and administrative expenses in 2016 was 239.94 millio Baht or 20% of total revenues, decrease from last year by 7.77 million Baht or 3% decrease due to the decrease in administrative expenses. In term of cost of sales, the cost of condominium unit transfer has decreased as a result of sales revenue. Likewise, cost of public relation and advertising increased due to 'ready to transfer' projects that the company had to emphasize on marketing and sales, which is in line with the future expansion of real estate developments.

Profits from investments in joint ventures

The share of profit from investments in joint ventures was recognized from the investment in Chewathai Hup Soon Ltd ("CTHS"), an associated company. In which, the profit from the Joint venture in 2016 was Baht 2.52 million.

Finance Cost

Financial costs include interest expenses on short-term loans and long-term loans from financial institutions. For 2016 financial year, the company and its subsidiaries finance costs are Baht 51.23 million Baht, a decrease of 6.58 million Baht or 11% decrease compared with the previous year due to loan burden reduction as the company has made reimbursement to financial institution for all projects which were ready to transfer as well as the company has been able to acquire better interest rate of loan.

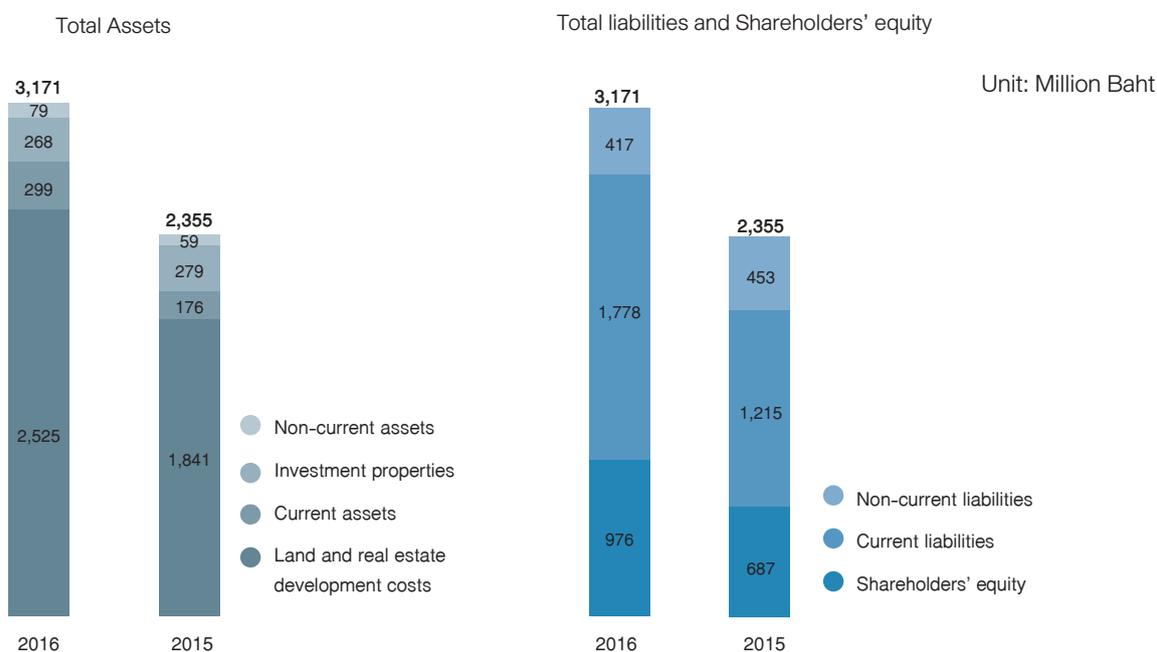
Net Profit

As a result of the company performance, the net profit for the year 2016 was 63.08 million Baht or 5.25% of total revenues, 20.14 million Baht decrease or 24% decrease compared with previous year due to the revenue from the decrease in real estate sales.

Total Comprehensive Income

For the year 2016, the Company had other comprehensive income resulted from the actuarial net of tax loss of Baht 0.33 million affected by the change in key assumptions of actuarial valuation, such as discount rate, number of employees change rate, mortality rate etc.

Analysis of financial position as at 31 December 2016 and 2015



Total Assets

As at 31st December 2016, the Company and its subsidiaries generated total assets of Baht 3,171.30 million, compared with the end of previous year of 2,355 million Baht, 816.32 million Baht increase or 35% increase. Of which, the major asset increment are as follows:

- The cost of land and real estate development as well as the inventories of 2,524.58 million Baht or 80% which increased from previous financial year of 683.55 million Baht due to the company has continuous expansion of the new projects.
- Prepaid construction expenses amount of 162.39 million Baht, representing 5% of total assets. An increase of 127.13 million Baht from the previous year, which was increased by the new projects under construction.

Total Liabilities

As at 31st December 2016, the Company and its subsidiaries generated total liabilities of 2,195.03 million Baht, compared with the end of previous year with 527.18 million Baht increase or 32%, which are:

Current liabilities were 1,777.62 million Baht or 81% of total liabilities. The 563.14 million Baht increase or 46% from the previous year. The major increments are as follows:

- Overdrafts and short-term loans was 856.72 million Baht, representing 39% of total liabilities. The 312.37 million Baht increase or 57% increase from the previous year due to the issuance of short-term bills of exchange for business continuity and working capital for current development projects.
- Long - term loans from financial institutions due within one year with the amount of 537.05 million Baht, representing 24% of total liabilities. The 216.63 million Bath increase or 68% increase from the previous year due to the fact that the long-term loans of the projects transferred in the year 2017 were reclassified as current liabilities at the end of 2016. In which, the Company has acquired the loan for new projects under construction amount of 479 million Baht in the year 2016.
- Accounts payable and other payables was 217.87 million Baht accounted for 10% of total liabilities. The increase of Baht 67.13 million or 45% was caused by the account payable for projects under construction.

Non-current liabilities amount of 417.41 million Baht, representing 19% of total liabilities. The 35.96 million Baht decrease or 8% was due to the following major changes in the liabilities as follows:

- Long - term debentures amount of 169.57 million Baht, representing 8% of total liabilities due to the Company issued long - term debentures to reduce the financial cost.
- Long - term loans from financial institutions amount of 192 million Baht or 9% of total liabilities. The 201.95 million Baht decrease from the previous year due to loan classification as current liabilities.

Shareholders' Equity

As of 31st December 2016, the Company and its subsidiaries generated shareholders' equity of Baht 976.27 million Baht increase or 42%, resulted from the increment of retained earnings and capital injection (IPO) in April 2016.

Cashflow

The net cash flow from operating activities was 584.03 million Baht, spent in the Company's operations in the development of real estate projects under construction. The cash inflow from the projects will occur in 2017-2018.

Net cash flow from investing activities amount of 12.84 million Baht was spent to invest in the temporary sales office of a new development project.

Net cash inflows from financing activities of 581.74 million Baht were derived from the IPO.

Capital Structure

The Debt to Equity ratio (D/E) at the end of 2016 is 2.2 times, decreased from 2.4% at the end of 2015, due to the increasing share of retained earnings and increase in capitals. The proportion of total liabilities increased from the previous year due to the fact that the Company had acquired the loans to be used as working capital for real estate development. The total liabilities of the Company are partly derived from deposits from customers, which are not considered payable to creditors. Thus, the proportion of total liabilities is quite high.

Interest Bearing Debt to Equity (IBD / E) at end of year 2016 was 1.87 times, decreased from the end of 2015 with 2.03 times.

Key factors and influences which may affect company performance and financial position in the future.

1. Government Policies

Legal changes and regulations related to the real estate business are changes in laws relating to the City Planning Act, Terms of Land Allocation under Condominium Act, And the Building Control Act. For example, the determination of land area, the width of the corridor and the road, the defining of the central area assessment and preparation of environmental impact reports. Also, the changes to the rules governing the use of land, traffic planning and the mass transit system project. As such, they may affect the cost and development costs of the Company's real estate projects.

2. Economy and Political situation of the country

Residential real estate business is the Company's core business. In which, it may be affected by political unrest. This causes a slowdown in the country's economy, the decrease in economic confidence, and the slowdown in consumer spending. As a result, real estate trading slows down. Therefore, the economic condition and volatility of domestic political situation may affect the revenue from the sales of the company's real estate projects.

Moreover, the factory rental business is another section that may be affected by economy movement and political circumstance. This has resulted in investment in the industrial sector and expansion of the business of both domestic and overseas investors. Such factors may affect the revenue recognition of the Company's Ready Built Factories.

3. Fluctuation of Project development costs

For real estate development business, another most significant cost apart from cost of land is construction materials. It is varied by periodic oil price fluctuations which are parts of the uncontrollable external factors. They have had an impact on the cost of construction as well as the construction industry, while selling price for real estate can not be immediately adjusted. In addition, competition in the real estate market is another limitation on price adjustments. As such the risk management of volatility in construction material prices has been applied in the business as such cost is the main cost of construction.

However, the Company is aware of such risks, and has set up control measures by organizing the auction for the construction works to select contractors to compare the Material quality, market price, to select the most appropriate price.

4. Loan from Financial Institutions

Financial institutions increasingly tighten credit approval for retail customers due to concern about real estate market trends, General economic conditions, and the increase of Household debt. As a result, it makes people more careful to spend money. Moreover, the opening of real estate projects at some point is oversupply, resulting in the bank of being cautious and rigorous in term of home Loan, especially in the lower to middle level. From such an event, it affects consumer demand and the business as a whole.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

Dear Shareholders

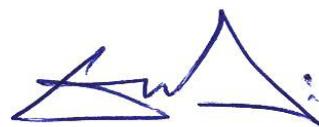
The Board of Directors is responsible for the financial statements of Chewathai Public Company Limited and the consolidated financial statements of the Company and its subsidiaries, as well as the financial information contained in the annual report. As such, the financial statements are prepared in accordance with financial reporting standards, and the appropriate accounting policies and consistently applied. Cautious discretion and best estimates are in place, with sufficient disclosures made in the notes to the financial statements as to be transparent and beneficial to shareholders and investors.

The Board of Directors has established and maintained an appropriate and effective internal control system to reasonably ensure that the accounting information is accurate, complete, and adequate as well as to prevent any significant fraud or malfunction.

In this regard, the Board of Directors has appointed the Audit Committee, as for the accounting policies and quality of financial reports, as well as the internal control and internal audit system to be reviewed. The opinion of the Audit Committee on this matter appears in the report of the Audit Committee as shown in this annual report.

The Company financial statements and the consolidated financial statements of the Company and its subsidiaries have been audited by the auditor of the Company, EY Office Limited. In order to have the best auditing practice, The Board of Directors has supported by providing the relevant information and documents to enable the auditor to review and provide an opinion in accordance with the auditing standards. The auditor's opinion appears in the auditor's report as shown in this annual report.

In the Board of Directors' opinion, the overall internal control system of the Company is satisfactory with reasonable assurance that the financial statements of Chewathai Public Company Limited and the consolidated financial statements of the Company and its subsidiaries for the year ended 31st December 2016 are reliable by adhering to the standards of financial reporting and comply with relevant laws and regulations.



(Mr Chartchai Panichewa)

Chairman of the Board of Directors
Chewathai Public Company Limited

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Chewathai Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Chewathai Public Company Limited and its subsidiary (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 Chewathai 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 Chewathai Public Company Limited and its subsidiary and of Chewathai 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.

Recognition of revenue from sales of real estate

Revenue from sales of real estate is a significant amount in relation to total revenue of the Group. In addition, the Company and its subsidiary have entered into agreements with a large number of customers and there are a variety of conditions in these agreements, pertaining to matters such as sales promotions and discounts to boost sales. I have therefore focused on the audit of the actually occurring and timing of revenue recognition.

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

- Assessing the Group's IT system and its significant internal controls with respect to the revenue cycle by making enquiry of responsible executives and gaining an understanding of the designed controls, and with special consideration of the internal controls which respond to the above risks.
- Examining sales transactions during the year with agreements and supporting documents for actual sales of real estate transactions occurring during the year and near the end of the accounting period, to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Value of land and real estate development costs

Estimating the net realisable value of land and real estate development costs, as disclosed in Notes 4.6 and 9 to the consolidated financial statements, is an area of management judgement, regarding to the estimation of provision for diminution in the value of slow-moving projects and under developing projects. This requires detailed analysis of the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of land and real estate development costs.

I assessed the internal controls of the Group relevant to the determination of provision for diminution in the value of land and real estate development costs by making enquiry of responsible executives and gaining an understanding of the designed controls. In addition, I also assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of land and real estate development costs, and reviewing the consistency of the application of that basis.
- Comparing the developing periods, sales periods and projects movements to identify projects with indicators of lower than normal turnover.
- Comparing proceeds from sales transactions occurring after the date of the financial statements with the cost of land and real estate development costs for each project.
- Comparing gross profit margin of sales transactions occurring during the year to identify projects that indicate net realisable value of land and real estate development costs lower than costs.
- Gaining an understanding of and assessed the significant assumptions and approaches applied by management or an independent appraiser in preparing estimates of net realisable value of projects that there were indicators of lower turnover or net realisable value lower than land and real estate development costs.

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 Miss Pimjai Manitkajohnkit.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 22 February 2017

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

		(Unit: Baht)				
		Consolidated financial statements		Separate financial statements		
Note		2016	2015	2016	2015	
Assets						
Current assets						
	Cash and cash equivalents	7	58,450,666	73,576,170	41,190,169	40,543,162
	Trade and other receivables	6, 8	5,923,737	9,861,593	57,241,745	4,854,473
	Advances to related parties	6	-	-	312,174,312	468,268,389
	Land and real estate development costs	9	2,524,575,780	1,841,028,371	2,029,435,273	770,247,783
	Advance for construction work		162,388,509	35,259,920	162,346,509	33,244,081
	Deposit for purchase of land		48,538,699	47,445,000	48,538,699	47,445,000
	Other current assets	10	24,046,264	9,975,379	14,509,587	9,471,342
	Total current assets		2,823,923,655	2,017,146,433	2,665,436,294	1,374,074,230
Non-current assets						
	Investment in subsidiary	11	-	-	68,593,941	68,593,941
	Investment in joint venture	12	25,027,561	34,508,485	27,000,000	39,000,000
	Investment properties	13	267,954,867	278,731,753	267,954,867	278,731,753
	Property, plant and equipment	14	27,726,609	14,463,388	27,161,038	13,481,706
	Intangible assets	15	4,706,570	3,934,394	4,706,570	3,934,394
	Deferred tax assets	24	16,538,448	741,676	17,036,880	1,378,540
	Other non-current assets		5,420,270	5,455,804	2,812,125	1,643,308
	Total non-current assets		347,374,325	337,835,500	415,265,421	406,763,642
	Total assets		3,171,297,980	2,354,981,933	3,080,701,715	1,780,837,872

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans	16	856,723,339	544,354,818	856,723,339	544,354,818
Trade and other payables	6, 17	217,874,483	150,747,432	204,467,157	73,806,156
Retention payables		33,423,467	29,710,554	29,771,874	22,155,809
Current portion of long-term loans from financial institutions	18	537,045,900	320,416,306	537,045,900	39,960,000
Short-term loans from related parties	6	18,506,105	47,372,458	-	7,500,000
Current portion of long-term loans from related parties	6	-	28,567,000	-	28,567,000
Income tax payable		5,315,212	4,309,313	-	-
Deposits and cash received in advance from customers		105,861,310	86,318,010	105,517,164	21,302,603
Other current liabilities		2,870,188	2,683,924	2,802,219	1,894,056
Total current liabilities		1,777,620,004	1,214,479,815	1,736,327,653	739,540,442
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	18	192,000,000	393,954,353	192,000,000	393,954,353
Long-term loans from related parties, net of current portion	6	52,318,925	57,636,218	52,318,925	57,636,218
Debentures	19	169,568,600	-	169,568,600	-
Provision for long-term employee benefits	20	3,400,361	1,660,890	3,400,361	1,660,890
Deferred tax liabilities	24	65,404	116,208	65,404	116,208
Other non-current liabilities		59,000	-	-	-
Total non-current liabilities		417,412,290	453,367,669	417,353,290	453,367,669
Total liabilities		2,195,032,294	1,667,847,484	2,153,680,943	1,192,908,111

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2016

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2016	2015	2016	2015
Shareholders' equity					
	Share capital	21			
	Registered				
	750,000,000 ordinary shares of Baht 1 each (2015: 905,000,000 ordinary shares of Baht 1 each)	750,000,000	905,000,000	750,000,000	905,000,000
	Issued and paid-up				
	750,000,000 ordinary shares of Baht 1 each (2015: 488,000,000 ordinary shares of Baht 1 each)	750,000,000	488,000,000	750,000,000	488,000,000
	Premium on ordinary shares	21	144,381,400	-	144,381,400
	Retained earnings				
	Appropriated - statutory reserve	22			
	- the Company	5,652,114	-	5,652,114	-
	- subsidiary	8,126,384	-	-	-
	Unappropriated	68,105,788	199,134,449	26,987,258	99,929,761
	Total shareholders' equity	976,265,686	687,134,449	927,020,772	587,929,761
	Total liabilities and shareholders' equity	3,171,297,980	2,354,981,933	3,080,701,715	1,780,837,872

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenue from sales of real estate		1,158,126,387	1,401,581,595	351,986,319	527,879,867
Rental and services income from factory	25	16,534,541	13,535,453	16,534,541	13,535,453
Other income					
Dividend income	11	-	-	150,000,000	-
Interest income		1,782,429	422,391	24,657,889	326,805
Gain on exchange rate		2,372,854	3,387,010	2,367,505	3,871,408
Others		21,906,859	11,011,592	23,954,729	8,685,259
Total revenues		1,200,723,070	1,429,938,041	569,500,983	554,298,792
Expenses					
Cost of real estate sold		830,365,755	1,010,662,217	242,313,329	353,132,419
Cost of rental and services of factory		10,776,885	10,776,885	10,776,885	10,776,885
Selling expenses		142,461,835	138,675,096	89,771,708	78,202,871
Administrative expenses		97,482,331	109,039,861	81,731,196	91,451,922
Total expenses		1,081,086,806	1,269,154,059	424,593,118	533,564,097
Profit before share of profit (loss) from investment in joint venture, finance costs and income tax expenses					
		119,636,264	160,783,982	144,907,865	20,734,695
Share of profit (loss) from investment in joint venture	12.2	2,519,076	(197,110)	-	-
Profit before finance costs and income tax expenses		122,155,340	160,586,872	144,907,865	20,734,695
Finance costs		(51,225,710)	(57,809,102)	(47,491,550)	(47,550,947)
Profit (loss) before income tax expenses		70,929,630	102,777,770	97,416,315	(26,816,252)
Income tax revenues (expenses)	24	(7,847,115)	(19,558,493)	15,625,974	159,610
Profit (loss) for the year		63,082,515	83,219,277	113,042,289	(26,656,642)
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	20	(332,678)	-	(332,678)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(332,678)	-	-332,678	-
Other comprehensive income for the year		(332,678)	-	(332,678)	-
Total comprehensive income for the year		62,749,837	83,219,277	112,709,611	(26,656,642)
Earnings per share					
Basic earnings per share	26				
Profit (loss) attributable to equity holders of the Company		0.09	0.25	0.16	(0.08)

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated retained earnings	Total
			Appropriated - statutory reserve the Company	subsidary		
Balance as at 1 January 2015	240,000,000	-	-	-	115,915,172	355,915,172
Profit for the year	-	-	-	-	83,219,277	83,219,277
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	83,219,277	83,219,277
Increase in share capital (Note 21)	248,000,000	-	-	-	-	248,000,000
Balance as at 31 December 2015	<u>488,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,134,449</u>	<u>687,134,449</u>
Balance as at 1 January 2016	488,000,000	-	-	-	199,134,449	687,134,449
Profit for the year	-	-	-	-	63,082,515	63,082,515
Other comprehensive income for the year	-	-	-	-	(332,678)	(332,678)
Total comprehensive income for the year	-	-	-	-	62,749,837	62,749,837
Unappropriated retain earnings transferred						
to statutory reserve	-	-	5,652,114	8,126,384	(13,778,498)	-
Increase in share capital (Note 21)	262,000,000	144,381,400	-	-	-	406,381,400
Dividend payment (Note 28)	-	-	-	-	(180,000,000)	(180,000,000)
Balance as at 31 December 2016	<u>750,000,000</u>	<u>144,381,400</u>	<u>5,652,114</u>	<u>8,126,384</u>	<u>68,105,788</u>	<u>976,265,686</u>

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements					Total
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			
			Appropriated - statutory reserve	Unappropriated retained earnings		
Balance as at 1 January 2015	240,000,000	-	-	126,586,403	366,586,403	
Loss for the year	-	-	-	(26,656,642)	(26,656,642)	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	(26,656,642)	(26,656,642)	
Increase in share capital (Note 21)	248,000,000	-	-	-	248,000,000	
Balance as at 31 December 2015	<u>488,000,000</u>	<u>-</u>	<u>-</u>	<u>99,929,761</u>	<u>587,929,761</u>	
Balance as at 1 January 2016	488,000,000	-	-	99,929,761	587,929,761	
Profit for the year	-	-	-	113,042,289	113,042,289	
Other comprehensive income for the year	-	-	-	(332,678)	(332,678)	
Total comprehensive income for the year	-	-	-	112,709,611	112,709,611	
Unappropriated retained earnings transferred to statutory reserve	-	-	5,652,114	(5,652,114)	-	
Increase in share capital (Note 21)	262,000,000	144,381,400	-	-	406,381,400	
Dividend payment (Note 28)	-	-	-	(180,000,000)	(180,000,000)	
Balance as at 31 December 2016	<u>750,000,000</u>	<u>144,381,400</u>	<u>5,652,114</u>	<u>26,987,258</u>	<u>927,020,772</u>	

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENT

For the year ended 31 December 2016

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit (loss) before tax	70,929,630	102,777,770	97,416,315	(26,816,252)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Decrease in land and real estate development costs as a result of transfer to cost of sales	829,059,527	1,009,099,545	241,111,400	351,569,748
Depreciation and amortisation	23,363,426	23,423,251	22,930,035	20,858,583
Amortisation of transaction costs of issuing debentures	177,134	-	177,134	-
Write-off of withholding tax	-	3,651,950	-	3,651,950
Loss on write-off of property, plant and equipment	-	1,990,424	-	388,923
Share of loss (profit) from investment in joint venture	(2,519,076)	197,110	-	-
Unrealised loss (gain) on exchange rate	(2,654,076)	347,635	(2,648,727)	(262,905)
Provision for long-term employee benefits	1,323,623	762,247	1,323,623	762,247
Interest income	(1,782,429)	(422,391)	(24,657,889)	(326,805)
Dividend income	-	-	(150,000,000)	-
Interest expenses	51,048,576	57,294,787	47,314,416	47,036,632
Profit from operating activities before change in operating assets and liabilities	968,946,335	1,199,122,328	232,966,307	396,862,121
Operating assets decrease (increase)				
Trade and other receivables				
- Related parties	290,975	(1,102,990)	(29,309,025)	(402,990)
- Others	3,646,882	(5,447,315)	(108,519)	(1,603,304)
Advances to related parties	-	1,281,999	156,094,077	(183,890,563)
Land and real estate development costs	(1,483,602,695)	(1,322,299,880)	(1,471,294,648)	(664,190,963)
Advance for construction work	(127,128,589)	45,644,252	(129,102,428)	(33,244,081)
Deposit for purchase of land	(1,093,699)	(30,921,000)	(1,093,699)	(30,921,000)
Other current assets	(10,074,000)	(1,931,800)	(1,041,361)	(1,762,934)
Other non-current assets	35,534	(4,210,178)	(1,168,817)	(566,682)
Operating liabilities increase (decrease)				
Trade and other payables				
- Related parties	(484,616)	(45,525)	(234,662)	(279,038)
- Others	68,537,506	43,285,382	130,324,308	38,803,024
Retention payables	3,712,913	6,437,818	7,616,065	14,266,821
Deposits and cash received in advance from customers	19,543,300	(19,817,774)	84,214,561	10,806,342
Other current liabilities	186,264	(428,293)	908,163	(39,499)
Other non-current liabilities	59,000	-	-	-
Cash flows used in operating activities	(557,424,890)	(90,432,976)	(1,021,229,678)	(456,162,746)
Cash paid for income tax	(26,602,507)	(29,183,971)	(3,996,884)	(13,000,855)
Net cash flows used in operating activities	(584,027,397)	(119,616,947)	(1,025,226,562)	(469,163,601)

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

CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Dividend received from subsidiary	-	-	150,000,000	-
Cash received from share reduction of joint venture	12,000,000	-	12,000,000	-
Cash paid for purchase of property, plant and equipment	(25,562,256)	(14,455,147)	(25,544,976)	(14,379,855)
Cash paid for purchase of computer software	(1,059,682)	(3,939,289)	(1,059,682)	(3,939,289)
Cash received from interest income	1,782,429	1,436,467	1,688,161	1,340,881
Net cash flows from (used in) investing activities	(12,839,509)	(16,957,969)	137,083,503	(16,978,263)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans	316,179,123	500,000,000	316,179,123	500,000,000
Decrease in short-term loans from related parties	(28,920,000)	(2,126,143)	(7,500,000)	-
Cash paid for repayment of long-term loans from related parties	(31,349,321)	(448,834,485)	(31,349,321)	(448,834,485)
Cash received from long-term loans from related parties	-	84,222,202	-	84,222,202
Cash paid for repayment of long-term loans from financial institutions	(464,324,759)	(925,037,541)	(183,868,451)	(193,550,847)
Cash received from drawdown of long-term loans from financial institutions	479,000,000	759,549,300	479,000,000	352,229,300
Cash received from issuance of debentures	170,000,000	-	170,000,000	-
Cash paid for transaction costs of issuing debentures	(608,534)	-	(608,534)	-
Cash received from share subscription	406,381,400	248,000,000	406,381,400	248,000,000
Dividend paid	(180,000,000)	-	(180,000,000)	-
Cash paid for interest expenses	(84,616,507)	(114,515,136)	(79,444,151)	(79,830,401)
Net cash flows from financing activities	581,741,402	101,258,197	888,790,066	462,235,769
Net increase (decrease) in cash and cash equivalents	(15,125,504)	(35,316,719)	647,007	(23,906,095)
Cash and cash equivalents at beginning of year	73,576,170	108,892,889	40,543,162	64,449,257
Cash and cash equivalents at end of year (Note 7)	58,450,666	73,576,170	41,190,169	40,543,162
	-	-	-	-
Supplemental cash flow information				
Non-cash items				
Interest expenses recorded as land and real estate development costs	29,004,242	38,708,602	29,004,242	11,380,426
Actuarial loss	415,848	-	415,848	-

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

**CHEWATHAI PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2016

1. General information

Chewathai Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Chartchewa Company Limited and TEE Development Pte Ltd, which were incorporated in Thailand and Singapore, respectively. The Company operates in Thailand and is principally engaged in the development of properties for sales and rent. The registered office of the Company is at 1168/80 Lumpini Tower, 27th Floor, Unit D, Rama IV Road, Tungmahamek, Sathorn, Bangkok.

The Market of Alternative Investment (MAI) approved the listing of the ordinary shares of the Company, to be traded from 5 April 2016.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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 Chewathai Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 %	2015 %
Chewathai Interchange Company Limited	Real estate development	Thailand	100	100

- b) The Company is deemed to have control over an investee or subsidiary 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) Subsidiary is 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 subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiary and joint venture under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiary 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 subsidiary's 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 subsidiary 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.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Revenue from sales of real estate

Sales of land and houses and sales of residential condominium units are recognised as revenue when the construction works are completed and the significant risks and rewards of ownership have been transferred to buyer and the ownerships have been transferred to buyers after all payments received from the buyers.

Rental and related service income

Rental income from factory is recognised on a straight-line basis over the lease term.

Service revenue is recognised on an accrual basis when services have been rendered.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of real estate sold

Cost of land and houses sold and cost of residential condominium unit sold consist of cost of land, land improvement, design fees, public utilities, construction and direct related interest and other related cost.

In determining the cost of land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to residential condominium units sold on the basis of the salable area.

Selling expenses directly associated with projects, such as specific business tax and transfer fee are recognised when the ownership has been transferred to the buyer.

4.3 Borrowing costs

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

The interest costs are determined by applying a capitalisation rate to the expenditures on that project. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the year.

4.4 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.

4.5 Trade and other receivables

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

4.6 Land and real estate development costs

Land and real estate development costs are stated at lower of cost and net realisable value. The details of cost calculation are as follows:

- Land - Cost of land using the weighted average method, calculating it separately for each project.
- Construction in progress - Construction in progress consists of the cost of design and construction, public utility costs and borrowing cost capitalised to cost of projects. The Company records cost of construction and public utilities based on the actual cost incurred.

The Company and its subsidiary recognise loss on diminution in value of projects (if any) in profit or loss.

4.7 Investments

- a) Investments in joint venture are accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiary and joint venture are accounted for in the separate financial statements using the cost method.

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

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 estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land and investment properties under construction.

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

4.9 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 the straight-line basis over the following estimated useful lives:

Buildings and lease building improvement	20 and 5 years
Machinery, office furniture, fixture and equipment	3 and 5 years
Sales office and mock-up room	1 to 5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

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 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	10 years

4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

4.12 Related party transactions

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

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

4.13 Long-term leases

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

Leases of property, plant 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 are included in determining income.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the investment property, property, plant and equipment and other intangible 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 could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

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 has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats 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 Provisions

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

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

At each reporting date, the Company and its subsidiary 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 subsidiary 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 subsidiary 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 subsidiary 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 subsidiary 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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

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.

Project development costs estimation

In calculating cost of land and houses sold and cost of residential condominium units sold, the Company and its subsidiary have to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utility costs, borrowing costs and other related costs. The management estimates these costs based on their business experience and revisit the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

The relationships between the Company, subsidiary, joint venture and its related parties are summarised below.

Name of related parties	Relationship
Chartchewa Company Limited	Major shareholder
TEE Development Pte Ltd.	Major shareholder
Chewathai Interchange Company Limited	Subsidiary
Chewathai Hup Soon Limited	Joint venture
TEE Land Limited	Common director
TEE Resources Pte Ltd.	Common director
Global Environmental Technology Co., Ltd.	Common director
Trans Equatorial Indochina Co., Ltd.	Common director
Thaisri Insurance Plc.	Common director
Oscar Estate Mangement Co., Ltd.	Common director
Oscar Design and Decoration Co., Ltd.	Common director
Amata Water Co., Ltd.	Common director
Amata City Co., Ltd.	Common director
Amata Facility Services Co., Ltd.	Common director

During the years, the Company and its subsidiary 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 subsidiary and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2016	2015	2016	2015	
<u>Transactions with subsidiary</u> (eliminated from the consolidated financial statements)					
Management fee income	-	-	11.21	-	Contract price
Interest income	-	-	22.97	-	5.46% p.a.
Dividend income	-	-	150.00	-	Declared rate
<u>Transactions with joint venture</u>					
Management fee income	0.13	0.50	0.13	0.50	Contract price
Interest expenses	0.02	0.12	0.02	0.12	Fixed deposit 24-month rate of commercial bank
<u>Transactions with related companies</u>					
Other income	3.87	4.14	3.87	4.14	Contract price
Management fee and other expenses	4.41	5.25	4.18	4.76	Market price
Interest expenses	6.67	13.19	4.21	10.41	7.00% p.a.

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Other receivables - related parties (Note 8)</u>				
Subsidiary	-	-	52,970	-
Joint venture	-	45	-	45
Related companies (related by common director)	3,465	3,711	2,365	3,011
Total other receivables - related parties	3,465	3,756	55,335	3,056
<u>Advances to related parties</u>				
Subsidiary	-	-	312,174	468,268
Total advances to related parties	-	-	312,174	468,268

As at 31 December 2016, the Company paid advances amounting to Baht 312 million (2015: Baht 468 million) to the subsidiary for use in the acquisition of condominium under construction assets of the Dzio Ngamwongwan project and for development of the subsidiary's projects. Interest charged at the rate of 5.46% on the advances since 2016.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Other payables - related parties (Note 17)</u>				
Joint venture	-	150	-	28
Related companies (related by common director)	12,055	14,324	8,733	9,463
Management and directors	-	350	-	350
Total other payables - related parties	12,055	14,824	8,733	9,841

(Unit: Thousand Baht)

	Consolidated		Separate		Interest policy
	financial statements		financial statements		
	2016	2015	2016	2015	(% p.a.)
Short-term loans from related parties					
Chewathai Hup Soon Limited	-	7,500	-	7,500	Fixed deposit rate of commercial bank
TEE Land Limited	18,506	18,452	-	-	7.00%
Chartchewa Company Limited	-	21,420	-	-	7.00%
Total	18,506	47,372	-	7,500	

Short-term loans from related parties are unsecured loans, carrying interest at the fixed rate and fixed deposit rate of commercial bank. The loans are repayable at call.

(Unit: Thousand Baht)

	Consolidated		Separate		Interest policy
	financial statements		financial statements		
	2016	2015	2016	2015	(% p.a.)
Long-term loans from related parties					
TEE Land Limited	52,319	57,636	52,319	57,636	7.00%
TEE Development Pte Ltd.	-	28,567	-	28,567	7.00%
Total	52,319	86,203	52,319	86,203	
Less: Current portion	-	(28,567)	-	(28,567)	
Long-term loans from related parties, net of current portion	52,319	57,636	52,319	57,636	

Long-term loans from related parties are unsecured loans, carrying interest at the fixed rate. The loans are repayable when the Company has sufficient cash flows.

Loans from related parties

As at 31 December 2016 and 2015, the balance and the movements of loans from related parties were as follows.

Short-term loans from related parties

(Unit: Thousand Baht)

Company	Consolidated financial statements				
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Difference from exchange rate	Balance as at 31 December 2016
Chewathai Hup Soon Limited	7,500	-	(7,500)	-	-
TEE Land Limited	18,452	-	-	54	18,506
Chartchewa Company Limited	21,420	-	(21,420)	-	-
Total	47,372	-	(28,920)	54	18,506

(Unit: Thousand Baht)

Company	Separate financial statements				
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Difference from exchange rate	Balance as at 31 December 2016
Chewathai Hup Soon Limited	7,500	-	(7,500)	-	-
Total	7,500	-	(7,500)	-	-

Long-term loans from related parties

(Unit: Thousand Baht)

Company	Consolidated and separate financial statements				
	Balance as at 31 December 2015	Increase during the year	Decrease during the year	Difference from exchange rate	Balance as at 31 December 2016
TEE Land Limited	57,636	-	(2,782)	(2,535)	52,319
TEE Development Pte Ltd.	28,567	-	(28,567)	-	-
Total	86,203	-	(31,349)	(2,535)	52,319

Directors and management's benefits

During the year ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2016	2015
Short-term employee benefits	17.69	17.24
Post-employment benefits	0.94	0.71
Total	18.63	17.95

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related party as described in Note 30.4.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash	272	212	177	132
Bank deposits	58,179	73,364	41,013	40,411
Total	58,451	73,576	41,190	40,543

As at 31 December 2016, bank deposits in saving accounts carried interests between 0.1% and 0.4% per annum (2015: between 0.1% and 0.4% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade accounts receivable - unrelated parties</u>				
Aged of receivables				
Not yet due	-	-	-	-
Overdue				
Up to 3 months	38	952	38	952
Total	38	952	38	952
Less: Allowance for doubtful account	-	-	-	-
Total trade accounts receivable - unrelated parties, net	38	952	38	952
<u>Other receivables</u>				
Other receivables - related parties	2,467	2,013	31,367	2,013
Other receivables - unrelated parties	2,421	5,154	1,869	846
Interest receivables - related parties	998	998	23,968	998
Accrued income - related parties	-	745	-	45
Total other receivables	5,886	8,910	57,204	3,902
Total trade and other receivables - net	5,924	9,862	57,242	4,854

9. Land and real estate development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land	1,711,533	978,944	1,420,726	696,117
Construction and design expenses	3,646,537	2,927,112	2,268,462	1,553,365
Interest capitalised as cost	225,781	196,777	162,834	133,830
Other costs	82,764	51,175	73,974	42,386
Total	5,666,615	4,154,008	3,925,996	2,425,698
Less: Accumulated cost transferred to cost of sales	(3,142,039)	(2,312,980)	(1,896,561)	(1,655,450)
Land and real estate development costs - net	2,524,576	1,841,028	2,029,435	770,248

During the years, the Company and its subsidiary included borrowing costs in cost of land and construction in progress. These were determined by applying a capitalisation rate which is the weighted average of the financial charges on total borrowings as follows.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Borrowing costs included in cost of land and construction in progress (Million Baht)	29	39	29	11
Capitalisation rate (%)	3.84 - 7.00	5.00 - 7.00	3.84 - 7.00	5.00 - 7.00

As at 31 December 2016 and 2015, the Company and its subsidiary have mortgaged land and construction thereon of projects to secure bank overdrafts and long-term loans from financial institutions, as described in Notes 16 and 18. The net book values are as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value of mortgaged land and construction thereon to secure loans	1,822	1,771	1,822	700

10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Refundable withholding tax	9,432	5,435	9,432	5,435
Prepaid expenses	11,989	2,445	2,978	1,941
Deferred revenue	327	581	327	581
Others	2,298	1,514	1,773	1,514
Total	24,046	9,975	14,510	9,471

11. Investment in subsidiary

Details of investment in subsidiary as presented in the separate financial statements as at 31 December 2016 and 2015 are as follows.

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2016	2015	2016 (%)	2015 (%)	2016	2015	2016	2015
Chewathai Interchange Company Limited	100,000	100,000	100	100	68,594	68,594	150,000	-
Total					68,594	68,594	150,000	-

12. Investment in joint venture**12.1 Details of investment in joint venture**

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of investment are as follows.

(Unit: Thousand Baht)

Joint venture	Nature of business	Shareholding Percentage		Separate financial statements		Consolidated financial statements	
		2016 (%)	2015 (%)	Carrying amounts based on cost method		Carrying amounts based on equity method	
		2016 (%)	2015 (%)	2016	2015	2016	2015
Chewathai Hup Soon Limited	Sale and rent of properties	50	50	27,000	39,000	25,028	34,508
Total				27,000	39,000	25,028	34,508

On 29 January 2016, the Extraordinary General Meeting of Shareholders of Chewathai Hup Soon Limited passed a resolution approving an decrease in the registered share capital from Baht 78 million (780,000 ordinary shares with par of Baht 100 each) to Baht 54 million (540,000 ordinary shares with par of Baht 100 each). The joint venture registered its decrease in share capital to the Ministry of Commerce on 2 February 2016. Consequently, carrying amount of investment in Joint Venture based on cost method was Baht 27 million.

12.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements		Separate financial statements	
	Share of profit/loss from investment in joint venture during the year		Dividend received during the year	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Chewathai Hup Soon Limited	2,519	(197)	-	-
Total	2,519	(197)	-	-

12.3 Summarised financial information about material joint venture

Summarised information about financial position

(Unit: Million Baht)

	Chewathai Hup Soon Limited	
	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	8.83	9.18
Current assets	33.48	48.57
Non-current assets	8.47	12.18
Current liabilities	(0.72)	(0.91)
Net assets	50.06	69.02
Shareholding percentage (%)	50%	50%
Share of net assets	25.03	34.51
Elimination entries	-	-
Carrying amounts of joint venture based on equity method	25.03	34.51

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Chewathai Hup Soon Limited	
	2016	2015
Revenue	8.44	12.13
Cost	(0.65)	(9.30)
Selling and administrative expenses	(1.48)	(2.79)
Income tax expenses	(1.27)	(0.43)
Profit (loss)	5.04	(0.39)
Other comprehensive income	-	-
Total comprehensive income	5.04	(0.39)

13. Investment properties

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Factory for rent	Vacant land	Total
31 December 2016:			
Cost	262,042	38,698	300,740
Less: Accumulated depreciation	(32,785)	-	(32,785)
Net book value	229,257	38,698	267,955
31 December 2015:			
Cost	262,042	38,698	300,740
Less: Accumulated depreciation	(22,088)	-	(22,088)
Net book value	240,034	38,698	278,732

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	Factory for rent	Vacant land	Total
Net book value as at 1 January 2015	250,811	38,698	289,509
Depreciation	(10,777)	-	(10,777)
Net book value as at 31 December 2015	240,034	38,698	278,732
Depreciation	(10,777)	-	(10,777)
Net book value as at 31 December 2016	229,257	38,698	267,955

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2016	2015
Factory for rent	360,070	354,074
Vacant land	45,290	39,960

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the vacant land has been determined based on market price, while that of the factory held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

Depreciation of investment properties for the year 2016 of Baht 11 million (2015: Baht 11 million) included in cost of rental and services.

The Company has pledged investment properties amounting to approximately Baht 268 million (2015: Baht 279 million) as collateral against credit facilities received from financial institutions, as described in Note 18.

During the years 2016 and 2015, the Company gained rental income and related service income arising from factory for rent which are recorded in profit or loss as detailed below.

	(Unit: Million Baht)	
	Consolidated and separated financial statements	
	2016	2015
Rental income from factory and service income	17	14

14. Property, plant and equipment

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Buildings and leased building improvement	Office furniture and equipment	Sales office and mock-up room	Total
Cost				
1 January 2015	6,127	8,806	11,623	26,556
Addition	33	1,583	12,839	14,455
Written off	(3,879)	(2,476)	(9,186)	(15,541)
31 December 2015	2,281	7,913	15,276	25,470
Addition	1,952	2,344	21,267	25,563
31 December 2016	4,233	10,257	36,543	51,033
Accumulated depreciation				
1 January 2015	3,392	4,620	4,424	12,436
Depreciation for the year	1,050	1,750	9,322	12,122
Depreciation on written off	(2,578)	(1,905)	(9,068)	(13,551)
31 December 2015	1,864	4,465	4,678	11,007
Depreciation for the year	397	1,690	10,212	12,299
31 December 2016	2,261	6,155	14,890	23,306
Net book value				
31 December 2015	417	3,448	10,598	14,463
31 December 2016	1,972	4,102	21,653	27,727
Depreciation for the year				
2015 (included in selling and administrative expenses)				12,122
2016 (included in selling and administrative expenses)				12,299

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings and leased building improvement	Office furniture and equipment	Sales office and mock-up room	Total
Cost					
1 January 2015	3,184	2,060	6,383	8,629	20,256
Addition	-	33	1,508	12,839	14,380
Written off	-	-	(1,621)	(6,507)	(8,128)
31 December 2015	3,184	2,093	6,270	14,961	26,508
Addition	-	1,952	2,326	21,267	25,545
31 December 2016	3,184	4,045	8,596	36,228	52,053
Accumulated depreciation					
1 January 2015	-	1,300	3,559	3,166	8,025
Depreciation for the year	-	414	1,248	7,894	9,556
Depreciation on written off	-	-	(1,239)	(6,500)	(7,739)
31 December 2015	-	1,714	3,568	4,560	9,842
Depreciation for the year	-	360	1,357	10,149	11,866
31 December 2016	-	2,074	4,925	14,709	21,708
Allowance for impairment loss					
1 January 2015	3,184	-	-	-	3,184
Increase during the year	-	-	-	-	-
31 December 2015	3,184	-	-	-	3,184
Increase during the year	-	-	-	-	-
31 December 2016	3,184	-	-	-	3,184
Net book value					
31 December 2015	-	379	2,702	10,401	13,482
31 December 2016	-	1,971	3,671	21,519	27,161
Depreciation for the year					
2015 (included in selling and administrative expenses)					9,556
2016 (included in selling and administrative expenses)					11,866

As at 31 December 2016 and 2015, the Company and its subsidiary had of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets were as follows:

(Unit : Million Baht)

	Consolidated financial statements		Separated financial statements	
	2016	2015	2016	2015
Equipment were fully depreciated but are still in use	6.74	3.22	6.28	3.22

15. Intangible assets

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2016	2015
Cost	4,999	3,939
Less: Accumulated amortisation	(292)	(5)
Net book value	4,707	3,934

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2016	2015
Net book value at beginning of year	3,934	-
Acquisition of computer software	1,060	3,939
Amortisation	(287)	(5)
Net book value at end of year	4,707	3,934

16. Bank overdrafts and short-term loans

16.1 Bank overdrafts and short-term loans

(Unit: Thousand Baht)

	Interest rate (% p.a.)		Consolidated and separate financial statements	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
<u>Bank overdrafts</u>				
Bank overdrafts	MOR	-	24,379	-
<u>Short-term loans</u>				
Bills of exchange	3.90 - 5.00	5.75 - 6.25	841,800	410,000
Less: Prepaid interest			(9,456)	(4,427)
Net			832,344	405,573

Bank overdrafts are secured by the mortgage of the Company's land and construction thereon of real estate projects.

16.2 Short-term debentures

Details of approval to issue the debenture of the Company are as follows:

Approved by	The Extraordinary General Meeting of Shareholders of the Company held on 25 May 2015
Term	Maximum terms of 270 days
Type	Unsubordinated and unsecured debentures
Method of issuance	To be issued to investors not over 10 person

The outstanding balances of debentures as at 31 December 2016 and 2015 are detailed below.

	No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
						Number of debenture (Shares)		Amount (Thousand Baht)	
						2016	2015	2016	2015
<u>Unsubordinated and unsecured debenture</u>									
	No. 1/2015	Fixed rate 6.15%	270 days	At maturity	23 February 2016	-	140,000	-	140,000
Total						-	140,000	-	140,000
Less: Prepaid interest								-	(1,218)
Net								-	138,782

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts payables - unrelated parties	185,314	94,388	183,275	35,255
Accrued expenses - related parties	11,855	13,530	8,533	8,856
Accrued expenses - unrelated parties	4,648	19,918	2,810	15,003
Other payables - related parties	200	1,294	200	985
Other payables - unrelated parties	15,857	21,617	9,649	13,707
Total trade and other payables	217,874	150,747	204,467	73,806

18. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated		Separate	
				financial statements		financial statements	
				2016	2015	2016	2015
1.	453	MLR -1.25	Payment of the interest on monthly basis and repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount per square meter as stated in the agreement	129,950	82,950	129,950	82,950
2.	230	Year 1-2: MLR-1.50 and thereafter: MLR - 1.25	Payment of the interest and repayment of principle on monthly basis and first repayment of principal in January 2011 to January 2020	122,796	148,356	122,796	148,356
3.	129	Year 1: 5.00% , year 2: MLR-1.75 and thereafter: MLR-1.50	Payment of the interest and repayment of principle on monthly basis and first repayment of principal in October 2015 to October 2024	2,000	16,400	2,000	16,400

(Unit: Thousand Baht)

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated financial statements		Separate financial statements	
				2016	2015	2016	2015
4.	314	MLR -1.50	Payment of the interest on monthly basis and repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount per square meter as stated in the agreement within 3 years	-	139,908	-	139,908
5.	211	MLR -1.00	Payment of the interest on monthly basis and repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 75% of the selling price and not less than amount as stated in the agreement within 3 years	42,300	46,300	42,300	46,300
6.	534	MLR -1.00	Payment of the interest on monthly basis and repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount per square meter as stated in the agreement within 3 years	-	280,456	-	-
7.	658	MLR - 1.50	Payment of the interest on monthly basis and repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement within 3 years	240,000	-	240,000	-

(Unit: Thousand Baht)

Loan	Facility amount (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated financial statements		Separate financial statements	
				2016	2015	2016	2015
8.	650	MLR - 1.70	Payment of the interest on monthly basis and repayment of principal upon redemption of residential condominium unit of the project sold at the rate of 70% of the selling price and not less than amount as stated in the agreement within within 3 years	192,000	-	192,000	-
Total				729,046	714,370	729,046	433,914
Less: Current portion				(537,046)	(320,416)	(537,046)	(39,960)
Long-term loans - net of current portion				192,000	393,954	192,000	393,954

The loans are secured by the mortgage of the Company and its subsidiary's land and construction thereon of real estate projects and investment properties.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiary to maintain debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2016, the long-term credit facilities of the Company and its subsidiary which have not yet been drawn down amounted to Baht 1,517 million (2015: Baht 717 million).

In 2016, the Company has been unable to maintain some financial ratios covenanted under the loan agreement (unrelated to principal and interest payment). For the purpose of reporting under generally accepted accounting standards, the Company has presented the outstanding balances of such loans as at 31 December 2016 as current liabilities in the statement of financial position. Currently, the Company is requesting a waivers letter for not complying with such covenant from the bank.

19. Debentures

Details of approval to issue the debenture of the Company are as follows:

Approved by	The Annual General Meeting of Shareholders of the Company held on 23 April 2015
Amount	Revolving amount of Baht 2,000 million or the equivalent in any other currencies
Term	Specify at each time
Type	Any types of debentures such as unsecured and/or secured
Method of issuance	Public offering and/or private placement and/or institutional investors in Thailand or offshore

As at 31 December 2016, the Company has unissued debentures under the above mentioned approval totaling Baht 1,830 million. (2015: Baht 2,000 million).

The outstanding balance of debentures as at 31 December 2016 and 2015 are detailed below.

No.	Interest rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
					Number of debenture (Shares)		Amount (Thousand Baht)	
					2016	2015	2016	2015
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2016	Fixed rate 4.60%	2 years	At maturity	4 April 2018	70,000	-	70,000	-
No. 2/2016	Fixed rate 4.08%	1.5 years	At maturity	2 May 2018	100,000	-	100,000	-
					<u>170,000</u>	<u>-</u>	<u>170,000</u>	<u>-</u>
							(431)	-
							<u>169,569</u>	<u>-</u>
Less: Unamortised portion of deferred transaction costs								
Total debentures - net								

Movements in the debentures during the year ended 31 December 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2016	-
Add: Issue of new debentures during the period	170,000
Amortisation of deferred transaction costs	177
Less: Transaction costs for issuance of debentures	(608)
Balance as at 31 December 2016	<u>169,569</u>

Prospectus contains certain covenants and restrictions regarding the maintenance of certain financial ratios, dividend payments and formal reporting when the significant events occurred such as a legal case, loan default.

20. 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 and separate financial statements	
	<u>2016</u>	<u>2015</u>
Provision for long-term employee benefits at beginning of year	1,661	899
Included in profit or loss:		
Current service cost	1,238	730
Interest cost	85	32
Included in other comprehensive income:		
Actuarial gain arising from		
Demographic assumptions changes	96	-
Financial assumptions changes	33	-
Experience adjustments	287	-
Provision for long-term employee benefits at end of year	<u>3,400</u>	<u>1,661</u>

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

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2016</u>	<u>2015</u>
Cost of sales	-	-
Selling and administrative expenses	1,323	762
Total expenses recognised in profit or loss	<u>1,323</u>	<u>762</u>

As at 31 December 2016 and 2015, the Company has no attention to pay for long-term employee benefits during the next year.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 15 years (2015: 19 years).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	Consolidated and separate financial statements	
	2016	2015
Discount rate	3.44	3.60
Salary increase rate	7.50	7.50
Turnover rate	0 - 30	0 - 30

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: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(0.50)	0.61	(0.20)	0.24
Salary increase rate	0.58	(0.49)	0.24	(0.21)

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(0.60)	0.79	(0.23)	0.31

21. Share capital

On 23 April 2015, the Annual General Meeting of the Company's shareholders passed the following resolutions with respect to the Company's share capital.

1. The conversion of the Company from a private limited company to a public company limited, pursuant to the plan to list on the Stock Exchange of Thailand, and approve the change of name of the Company from "Chewathai Limited" to "Chewathai Public Company Limited".

2. A change the par value of the ordinary shares, splitting 2.4 million ordinary shares of Baht 100 each into 240 million ordinary shares of Baht 1 each. The Company registered the changes in par value and number of shares with the Ministry of Commerce on 24 April 2015, and its paid-up share capital is Baht 240 million.
3. The increase the registered capital from Baht 240,000,000 to Baht 580,000,000, by issuing an additional 340,000,000 ordinary shares with a par value of Baht 1 each, to be reserved to support the plan to list the Company on the Stock Exchange of Thailand, with the new ordinary shares to be allocated as follows:
 - 3.1 Allocation of up to 108,000,000 new ordinary shares with a par value of Baht 1 per share to the existing shareholders proportionate to their respective shareholding (Rights Offering).
 - 3.2 Allocation of up to 232,000,000 new ordinary shares with a par value of Baht 1 per share to the Initial Public Offering (IPO).

The Company registered the change of its share capital with the Ministry of Commerce on 27 April 2015 and its paid up share capital to Baht 348,000,000.

4. A listing of the Company's shares in the Stock Exchange of Thailand.

On 21 October 2015, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.

1. To approve a reduction of the registered share capital by canceling the 232,000,000 unissued shares.
2. To approve an increase in the registered share capital of Baht 557,000,000 by issuing an additional 557,000,000 new ordinary shares with a par value of Baht 1 each. The new ordinary shares were allocated as follows:
 - 2.1 Allocation of up to 240,000,000 new ordinary shares with a par value of Baht 1 per share to the existing shareholders proportionate to their respective shareholding (Rights Offering).
 - 2.2 Allocation of up to 317,000,000 new ordinary shares with a par value of Baht 1 per share to the Initial Public Offering (IPO).

In addition, the Company called up partial payment of 45,000,000 new ordinary shares of Baht 1 each, or a total of Baht 45 million from the existing shareholders. The Company has already received the subscription. The Company registered the change of its share capital with the Ministry of Commerce on 27 October 2015, which increased the Company's registered

share capital from Baht 580 million to Baht 905 million and increased the Company's paid up share capital from Baht 348 million to Baht 393 million.

On 2 November 2015, the Company called up additional payment of Baht 95 million from the existing shareholders. The Company has already received the subscription. The Company registered the change of its share capital with the Ministry of Commerce on 13 November 2015, which increased the Company's paid up share capital from Baht 393 million to Baht 488 million.

On 17 February 2016, the Extraordinary General Meeting of the Company's shareholders approved the following resolutions.

1. A reduction of the registered share capital by canceling the 417,000,000 unissued ordinary shares with a par value of Baht 1 each.
2. An increase in the registered share capital of Baht 262,000,000 by issuing an additional 262,000,000 new ordinary shares with a par value of Baht 1 each. The new ordinary shares up to 262,000,000 shares with a par value of Baht 1 per share will be allocated through the Initial Public Offering (IPO).

The Company registered the change of its share capital with the Ministry of Commerce on 2 March 2016, which changed the Company's registered share capital from Baht 905 million to Baht 750 million.

On 31 March 2016, the Company received payment through the Initial Public Offering (IPO) for the 262,000,000 ordinary shares of Baht 1.60 each, totaling Baht 419 million. Direct costs attributable to the share offering, amounting to Baht 12.8 million, are presented as a deduction from the premium on ordinary shares. The Company registered the increase in its paid up capital with the Ministry of Commerce on 1 April 2016.

Reconciliation of number of ordinary shares

	(Unit: Shares)	
	For the year ended 31 December	
	2016	2015
<u>Registered share capital</u>		
Number of ordinary shares as at 1 January	905,000,000	2,400,000
Increase from change in par value	-	237,600,000
Share capital after change in par value	905,000,000	240,000,000
Decrease in share capital during the year	(417,000,000)	-
Increase in share capital during the year	262,000,000	665,000,000
Number of ordinary shares as at 31 December	<u>750,000,000</u>	<u>905,000,000</u>

	(Unit: Shares)	
	For the year ended 31 December	
	2016	2015
<u>Issued and paid-up share capital</u>		
Number of ordinary shares as at 1 January	488,000,000	2,400,000
Increase from change in par value	-	237,600,000
Share capital after change in par value	488,000,000	240,000,000
Increase in share capital during the year	262,000,000	248,000,000
Number of ordinary shares as at 31 December	<u>750,000,000</u>	<u>488,000,000</u>

22. Statutory reserve

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

According to the Thai Civil and Commercial Code, the subsidiary is required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the subsidiary pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Purchase of land and payment of construction in progress during year	1,505	1,362	1,500	676
Changes in land, constructions in progress and land held for development	(676)	(352)	(1,259)	(324)
Salaries and wages and other employee benefits	61	63	61	63
Depreciation and amortisation	23	23	23	21
Loss on write-off of property, plant and equipment	-	2	-	-
Rental expenses from operating lease agreements	6	6	6	5

24. Income tax

Income tax expenses (revenues) for the years ended 31 December 2016 and 2015 are made up as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	23,612	20,493	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(15,765)	(935)	(15,626)	(160)
Income tax expenses (revenues) reported in the statements of comprehensive income	7,847	19,558	(15,626)	(160)

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	
	2016	2015	2016	2015
Deferred tax relating to actuarial loss	83	-	83	-
	83	-	83	-

The reconciliation between accounting profit and income tax expense 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 (loss) before tax	70,930	102,778	97,416	(26,816)
Applicable tax rate	0% and 20%	0% and 20%	0% and 20%	0% and 20%
Accounting profit before tax multiplied by income tax rate	14,186	20,556	19,483	-
Effects of:				
Exempt dividend income	-	-	(30,000)	-
Change in value of investments accounted for the equity method	(504)	39	-	-
Non-deductible expenses	1,103	2,466	1,092	1,360
Additional expense deductions allowed	(2,749)	(7,372)	(2,749)	-
Others	(4,189)	3,869	(3,452)	(1,520)
Total	(6,339)	(998)	(35,109)	(160)
Income tax expense (revenues) reported in the statement of comprehensive income	7,847	19,558	(15,626)	(160)

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets				
Allowance for asset impairment	-	-	637	637
Cost of projects	138	-	-	-
Accumulated depreciation - sales office	1,615	410	1,615	410
Provision for long-term employee benefits	680	332	680	332
Unused tax loss	14,105	-	14,105	-
Total	16,538	742	17,037	1,379
				(Unit: Thousand Baht)
	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax liabilities				
Rental and services income from factory	65	116	65	116
Total	65	116	65	116

As at 31 December 2016 and 2015, the Company had no deductible temporary differences and unused tax losses on which deferred tax assets have not been recognised.

The unused tax losses amounting to Baht 17 million will expire by 2020.

25. Promotional privileges

The Company has received promotional privileges from the Board of Investment for industrial factory, pursuant to the investment promotion certificate No. 1251(2)/2557 issued on 25 February 2014 and the investment promotion certificate No. 58-2088-0-00-1-0 issued on 25 August 2015. Subject to certain imposed conditions, the privileges include the followings.

- Exemption from corporate income tax on net profit derived from the promoted operations for a period of 8 years commencing from the date the promoted operations begin generating revenues but not exceeding 100% of investments, excluding land and working capital.
- Exemption from corporate income tax on dividends paid to shareholders from the income of the promoted operations during corporate income tax exemption period.
- A fifty percent reduction of corporate income tax on net profit from the promoted operations, for a period of 5 years after the tax-exemption period ends.
- Double deduction from taxable income of transportation, electricity and water supply costs for a period of 10 years from the date of the first revenue derived from promoted operations.
- Deduction of twenty-five percent of investment related to infrastructure installation or construction. The deduction is additional to normal depreciation.
- Permission to take out or remit abroad the money in foreign currency.

The Company's operating revenues for the year ended 31 December 2016 and 2015, divided between promoted and non-promoted operations, are summarised below.

		(Unit: Thousand Baht)				
		Promoted operations		Non-promoted operations		Total
		2016	2015	2016	2015	2016
						2015
Sales						
	Domestic sales	16,535	13,535	351,986	527,880	368,521
						541,415

26. Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit (loss) for the year (Thousand Baht)	63,083	83,219	113,042	(26,657)
Weighted average number of ordinary shares (Thousand shares)	685,574	337,293	685,574	337,293
Earnings per share (Baht per share)	0.0920	0.2467	0.1649	(0.0790)

27. Segment information

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

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

- Real estate business segment which is land and houses and residence condominium projects for sale.
- Rental and service business segment which is factory for rent.

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

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

The following tables present revenue and profit information regarding the Company's and its subsidiary's operating segments for the year ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

	For the year ended 31 December 2016				
	Real estate business	Rental and service business	Total reportable segments	Eliminations	Consolidated
Revenue from external customers	1,158	17	1,175	-	1,175
Inter-segment revenue	-	-	-	-	-
Total revenues	1,158	17	1,175	-	1,175
Segment gross profit	328	6	334	-	334
Other income	21	2	23	-	23
Interest expenses	(41)	(10)	(51)	-	(51)
Depreciation and amortisation	(13)	-	(13)	-	(13)
Interest in the profit or loss of joint venture accounted for by the equity method	3	-	3	-	3
Other expenses	(222)	(5)	(227)	-	(227)
Segment profit (loss)	76	(7)	69	-	69
Non allocate income and expenses					
Gain on exchange rate					2
Income tax expenses					(8)
Profit for the year					63

(Unit: Million Baht)

	For the year ended 31 December 2015				
	Real estate business	Rental and service business	Total reportable segments	Eliminations	Consolidated
Revenue from external customers	1,402	14	1,416	-	1,416
Inter-segment revenue	-	-	-	-	-
Total revenues	1,402	14	1,416	-	1,416
Segment gross profit	391	3	394	-	394
Other income	11	-	11	-	11
Interest expenses	(45)	(13)	(58)	-	(58)
Depreciation and amortisation	(12)	-	(12)	-	(12)
Interest in the profit or loss of joint venture accounted for by the equity method	-	-	-	-	-
Other expenses	(229)	(6)	(235)	-	(235)
Segment profit (loss)	116	(16)	100	-	100
Non allocate income and expenses					
Gain on exchange rate					3
Income tax expenses					(20)
Profit for the year					83

The following table present total assets information regarding the Company's and its subsidiary's operating segments for the year ended 31 December 2016 and 2015, respectively.

(Unit: Million Baht)

	As at 31 December 2016				
	Real estate business	Rental and service business	Total reportable segments	Unallocated assets	Consolidated financial statements
Segment total assets	2,761	268	3,029	142	3,171
Investment in joint venture accounted for by the equity method	25	-	25	-	25
Additions to non-current assets other than financial instruments and deferred tax assets	-	(11)	(11)	5	(6)

(Unit: Million Baht)

	As at 31 December 2015				
	Real estate business	Rental and service business	Total reportable segments	Unallocated assets	Consolidated financial statements
Segment total assets	1,958	279	2,237	118	2,355
Investment in joint venture accounted for by the equity method	35	-	35	-	35
Additions to non-current assets other than financial instruments and deferred tax assets	-	(11)	(11)	8	(3)

Geographic information

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

Major customers

For the years 2016 and 2015, the Company and its subsidiary have no major customer with revenue of 10% or more of an entity's revenues.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by SCB 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 1.7 million (2015: Baht 0.6 million) were recognised as expenses.

29. Dividends

Dividends	Approved by	Total	Dividend per
		dividends	share
		(Million Baht)	(Baht)
Final dividends for 2015	Annual General Meeting of the		
	shareholders on 3 March 2016	180	0.37
Total for 2016		<u>180</u>	<u>0.37</u>

30. Commitments

30.1 Capital commitments

As at 31 December 2016 and 2015, the Company and its subsidiary had capital commitments of approximately Baht 0.03 million and Baht 0.6 million, respectively (the Company only: Baht 0.03 million and Baht 0.6 million, respectively), relating to purchase computer software.

30.2 Commitments for purchase of land and construction work

As at 31 December 2016 and 2015, the Company and its subsidiary had the following outstanding commitments in respect of agreements to purchase of land and construction of projects.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Construction contracts	527	349	527	349
Agreements to purchase land for development of future projects	279	269	279	269

30.3 Operating lease commitments

As at 31 December 2016 and 2015, the Company and its subsidiary had commitments relating to the lease and service agreements under operating lease contracts as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Payable:				
In up to 1 year	6	5	4	5

30.4 Guarantee

- (a) As at 31 December 2015, the Company had obligations in respect of guarantees issued to a commercial bank for credit facilities of subsidiary totaling Baht 280 million (2016: Nil).
- (b) As at 31 December 2016, there were outstanding bank guarantees to guarantee contractual performance of approximately Baht 6.8 million (2015: Nil) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

30.5 Litigation

In December 2015, the Company was sued for breach of agreement to sell or to buy, demanding the refund of advance paid, with the amount in dispute of Baht 0.18 million. In June 2016, the Court of First Instance ordered the Company to pay for damages of Baht 0.18 million plus interest at a rate of 7.5% per annum, commencing from 29 December 2015 until the full amount is paid. At present, the case is under consideration of the Appeal Court. However, the management believes that there will be no material impact on the Company.

31. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated Financial Statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	405	405
Liabilities for which fair value are disclosed				
Debentures	-	170	-	170

(Unit: Million Baht)

	Consolidated Financial Statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	394	394

(Unit: Million Baht)

	Separate Financial Statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	405	405
Liabilities for which fair value are disclosed				
Debentures	-	170	-	170

(Unit: Million Baht)

	Separate Financial Statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	394	394

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, advance, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts receivable, loans, and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Company and its subsidiary's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, 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.

(Million Baht)

	Consolidated financial statements as at 31 December 2016						Effective interest rate
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
							(% per annum)
Financial Assets							
Cash and cash equivalent	-	-	-	56	2	58	Note 7
Trade and other receivables	-	-	-	-	6	6	-
Advance for construction work	-	-	-	-	162	162	-
	-	-	-	56	170	226	
Financial Liabilities							
Bank overdrafts and short-term loans	833	-	-	24	-	857	Note 16
Trade and other payables	-	-	-	-	218	218	-
Retention payables	-	-	-	-	33	33	-
Loans from related parties	19	52	-	-	-	71	Note 6
Long-term loans from financial institutions	-	-	-	729	-	729	Note 18
Debentures	-	170	-	-	-	170	Note 19
Deposits and cash received in advance from customers	-	-	-	-	106	106	-
	852	222	-	753	357	2,184	

(Million Baht)

	Consolidated financial statements as at 31 December 2015						Effective interest rate
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
							(% per annum)
Financial Assets							
Cash and cash equivalent	-	-	-	72	2	74	Note 7
Trade and other receivables	-	-	-	-	10	10	-
Advance for construction work	-	-	-	-	35	35	-
	-	-	-	72	47	119	
Financial Liabilities							
Bank overdrafts and short-term loans	544	-	-	-	-	544	Note 16
Trade and other payables	-	-	-	-	151	151	-
Retention payables	-	-	-	-	30	30	-
Loans from related parties	68	-	58	8	-	134	Note 6
Long-term loans from financial institutions	-	-	-	714	-	714	Note 18
Deposits and cash received in advance from customers	-	-	-	-	86	86	-
	612	-	58	722	267	1,659	

(Million Baht)

	Separate financial statements as at 31 December 2016						Effective interest rate
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
(% per annum)							
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	39	2	41	Note 7
Trade and other receivables	-	-	-	-	57	57	-
Advances to related parties	-	-	312	-	-	312	Note 6
Advance for construction work	-	-	-	-	162	162	-
	<u>-</u>	<u>-</u>	<u>312</u>	<u>39</u>	<u>221</u>	<u>572</u>	
<u>Financial Liabilities</u>							
Bank overdrafts and short-term loans	833	-	-	24	-	857	Note 16
Trade and other payables	-	-	-	-	204	204	-
Retention payables	-	-	-	-	30	30	-
Loans from related parties	-	52	-	-	-	52	Note 6
Long-term loans from financial institutions	-	-	-	729	-	729	Note 18
Debentures	-	170	-	-	-	170	Note 19
Deposits and cash received in advance from customers	-	-	-	-	106	106	-
	<u>833</u>	<u>222</u>	<u>-</u>	<u>753</u>	<u>340</u>	<u>2,148</u>	

(Million Baht)

	Separate financial statements as at 31 December 2015						Effective interest rate
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
(% per annum)							
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	39	2	41	Note 7
Trade and other receivables	-	-	-	-	5	5	-
Advances to related parties	-	-	-	-	468	468	Note 6
Advance for construction work	-	-	-	-	33	33	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>39</u>	<u>508</u>	<u>547</u>	
<u>Financial Liabilities</u>							
Bank overdrafts and short-term loans	544	-	-	-	-	544	Note 16
Trade and other payables	-	-	-	-	74	74	-
Retention payables	-	-	-	-	22	22	-
Loans from related parties	28	-	58	8	-	94	Note 6
Long-term loans from financial institutions	-	-	-	434	-	434	Note 18
Deposits and cash received in advance from customers	-	-	-	-	21	21	-
	<u>572</u>	<u>-</u>	<u>58</u>	<u>442</u>	<u>117</u>	<u>1,189</u>	

Foreign currency risk

The Company's and its subsidiary's exposure to foreign currency risk arises mainly from borrowings that are denominated in foreign currency. The Company and its subsidiary do not enter into forward exchange contracts.

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currency are summarised below.

Foreign currency	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2016 (Million)	2015 (Million)	2016 (Baht per 1 foreign currency unit)	2015
Singapore dollar	-	3	-	25.7905

32.2 Fair values of financial instruments

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

The carrying value and fair value of long-term financial liabilities as at 31 December 2016 and 2015 are presented below.

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Debentures	170	170	-	-

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Debentures	170	170	-	-

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, accounts receivable and short-term loans to, accounts payable and short-term loans from, their carrying amounts in the statement of financial position approximate their fair value.
- b) For fixed rate debentures and long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- c) For debentures and long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

During the current period, there were no transfers within the fair value hierarchy.

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 2.2:1 (2015: 2.4:1) and the Company's was 2.3:1 (2015: 2.0:1).

34. Events after the reporting period

- 34.1 On 7 February 2017, the Company's Board of Directors meeting has passed the resolution to approve the Company to receive financial support from a director at Baht 200 million to be used as working capital of the Company. This financial support is subject to interest at 4% per annum and due for repayment not exceed than 2 years as from the transaction date without guarantee.
- 34.2 On 22 February 2016, the meeting of the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval of dividend payment from operating results for year ended 31 December 2016, at a rate of Baht 0.03 per share, amounted to a total of Baht 23 million. This dividend will be paid in May 2017.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2017.



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